Oregon
Theodore R. Kulongoski, Governor

Department of Land Conservation and Development
635 Capitol Street, Suite 150
Salem, OR 97301-2540
(503) 373-0050
Fax (503) 378-5518
www.lcd.state.or.us

NOTICE OF ADOPTED AMENDMENT

12/20/2010

TO: Subscribers to Notice of Adopted Plan or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialist

SUBJECT: City of Medford Plan Amendment
DLCD File Number 008-09

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Monday, January 03, 2011

This amendment was submitted to DLCD for review prior to adoption pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

*NOTE: The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged.

Cc: Praline McCormack, City of Medford
Gloria Gardiner, DLCD Urban Planning Specialist

Gloria Gardiner, DLCD Urban Planning Specialist
Angela Lazarean, DLCD Urban Planner
Ed Moore, DLCD Regional Representative

<paa> Y/l

FORM 2 DLCD Notice of Adoption

This Form 2 must be mailed to DLCD within **5-Working Days after the Final Ordinance is signed** by the public Official Designated by the jurisdiction and all other requirements of ORS 197.615 and OAR 660-018-000

☐ In person ☐ electronic ☐ mailed

DATE STAMP

DEPT OF

DEC 13 2010

LAND CONSERVATION AND DEVELOPMENT

For Office Use Only

Jurisdiction: **City of Medford**

Local file number: **CP-08-055**

Date of Adoption: **December 2, 2010**

Date Mailed: December 9, 2010

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? ☒ Yes ☐ No Date: 06/25/10

☒ Comprehensive Plan Text Amendment

☐ Comprehensive Plan Map Amendment

☐ Land Use Regulation Amendment

☐ Zoning Map Amendment

☐ New Land Use Regulation

☐ Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Amend the Comprehensive Plan to adopt a revised Housing Element, including Housing Needs Analysis, for the planning period 2009 to 2029.

Does the Adoption differ from proposal? No, no explaination is necessary

Plan Map Changed from: **n/a** to: **n/a**

Zone Map Changed from: **n/a** to: **n/a**

Location: **City-wide** Acres Involved:

Specify Density: Previous: New:

Applicable statewide planning goals:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
☒	☒	☐	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐

Was an Exception Adopted? ☐ YES ☒ NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing?	☒ **Yes**	☐ **No**
If no, do the statewide planning goals apply?	☐ **Yes**	☐ **No**
If no, did Emergency Circumstances require immediate adoption?	☐ **Yes**	☐ **No**

DLCD file No. _____

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Department of Land Conservation and Development, Oregon Housing & Community Services, Jackson County, City of Central Point, City of Phoenix

Local Contact: **Praline McCormack, Planner II** Phone: **(541) 774-2380** Extension:

Address: **200 S. Ivy Street** Fax Number: **541-774-2564**

City: **Medford** Zip: **97501** E-mail Address: **praline.mccormack@cityofmedford.org**

ORDINANCE NO. 2010-250

AN ORDINANCE approving a major amendment to the *Medford Comprehensive Plan* adopting a new Housing Element and replacing the current Housing Element in its entirety.

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

Section 1. This Ordinance constitutes a major Class "A" legislative amendment to the *Medford Comprehensive Plan* and hereby replaces in its entirety the existing *Medford Comprehensive Plan Housing Element* with the updated *Medford Comprehensive Plan Housing Element* attached to this Ordinance as Exhibit A.

Section 2. The City Council acknowledges the Housing Element concludes that the existing Urban Growth Boundary does not contain sufficient residential capacity to meet future housing needs. Consistent with this conclusion, the City shall immediately take action by following the City's adopted and acknowledged amendment procedures that will ultimately effect amendments to the *Medford Comprehensive Plan* consistent with the one of the required actions laid forth in ORS 197.296(6)(a) or (c).

Section 3. The City Council herewith incorporates and adopts the Findings of Fact and Conclusions of Law, attached as Exhibit B and dated November 10, 2010.

Section 4. In addition, to the general Findings of Fact and Conclusions of Law in Exhibit B, the City Council also herewith incorporates and adopts specific Conclusions of Law that respond to comments provided by the Department of Land Conservation and Development, attached as Exhibit C and dated November 10, 2010. In the event of any conflict between Exhibit B and Exhibit C, the more specific Conclusions of Law in Exhibit C shall govern.

PASSED by the Council and signed by me in authentication of its passage this 2 day of December, 2010.

ATTEST: Glenda Wilson
City Recorder

Mayor

APPROVED December 2, 2010.

Mayor

City of Medford

Agenda Item Commentary

Item No.:
Meeting Date: **December 2, 2010**
Page: **1 of 1**

SUBJECT:
Consideration of an ordinance amending the *Medford Comprehensive Plan* by replacing the current Housing Element with a fully updated Housing Element, including a Housing Needs Analysis, for the planning period 2009 to 2029 (City of Medford, Applicant). (Major Land Use, Legislative)

INITIATOR:
City of Medford

STAFF INFO. SOURCE:
James E. Huber, A.I.C.P., Planning Director
Praline McCormack, Planner II
File No. CP-08-055

FISCAL IMPACT/SOURCE:
N/A

RECOMMENDATION:
Adopt the ordinance.

VISION STATEMENT/COUNCIL GOAL:
Strategy 10 – Housing -Vision Statement: Medford has an abundant variety of attractive, safe, and clean housing choices that suit a range of lifestyles, ages, and income levels without discrimination.
Element 2: New housing in all price ranges is available in well-planned, mixed-use neighborhoods.
Action 2.2: Review and update where appropriate, land use and development policies contained in the Comprehensive Plan, and zoning and building ordinances.

BACKGROUND & KEY ISSUES:
At the meeting of October 21, 2010, City Council conducted a hearing and voted to amend the *Medford Comprehensive Plan* by replacing the current Housing Element (1994 to 2010) with a fully updated Housing Element, including a Housing Needs Analysis, for the 2009 to 2029 planning period. Final action on the ordinance was scheduled for the meeting of December 2, 2010 to allow time for finalization of the findings of fact and conclusions of law in support of the decision. At their meeting of September 9, 2010, the Medford Planning Commission had conducted a hearing and voted to forward a favorable recommendation to the City Council.

EXHIBITS:
A – Housing Element 2009 – 2029, dated September 10, 2010
B – Findings of Fact and Conclusions of Law - CP-08-055, dated November 10, 2010
C – Conclusions of Law – Oregon Department of Land Conservation and Development (DLCD) Comments - CP-08-055, dated November 10, 2010
D – Excerpt from Minutes of October 21, 2010 City Council meeting

The following exhibits are on file in the City Clerk and Planning Department offices:

E - Planning Commission Order, dated September 9, 2010 and Planning Commission Report, dated August 31, 2010
F - All comments received from DLCD regarding the Housing Element
G - All minutes from Planning Commission hearings regarding the Housing Element

DRAFT

Housing Element

of the Medford *Comprehensive Plan*

Medford Planning Department
City of Medford, Oregon
www.medford.ci.or.us

Draft of September 10, 2010

EXHIBIT 'A'

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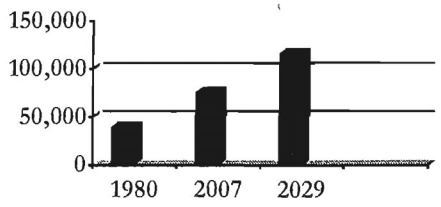
EXECUTIVE SUMMARY

The purpose of the *Housing Element* is to present analysis of trends that may affect housing needs in the City of Medford from 2009 to 2029 including: demographic, local residential development, housing affordability, and national housing trends. The *Housing Element* is intended to comply with statewide planning policies that govern housing including Goal 10 (Housing), ORS 197.296, and OAR 660 Division 8.

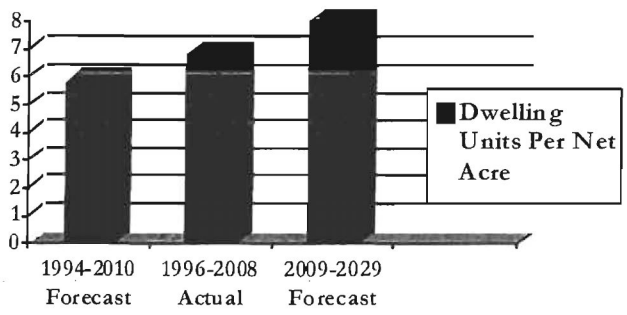
Medford's Population 1980 - 2029



Medford's population has grown substantially over the last 27 years, and will continue to do so. Population has grown by 94 percent, increasing from 39,700 people in 1980 to 77,240 people in 2009. This represents an average annual growth rate of 2.3 percent. The adopted population forecast predicts that between 2009 and 2029 population will grow to 115,900 representing an average annual rate of 1.9 percent. The majority of households tend to be family households. Medford is younger on average than both Jackson County and the State, with the fastest-growing age groups being children and young adults (aged 5 to 17), and baby boomers (aged 45 to 64). The implication of these trends is that Medford will need to provide housing in a range of types and prices to meet the varying needs of its citizens – both present and future.

Given its population growth, it is not surprising to find that Medford's housing stock increased by 7,422 dwelling units between 1996 and 2009. Medford supplied a variety of housing types during that period, including 4,121 single family detached, 180 manufactured dwellings, 175 single-family attached, 297 duplexes and 2,092 dwellings in multi-unit projects. The average density for residential development between 1996 and 2009 was 6.8 dwellings per net acre, which was higher than the *1995 Housing Element* forecasted average density of 5.8 dwellings per net acre. The current Housing Needs Analysis, which is based on the adopted Buildable Lands Inventory, proposes an increase in the average residential density for the 2009 to 2029 period of 8.0 dwellings per net acre, or 6.3 dwellings per gross acre (the density of land that may be added to the Urban Growth Boundary to meet the City's need would average 6.5 dwellings per gross acre). Gross density refers to the number of dwelling units for each acre of land including areas devoted to streets, sidewalks, and other public rights-of-way and infrastructure. Whereas net density is the number of dwelling units for each acre of land devoted to residential uses excluding the public rights-of-way.

Average Net Density of Medford's Residential Development



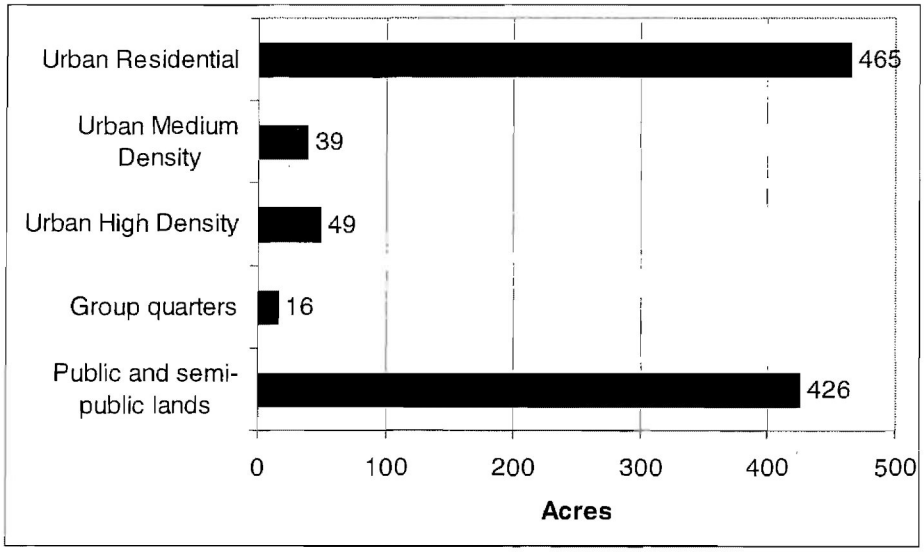
Because Medford has a need for housing of all types, future development is assumed to occur similarly to past development; the mix of housing is expected to continue with 65% single-family types and 35% multi-family types.

Between 2000 and 2008 housing became less affordable because home prices increased by 68%, while household income increased by only 10 percent. In contrast, the cost of rent increased by 35 percent. In addition,

EXHIBIT 'A'

households and families in Medford have lower income on average than the state averages. The homeownership rate has historically been 57% of units in 1990 and 2000. Based on these trends homeownership rates will not change substantially over the 2009-2029 period.

Medford has an estimated capacity for development of 11,424 dwelling units within the existing urban growth boundary. In order to accommodate forecasted population growth from 2009 to 2029, Medford will need 15,050 new dwelling units – an excess of 3,626 units beyond the City's current capacity. Therefore, Medford does not have enough residential buildable land within the existing urban growth boundary to accommodate predicted growth. **The Housing Needs Analysis indicates that there is a need for 996 total gross acres of additional residential land in the General land Use Plan designations depicted below.**



Lastly, this *Housing Element* includes Conclusions, Goals, Policies and Implementation Strategies that will guide the City's policy and decision-making related to residential development over the next twenty years.

BEFORE THE CITY COUNCIL
FOR THE CITY OF MEDFORD
JACKSON COUNTY, OREGON

IN THE MATTER OF A PROCEDURAL CLASS A LEGISLATIVE AMENDMENT TO THE CITY OF MEDFORD *COMPREHENSIVE PLAN* THAT REPLACES THE EXISTING HOUSING ELEMENT AND ADOPTS A NEW HOUSING NEEDS ANALYSIS.

FINDINGS OF FACT AND CONCLUSIONS OF LAW
File No. CP-08-055
Ordinance Exhibit 'B'

November 10, 2010

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Attachments:
Statewide Planning Goal 10 - Housing
Oregon Revised Statute (ORS) 197.296 - Factors to establish sufficiency of buildable lands within urban growth boundary; analysis and determination of residential housing patterns
Oregon Administrative Rule (OAR) 660 Division 8 - Interpretation of Goal 10 Housing

I. PROCEDURAL FINDINGS OF FACT

1. **Nature of the Amendment:** On April 6, 2006, the City Council voted to support a motion made by Jim Key directing staff to start the Urban Growth Boundary (UGB) review process. The Housing Element update was determined to be a necessary step to determine the City's residential land needs.

   The purpose of the amendment is to replace the existing Housing Element with an updated Housing Element and Housing Needs Analysis that collectively comply with the State's Goal 10 administrative rule (OAR 660-008) and ORS 197.296.

   The *Comprehensive Plan* amendments supported by these *Findings of Fact and Conclusions of Law* are not subject to specific criteria established in advance. Rather, they must be generally consistent with State Law, Administrative Rules, the Statewide Planning Goals and the balance of the *Comprehensive Plan.*

2. **Public Process:** The following summarizes the key public process components leading to the development and adoption of the *Comprehensive Plan* amendments supported by these *Findings of Fact and Conclusions of Law*:

   a. The Medford City Council appointed an advisory committee to guide the draft Housing Element and Housing Needs Analysis development, especially the technical aspects of the plan update. The Housing Needs Analysis (HNA) Subcommittee consisted of seven members (plus liaisons from the City Council and Planning Commission) representing a cross-section of private sector and not-for-profit members all with expertise in various aspects of housing issues in the City of Medford. This subcommittee held meetings of one to two hours on November 1, 2007, December 14, 2007, February 1, 2008, and May 9, 2008 with the consultants and Planning Department staff to refine and improve the draft plan development.

   b. The draft document was developed through a series of work sessions with the Planning Commission and Medford City Council. The following joint work sessions were held during the course of the Housing Element development: December 10, 2007, January 10, 2008, and February 14, 2008. The Planning Commission discussed the project further at study sessions on June 9, 2008, August 25, 2008, September 8, 2008, September 15, 2008, September 22, 2008, September 29, 2008, February 23, 2009, March 2, 2009, July 12, 2010, and July 26, 2010. The City Council discussed the project further at study sessions on March 27, 2008, July 24, 2008, and September 9, 2010.

   c. The draft Housing Element was discussed at the Citizens Planning Advisory Committee on February 24, 2009, March 10, 2009, and July 27, 2010. It was also discussed at the Housing & Community Development Commission on November 7, 2007, April 2, 2008, and March 4, 2009.

d. The draft Housing Element was first made available for public review on the internet on April 24, 2008. Since that internet posting, the Planning Department received 19 comments. A revised draft Housing Element was made available for public review on the internet on April 10, 2009. Since that internet posting, the Planning Department received five comments. Another revised draft Housing Element was made available for public review on the internet on July 6, 2010. Since that internet posting, the Planning Department received two comments. Where deemed appropriate by the City Council, comments have been incorporated into documents from the public hearings draft documents and those documents initially posted for public review.

e. The Planning Commission reviewed and revised the Goals, Policies and Implementation Strategies at study sessions in August and September 2008.

f. The Planning Commission reviewed the Public Hearing Draft and provided its comments and recommendation at a properly-noticed regular meeting on May 28, 2009, June 11, 2009, and August 12, 2010. The Planning Commission deliberated towards a recommendation. The Planning Commission voted unanimously to recommend approval of the Housing Element subject to the plan revisions reached during their deliberations.

g. The City Council held a properly-noticed Public Hearing on October 7, 2010. That hearing was continued to a time a date certain on October 21, 2010 at 12 noon. The draft Housing Element, as recommended by the Planning Commission, was unanimously approved by the City of Medford City Council at the Council Meeting of October 21, 2010.

h. The written public record was open from the time the project was initiated and was left open until the final public hearing in front of the Medford City Council on October 21, 2010.

3. **Agency Coordination:** The following summarizes the agency coordination undertaken by the City of Medford:

   a. Timely 45-day notice was provided to the Department of Land Conservation and Development of the amendments supported by the *Findings of Fact and Conclusions of Law* provided herein on or before April 10, 2009. Following the 2010 information update and analysis to address earlier objections from DLCD, the draft Housing Element was re-noticed with timely notice provided at least 45-days prior to the first evidentiary hearing in front of the Planning Commission on August 12, 2010.

   b. The City of Medford made reasonable effort to identify potentially affected agencies and provide notice that the City was undertaking efforts to update its Housing Element and adopt a new Housing Needs Analysis. To accomplish the same the City notified the following agencies:

      i. City of Medford Departments: Building, City Attorney, Engineering, Fire Department, Parks and Recreation, Police, Public Works, Water Commission, City Manager, Neighborhood Resources

      ii. Rogue Valley Council of Governments

iii. Rogue Valley Transportation District
iv. Jackson County Planning, Jackson County Roads and Parks
v. Medford Irrigation District
vi. Medford School District 549C
vii. Oregon Department of Transportation
viii. Phoenix School District 4
ix. Rogue Valley Sewer Services
x. Medford Urban Renewal Agency
xi. Medford Citizens Planning Advisory Committee
xii. Department of Land Conservation and Development
xiii. City of Phoenix
xiv. City of Central Point
xv. Housing Authority of Jackson County
xvi. Oregon Housing & Community Services

4. **Agency Comments:** As of October 21, 2010, the City of Medford received three written comments on the 2010 draft Housing Element.
   a. The City received comments from DLCD dated July 16, 2010. The topics of these comments include: (1) demographic and housing trends, (2) Buildable Land Inventory and Publicly-owned and quasi-publicly-owned land, (3) Housing Density and mix, (4) Implementation Measure No. 12 in the 1995 Housing Element, (5) Housing for seniors, (6) Residential Land Needs, and (7) Department Recommendations.
   b. The City received follow-up comments dated September 21, 2010, see Ordinance Exhibit C in response to those comments.
   c. The City received a comment from the Public Works Department stating that they had no comments.

II. PROCEDURAL CONCLUSIONS OF LAW

II.1 STATE OF OREGON REQUIREMENTS

II.1(A) Applicable Case Law:

The Oregon Supreme Court has laid forth standards by which land use decisions are determined to be either quasi-judicial or legislative in nature as provided in Strawberry Hill Four-Wheelers

Association vs. Benton County. In that case, the court held that such determinations are subject to three tests:

> Does the decision apply to a circumscribed factual situation that applies to a limited number of people or properties?
>
> Is the decision subject to a pre-determined set of criteria?
>
> Is the application destined to result in a decision?

Conclusions of Law: In the case of this *Comprehensive Plan* Amendment, the changes apply to the text of the *Comprehensive Plan* and affect the policy basis of the plan as a whole so the changes do not apply to a circumscribed factual situation nor do they apply to a limited number of people or properties. The amendments of the *Comprehensive Plan* are based upon a choice of the City Council to change the City's databases, conclusions, analyses, goals and policies and the changes are not therefore subject to a pre-determined set of criteria. The proposed amendments were drafted and a decision reached based upon the desire of the Council to change the City's policy, but a final decision on the review of this policy position was not required by the mere act of initiating the review. Because the answer to all the above questions was in the negative, the *Comprehensive Plan* Amendments supported by these *Findings of Fact and Conclusions of Law* are legislative in nature and subject to the procedures and requirements of legislative land use decisions.

II.1(B) Oregon Revised Statutes

POST-ACKNOWLEDGMENT PROCEDURES [Oregon Revised Statutes and Administrative Rules]

ORS 197.610 Local government notice of proposed amendment or new regulation; exceptions; report to commission.

(1) A proposal to amend a local government acknowledged comprehensive plan or land use regulation or to adopt a new land use regulation shall be forwarded to the Director of the Department of Land Conservation and Development at least 45 days before the first evidentiary hearing on adoption. The proposal forwarded shall contain the text and any supplemental information that the local government believes is necessary to inform the director as to the effect of the proposal. The notice shall include the date set for the first evidentiary hearing. The director shall notify persons who have requested notice that the proposal is pending.

(2) When a local government determines that the goals do not apply to a particular proposed amendment or new regulation, notice under subsection (1) of this section is not required. In addition, a local government may submit an amendment or new regulation with less than 45 days' notice if the local government determines that there are emergency circumstances requiring expedited review.

Conclusions of Law: Based upon the Findings of Fact in Section I and supporting record herewith incorporated and adopted, the City Council concludes proper notice was given to the Department of Land Conversation and Development.

> ***ORS 197.615 Local government notice of adopted amendment or new regulation; content; notice by director.*** *(1) A local government that amends an acknowledged comprehensive plan or land use regulation or adopts a new land use regulation shall mail or otherwise submit to the Director of the Department of Land Conservation and Development a copy of the adopted text of the comprehensive plan provision or land use regulation together with the findings adopted by the local government. The text and findings must be mailed or otherwise submitted not later than five working days after the final decision by the governing body. If the proposed amendment or new regulation that the director received under ORS 197.610 has been substantially amended, the local government shall specify the changes that have been made in the notice provided to the director. If the text and findings are mailed, they shall include a signed statement by the person mailing them indicating the date of deposit in the mail.*
>
> *(2) (a) On the same day that the text and findings are mailed or delivered, the local government also shall mail or otherwise submit notice to persons who:*
>
> *(A) Participated in the proceedings leading to the adoption of the amendment to the comprehensive plan or land use regulation or the new land use regulation; and*
>
> *(B) Requested of the local government in writing that they be given such notice.*
>
> *(b) The notice required by this subsection shall:*
>
> *(A) Describe briefly the action taken by the local government;*
>
> *(B) State the date of the decision;*
>
> *(C) If delivered by mail, include a certificate of mailing containing a statement signed by the person mailing it indicating the date the notice was deposited in the mail;*
>
> *(D) List the place where and the time when the amendment to the acknowledged comprehensive plan or land use regulation or the new land use regulation, and findings, may be reviewed; and*
>
> *(E) Explain the requirements for appealing the action of the local government under ORS 197.830 to 197.845.*

Conclusions of Law: The City Council herewith concludes that the required notice can feasibly be provided and the same is herewith ordered at the time and in the manner prescribed in the above statute.

II.1(C) Oregon Administrative Rules

OAR 660-018-0020

Filing of a Proposed Amendment to or Adoption of a Comprehensive Plan or Land Use Regulation with the Director

(1) A proposal to amend a local government acknowledged comprehensive plan or land use regulation or to adopt a new land use regulation must:

(a) Be submitted to the director at least 45 days before the first evidentiary hearing on adoption. The submittal must be received by the department at its Salem office;

(b) Be accompanied by appropriate forms provided by the department;

(c) Contain two copies of the text and any supplemental information the local government believes is necessary to inform the director as to the effect of the proposal. One of the required copies may be an electronic copy;

(d) Indicate the date of the final hearing on adoption. If a final hearing on adoption is continued or delayed, following proper procedures, the local government is not required to submit a new notice under OAR 660-018-0020.

(e) In the case of a map change, include a map showing the area to be changed as well as the existing and proposed designations. Wherever possible, this map should be on 8-1/2 by 11-inch paper;

(f) Where a goal exception is being proposed, include the proposed language of the exception. The Commission urges the local government to submit information that explains the relationship of the proposal to the acknowledged plan and the goals, where applicable.

(2) The text submitted to comply with subsection (1)(c) of this rule must include the specific language being proposed as an addition to or deletion from the acknowledged plan or land use regulations. A general description of the proposal or its purpose is not sufficient. In the case of map changes, the text must include a graphic depiction of the change, and not just a legal description, tax account number, address or other similar general description.

Conclusions of Law: Based upon the Findings of Fact in Section I and supporting record herewith incorporated and adopted, the City Council concludes proper notice was given to the Department of Land Conservation and Development.

OAR 660-018-0040

Submittal of Adopted Material

(1) Amendments to acknowledged comprehensive plans or land use regulations, new land use regulations adopted by local government, and findings to support the adoption shall be mailed or otherwise submitted to the director within five working days after the final

decision by the governing body and shall be accompanied by appropriate forms provided by the department. If the text and findings are mailed, they shall include a signed statement by the person mailing them indicating the date of deposit in the mail.

(2) Local government must notify the department of withdrawals or denials of proposals previously sent to the department under requirements of OAR 660-018-0020.

(3) The local government must clearly indicate in its transmittal which provisions of ORS 196.610(2) are applicable where the adopted amendment was not submitted for review 45 days prior to the first evidentiary hearing on adoption. NOTE: (ORS 197.610 clearly requires all adopted plan and land use regulation amendments and new land use regulations to be submitted to the director even though they were not required to be submitted for review prior to adoption.)

(4) Where amendments, including supplementary materials exceed 100 pages, a summary of the amendment briefly describing its purpose and requirements shall be submitted to the director. Such amendments should be submitted as an electronic copy.

Conclusions of Law: The City Council herewith concludes that the required submittal of adopted material can feasibly be provided and the same is herewith ordered at the time and in the manner prescribed in the above Administrative Rule.

OAR 660-018-0045

Changes in Proposals

If comprehensive plan or land use regulation amendments or new land use regulations that are adopted by a local government have been substantially amended, the local government must specify the changes that have been made in the notice to the director provided in OAR 660-018-0040.

Conclusions of Law: The City Council herewith concludes that the proposed amendments have not changed a substantial degree from that submitted with the 2010 45-day notice and on that basis concludes further specificity is not required by the rule.

II.2 CITY OF MEDFORD REQUIREMENTS

II.2(A) Medford Land Development Code

10.102 Plan Authorizations

A plan authorization is a specific planning and development review process which sets forth specific conditions for development consistent with the policies, standards and criteria of the Comprehensive Plan and this chapter. Plan authorizations are categorized as follows:

Plan Authorization	*Procedural Class*
Major Comprehensive Plan Amendment	*"A"*

10.111 Authority of the City Council

The City Council is hereby designated as the approving authority for the following plan authorizations:

Plan Authorization	*Procedural Class*
1. Amendments to the Comprehensive Plan, Major	*"A"*

10.122 Authority of the Planning Commission

The Planning Commission is hereby designated as the approving authority for the following actions:

The Planning Commission shall also act as the advisory agency to the City Council for all Class "A" and Class "B" actions, except annexations as set forth in Section 10.111, Authority of the City Council.

10.140 Duties of the Approving Authority

Under the provisions cited in Article II, Section 10.110, Designation of Approving Authority, through 10.135, Authority of the Planning Director, there is hereby designated to the approving authority the power to:

(1) Approve, conditionally approve, or disapprove development permits and plan authorizations;

(2) Determine compliance or lack of compliance of the proposed development, together with the provisions for its design, improvement and use with the Comprehensive Plan and all applicable specific plans, regulations, standards and criteria.

Conclusions of Law: The City Council herewith concludes that the proposed amendment is a procedural Class A Plan Authorization. The City Council concludes it is solely vested with the public hearings process and approval authority and that by action of the ordinance that is the subject of these findings the City Council will herewith dispense with it duties as the approving authority. The City Council further concludes that the Planning Commission has provided a

recommendation on the subject amendments consistent with its advisory agency role for Class A actions such as that proposed herein.

10.145 Referral Agencies

It is the responsibility of a referral agency to provide timely review and comment on all proposals referred by the City. The referral agency shall be requested to determine consistency of a proposal with the referral agency's operating policies and standards and to recommend conditions on development.

10.146 Referral Agencies, Distribution

This Chapter employs the use of referral agencies for the review of those plan authorizations indicated below, as shown on the Schedule which follows:

A. Major Comprehensive Plan Amendment
B. Land Development Code Amendment
C. Minor Comprehensive Plan Amendment
D. Annexation, except as provided in Section 10.199
E. Vacation
F. Zone Change
G. Conditional Use Permit
H. Exception
I. Planned Unit Development
J. Land Division
K. Site Plan and Architectural Review
L. Transportation Facility Development

Numerical references in the Schedule refer to the following:

1. When the proposal is within, abutting, or affecting the referral agency's jurisdiction.
2. When the proposal is within, or abutting the Airport Approach or Airport Radar Overlay Districts.
3. When the proposal includes new buildings or building additions that are within the referral agency's jurisdiction.
4. When the proposal is within the Southeast Overlay District and in a Parks or Schools land use category on the Southeast Plan Map.
5. When the proposal is within or abutting a Greenway General Land Use Plan Map designation.

Referral agencies may be asked to review certain proposals not indicated on the Schedule if, in the judgment of the Planning Director, the agency may have an interest in the proposal.

SCHEDULE OF REFERRAL AGENCY DISTRIBUTION

CITY DEPTS.	***A***	***B***	***C***	***D***	***E***	***F***	***G***	***H***	***I***	***J***	***K***	***L***
Building Safety	X	X	X	X	X	X	X	X	X	X	X	
City Attorney	X	X	X	X	X	X	X	X	X	X	X	X
City Manager	X	X	X	X								
Engineering Division	X	X	X	X	X	X	3		X	X	X	X
Fire	X	X	X	X	X	X	3		X	X	X	
Parks & Recreation	X	X	X	X	X	X	3		X	X	X	
Parks Director	4	4	4	4	4	4	4	4	4	4	4	4
Planning	X	X	X	X	X	X	X	X	X	X	X	X
Police	X		X	X	X	X			X	X	X	
Public Works	X	X	X	X	X	X	3		X	X	X	
AGENCY	***A***	***B***	***C***	***D***	***E***	***F***	***G***	***H***	***I***	***J***	***K***	***L***
Water Commission	X	X	X	X	X	X	3		X	X	X	X
OTHER AGENCIES												
*CPAC**	X	X	X									
Cable Television Co.			X	X	X	X	3		X	X	X	X
City of Central Point	1	1	1	1	1	1	1	1	1	1	1	1
City of Phoenix	1	1	1	1	1	1	1	1	1	1	1	1
*DLCD**	X	X	X									
*DSL**							5	5	5	5	5	5
Garbage Company				X	X							
Jackson Co. Health Dept				X						X		
Jackson Co. Planning	X	X	X					1	1		1	
*MID**	1		1	1	1		3		1	1		
Natural Gas Company			X	X	X	X	3		X	X	X	X

*ODFW**							5	5	5	5	5	5
*ODOT**	X		1	1		1	3		1	1	1	1
Power Company			X	X	X	X	3		X	X	X	X
*RRVID**	1		1	1	1		3		1	1		
*RV– Medford Airport**	1		1			1	2	2	2	2	2	
*RVS**	1		1	1	1	1	3		1	1	1	
*RVTD**	X		1	1	1	X	3		1	1	X	X
Medford 549C Schools	1		1	1		1	3		1	1		
Superintendent	4	4	4	4	4	4	4	4	4	4	4	4
Phoenix-Talent Schools	1		1	1		1	3		1	1		

OTHER AGENCIES	***A***	***B***	***C***	***D***	***E***	***F***	***G***	***H***	***I***	***J***	***K***	***L***
Superintendent	4	4	4	4	4	4	4	4	4	4	4	4
Telephone Company			X	X	X	X	3		X	X	X	X
U.S. Post Office									X	X	X	X
Urban Renewal Agency			1		1	1	1	1	1	1	1	1
Water Districts	1		1	1		1			1	1		

**Acronyms:*

CPAC	*Citizens' Planning Advisory Committee*
DLCD	*Oregon Department of Land Conservation and Development*
DSL	*Oregon Department of State Lands*
MID	*Medford Irrigation District*
ODFW	*Oregon Department of Fish and Wildlife*
ODOT	*Oregon Department of Transportation*
RRVID	*Rogue River Valley Irrigation District*
RV-Medford Airport	*Rogue Valley International Medford Airport*
RVS	*Rogue Valley Sewer Services*
RVTD	*Rogue Valley Transportation District*

Conclusions of Law: The City Council herewith concludes that on April 24, 2008, April 10, 2009, and July 6, 2010 the proposed amendment, in substantially the same form as it currently exists, was distributed according to the above referral schedule and in a timely manner to receive comments.

10.150 General Procedural Requirements

There are five (5) procedural classifications employed in the administration of this chapter:

Class "A"	*Legislative actions (major comprehensive plan amendments, code changes, major zoning map amendments)*

Conclusions of Law: The City Council herewith concludes that the subject amendment is a procedural Class A legislative action.

10.155 Due Process

In addition to the application review requirements of Section 10.175, Application Review Procedure, there are eight (8) basic due process elements applicable to Class "A", Class "B" and Class "C" procedural classifications. The due process requirements are:

(1) Notification
(2) Disclosure
(3) Conflict of Interest
(4) Hearing
(5) Cross-Examination
(6) Action and Decision Time
(7) Findings
(8) Record

Conclusions of Law: Based upon the evidence in the record, the City Council herewith concludes that the proposed amendment has followed the due process requirements of the Medford *Land Development Code*.

10.156 Notification General

The notice provided shall:

(1) Explain the nature of the application and the proposed use or uses which could be authorized;
(2) List the applicable criteria from the Code and the Comprehensive Plan that apply to the application at issue;

(3) Set forth the street address or other easily understood geographical reference to the subject property;
(4) State the date, time and location of the hearing;
(5) State that failure to raise an issue in a hearing, in person or by letter, or failure to provide sufficient specificity to afford the decision maker an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based on that issue;
(6) Include the name of a local government representative to contact and the telephone number where additional information may be obtained;
(7) State that a copy of the application, all documents and evidence relied upon by the applicant and applicable criteria are available for inspection at no cost and will be provided at reasonable cost;
(8) State that a copy of the staff report will be available for inspection at no cost at least seven days prior to the hearing and will be provided at reasonable cost; and
(9) Include a general explanation of the requirements for submission of testimony and the procedure for conduct of hearings.

10.157 Notification, Publication and On-Site Posting.

(1) Publication. Unless otherwise indicated notification of all proposed actions shall be published in a newspaper of general circulation prior to the scheduled meeting date before the approving authority. The schedule of publication for each type plan authorization shall be as follows:

Plan Authorization Class	***Publication Schedule***
"A" (All)	*Ten (10) days prior to the scheduled meeting date before the advisory agency. Ten (10) days prior to the scheduled public hearing date before the approving authority.*

Conclusions of Law: Based upon the evidence in the record, the City Council herewith concludes that the proposed amendment has followed the notification procedures of the Medford *Land Development Code* for procedural Class "A" plan authorizations.

10.168 Findings

Findings which address applicable criteria shall accompany all actions required of this chapter for plan authorizations.

Conclusions of Law: The City Council herewith incorporates and adopts the balance of the *Findings of Fact and Conclusions of Law* in this document and concludes on this basis that the City has developed and adopted findings which address applicable criteria. The same accompanies the plan authorization supported herein.

10.180 Class "A" Actions

Class "A" actions are comprised of the following plan authorizations:

(1) Major Comprehensive Plan Amendments

(2) Major Zoning Map Amendments

(3) Code Amendments

Conclusions of Law: The City Council herewith concludes that the proposed amendment is a Major *Comprehensive Plan* Amendment and is therefore a Class "A" plan authorization.

10.181 Application for Major Class

Applications for Major Class "A" authorizations may only be initiated by the Planning Commission or City Council. Class "A" amendments are legislative actions and include adoption or revision of:

(1) The following components of the Medford Comprehensive Plan:
- *(a) General Land Use Plan Map, if legislative (affecting a large area or many properties).*
- *(b) New Comprehensive Plan Elements.*
- *(c) Goals, policies, conclusions, or implementation strategies.*
- *(d) Special area plans or neighborhood circulation plans.*
- *(e) Significant resource inventories.*
- *(f) Transportation System Plans:*
  - *Street Functional Classification Plan*
  - *Bicycle Facilities Plan*
  - *Major Pedestrian Facilities Plan*
  - *Major Transit Routes and Stops*
  - *Designated Truck Routes*
- *(g) By reference, separate functional plans, such as public facility plans (parks, sewer, storm water, etc.) and capital improvement plans.*
- *(h) Urban Growth Boundary.*
- *(i) Comprehensive Plan review and amendment procedures.*

(2) The Medford Land Development Code.

(3) The Medford Zoning Map, if legislative (affecting a large area or many properties).

Conclusions of Law: Based upon the Findings of Fact in Section I and the content of the adopting Ordinance, the City Council concludes the proposed Major Class A plan authorization functions as a new *Comprehensive Plan* Element under (b) above by replacing the existing Element with a new and updated element. The Council further concludes the update was initiated as a function of the motion and vote by the City Council on April 6, 2006 to initiate an

UGB review and an update to the Housing Element was determined to be a necessary component of that review to determine the City's residential land needs.

10.182 Application Form

An application containing the following information shall be prepared by the City:

(1) Identification of all applicable Statewide Goals.

(2) Identification and explanation of the goals and policies of the Comprehensive Plan considered relevant to the decision.

(3) Statement of the facts relied upon in rendering the decision, if any.

(4) Explanation of the justification for the decision based on the criteria, standards, and facts

Conclusions of Law: The City Council concludes the *Findings of Fact and Conclusions of Law* developed herein together with the compendium Staff Report function as the application form for the subject application and the same is incorporated and adopted herein as evidence that the subject Class A plan authorization contains all information required by 1 through 4 above.

II.2(B) Medford *Comprehensive Plan*

TYPES OF AMENDMENTS

Because of the diverse structural nature of the Medford Comprehensive Plan, it is necessary to categorize Plan amendments in several ways (bearing in mind that all Plan amendments are land use actions defined by statute). It is apparent that the Medford Comprehensive Plan contains a variety of components; i.e., data, conclusions, goals and policies, implementation strategies, a General Land Use Plan (GLUP) Map, and an Urban Growth Boundary (UGB) with Urbanization Policies adopted by the City of Medford and Jackson County, among other components. Specific procedural requirements for all land use actions are codified in "Article II" of the Medford Land Development Code.

Two different procedural categories apply to amendment of the various Comprehensive Plan components, as follows:

Class "A"
Conclusions
Goals and Policies
Implementation Strategies
General Land Use Plan Map (major)
Urban Growth Boundary (major)
Citizen Involvement Program
Review and Amendment Procedures

Class "B"
General Land Use Plan Map (minor)
Urban Growth Boundary (minor)

The distinction between "major" and "minor" Comprehensive Plan amendments is based on the following definitions, which were derived from the guidelines associated with Statewide Planning Goal 2: "Major" amendments are those land use changes that have a widespread and significant impact beyond an immediate area, such as quantitative changes that have a widespread and significant impact beyond an immediate area, such as quantitative changes producing large volumes of traffic; a qualitative change in the character of the land use itself, such as conversion of residential land to industrial use; or a spatial change that affects large areas, or many different ownerships. "Minor" amendments are those land use changes that do not have significant effect beyond the immediate area, and should be based upon the special studies, or the other information that serves as the factual basis to support the change. The public need and justification for the particular change should be established.

Conclusions of Law: The City Council herewith incorporated and adopts its Conclusions of Law addressing the applicable case law for legislative amendments and on this basis, concludes the subject amendment is a legislative amendment. The City Council further concludes the proposed amendment will change the Housing Element conclusions, goals and policies, and implementation strategies and will have implications for future General Land Use Plan Map and UGB reviews and therefore the subject application is categorized as Class A.

III. SUBSTANTIVE LEGISLATIVE FINDINGS OF FACT

1. **Buildable Lands Inventory Information:** Geographic Information System (GIS) software was used to compile and analyze lands within the Medford UGB. The analysis done for the Housing Element was an update and Goal 10 refinement of the Buildable Lands Inventory base data set compiled by City Planning Staff and adopted by the Medford City Council and incorporated into the *Comprehensive Plan* on February 28, 2008.

   Base data for the inventory was obtained from the cadastral maps and associated property tax information prepared and maintained in GIS format by the Jackson County Assessor in cooperation with Jackson County GIS Services. GIS GLUP Map coverages are prepared and maintained by the Medford Planning Department's in-house GIS staff. Environmental constraints information was obtained from Jackson County GIS Services and the City's Wetland Inventory Map.

   Every residential parcel within lands that were classified as either vacant, partially vacant, or redevelopable was given housing capacity for the purpose of determining residential land sufficiency in the UGB.

   The Goal 10 buildable lands inventory is presented as Table 26 of the Housing Element.

2. **Housing Needs Analysis:** The City's original consultant, ECONorthwest, conducted a housing needs analysis consistent with the requirements of ORS 197.296 and methodology described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas.* In response to objections raised by DLCD, the City of Medford contracted with CSA Planning to evaluate the Housing Element and analyze the technical merits of the DLCD objections. CSA Planning's opinion was that the technical methods of the draft Element were generally sound, but that the base data was becoming stale and that a data refresh was appropriate to assure the City was relying on the most recent readily available data sources.

   a. **Project housing units needed:** The City's consultant for the Housing Element update, ECONorthwest, projected housing units needed based on growth of 35,591 people according to Medford's adopted population forecast for the 2009 to 2029 period. According to the analysis, Medford will need 15,050 new dwelling units between 2009 and 2029.

   b. **Determine Overall Mix and Density Trends Since the Last Periodic Review.** Table 14 of the element depicts Medford's overall housing mix and net density since the last periodic review according to five major housing types based upon a census of building permit data from 1996 to 2009. The analysis identifies a number of important trends. First, the data depicts high levels of volatility in the number of units permitted in any given year which indicates strong underlying market forces can cause rapid changes in supply and demand for housing at any particular point in time. Second, there are high levels of volatility among the different housing types in any given year. This is due in large part to the number of units in large multi-family projects that can tend to create spikes in multi-family supply in any given year.

   c. **Housing price ranges and rent levels in relation to Medford resident's financial capabilities:** The housing needs analysis concludes that new residents to Medford will need housing affordable to households at all income levels. Medford will need to provide housing opportunities for low-income households, predominantly multifamily housing, through higher income households, who predominantly prefer single-family ownership housing. Section IV of the Housing Element contains an extensive analysis of housing trends since the last periodic review and evaluates housing price ranges, rent levels and relate them to Medford resident's financial capabilities. Table 39 depicts value fundamentals for typical single family dwellings in Medford. Table 24 depicts the relationship between rents and income for data collected by the American Community Survey in 2008. Figure 10 compares the relative affordability of the major housing types that exist in Medford.

   d. **Estimate the number of units needed by housing type:** The housing needs analysis concluded that Medford will need 15,050 additional dwelling units. Medford's housing needs are for the following housing types: single-family detached dwelling units will account for 9,034 units; manufactured dwellings in mobile home parks will account for 395 units; single-family attached dwelling units in single-family zones will account for 384 units; duplexes for 651 units; and apartments will account for 3,586 units.

3. **Project needed housing mix and density:** The City of Medford relies upon its adopted and acknowledged Housing Element and the inventory of housing supplied since 1995 under that Goal 10 and Goal 14 compliant element as the foundation to project housing needs for the next 20 years. Generally, the proportion of each of the five inventoried housing types is expected to be similar over the next 20 years. Table 38 of the Element depicts the percentages by housing type with 60.0 percent single family detached, 2.6 percent manufactured in parks, 2.6 percent single-family attached, 4.3 percent duplex, and 30.5 percent multi-family.

   The City of Medford relies upon its adopted and acknowledged Housing Element and the inventory of housing supplied since 1995 under that Goal 10 and Goal 14 compliant element as the foundation to project housing needs for the next 20 years. Generally, the proportionate density for each of the five inventoried housing types is expected to be similar over the next 20 years. Table 37 of the Element depicts the units per net acre that are assumed to be consumed for each housing type in the Housing Element. These net acres are then converted to gross acres relying upon the "analysis assumptions" depicted in Table 36.

   The following technical factors need to be accounted when considering the projected needed mix and density:

   - Since the last periodic review, a wide range of housing consumed lands in Medford. Even the five main categories of housing types, do not fully capture the diversity of housing supplied in Medford. A diverse housing stock creates supply substitutions and provides opportunities to expand housing choices throughout the City.
   - Unlike the Spring 2009 draft Housing Element, the 2010 draft has net to gross analysis assumptions with empirical backing. Table 39 depicts net to gross calculations for a ***large sampling*** of units supplied since the last periodic review. This sampling constituted 28 percent of all units constructed from 1996-2009. A sampling was the chosen method for comparison over an analysis of every single permit for net-to-gross calculations for several reasons, including but not limited to the following:
     a. The number of areas requiring analysis increases exponentially as the size of the project decreases. A census count of every unit would require extensive research on every single project to determine the initial acreage and the resulting acreage from the project rather than a more straightforward GIS mapping analysis that is possible with the larger projects.
     b. The sampled projects are ones that have been permitted under current regulations and are therefore representative for making future projections of net to gross density. For example, a building permit on an existing lot created in 1970 (that was never built upon) will not create a net-to-gross comparison that is representative of modern development practices and current regulations.

c. Spatially, small partitions and similar projects are difficult to calculate the net to gross for a particular project because it can be difficult to correctly appropriate the right-of-way to the particular project where the single building permit was issued.

d. The assumptions used in the net-to-gross calculations are rounded to support higher densities and more efficient urbanization. Assumptions for multi-family zones were rounded up slightly which has the effect of slightly increasing the need for higher density multi-family land. Assumptions for single-family zones were rounded down slightly which has the effect of slightly decreasing the need for single family land.

- The future density and housing type allocations include spatial distribution that allocates future housing by type to the Urban Medium (UM) Density General Land Use Plan (GLUP) designation. Historical mix and density does not adequately account for this GLUP Map designation because a-typical regulatory circumstances prevented planned development under this designation These circumstances have now been resolved and therefore this history is not expected to repeat itself. For this reason, needed housing by type has been allocated to the UM designation.

4. Projection of Ranges of Prices and Rent Levels Commensurate with Financial Capabilities:

It is impossible to project with certainty what future incomes and what future prices/rents will be. Various factors affect the degree to which household incomes are commensurate with the prices and rents, include but are not limited to the following:

- Strength of the regional economy in relation to the State and National economy.
- Exogenous housing market pressures such amenity driven demand or changes in the level of federal and/or state government housing subsidies.
- Interest rates
- Commodity prices
- Land prices
- Regulatory Framework
- Competition from communities within the region

All of the above factors are subject to change in unpredictable ways. Thus, the future projections are best served by a rough comparison of planned housing types by broad income categories to assure the Housing Element is planning a diverse housing stock that is capable of meeting the needs of the City's population during the course of the planning period as the above factors change and adjust during the period. Table 33 provides this analysis. The mix and allocation of various housing types are being planned to meet a range of prices and rent levels according to broad income categories in the table and reasonable allocations for each housing type and income level.

5. Residential Land Supply:

The Buildable Lands Inventory and subsequent update analysis indicated that Medford has 2,308 acres of vacant and partially vacant residential land and 284 net acres of residential land that is likely to redevelop over the 20-year period. This land supply has translated to an estimated capacity for 11,424 dwelling units within the existing Urban Growth Boundary.

6. Residential Land Demand vs. Supply Reconciliation:

Determine residential land sufficiency: The housing needs analysis found a deficit of residential land exists in all plan designations. Medford has capacity for development of 11,424 dwelling units and need for 15,050 dwelling units over the 2009 to 2029 period. Medford has a deficit of land for 3,626 dwelling units, 894 dwelling units in the Urban High Density plan designation, 498 dwelling units in the Urban Medium Density plan designation, and 2,233 dwelling units in the Urban Residential plan designation.

The housing needs analysis concluded that Medford has a net deficit of 996 gross acres of residential land, 49 acres in the Urban High Density plan designation, 39 acres in the Urban Medium Density plan designation, 545 acres in the Urban Residential plan designation, 16 acres for group quarters, and 426 acres for public and semi-public lands.

7. **Housing Element Policies:** With the Housing Needs Analysis complete and the land supply and demand reconciled, the City developed its Housing Development policies to achieve the housing goals for the City of Medford. These policies respond to the preceding analyses and characterize the City's land use planning objectives to accomplish development of needed housing types. The policies seek to provide opportunities for development of all types of housing and to create an environment that supports the City's residential development objectives. The policies commit the City to provide an adequate supply to allow for development of all housing types.

IV. LEGISLATIVE CONCLUSIONS OF LAW

IV.1 STATE OF OREGON CRITERIA

IV.1(A) Oregon Revised Statutes

ORS 197.175 (2) Pursuant to ORS chapters 195, 196 and 197, each city and county in this state shall:

(a) Prepare, adopt, amend and revise comprehensive plans in compliance with goals approved by the commission;
(b) Enact land use regulations to implement their comprehensive plans;
(c) If its comprehensive plan and land use regulations have not been acknowledged by the commission, make land use decisions and limited land use decisions in compliance with the goals;

(d) If its comprehensive plan and land use regulations have been acknowledged by the commission, make land use decisions and limited land use decisions in compliance with the acknowledged plan and land use regulations; and

(e) Make land use decisions and limited land use decisions subject to an unacknowledged amendment to a comprehensive plan or land use regulation in compliance with those land use goals applicable to the amendment.

Conclusions of Law: The Council concludes the City has undertaken an update to its *Comprehensive Plan* in accordance with ORS 197.175 and the subject amendment will revise the City's *Comprehensive Plan* to assure continued compliance with the Statewide Planning Goals adopted by the Land Conservation and Development Commission.

NEEDED HOUSING

ORS 197.303 "Needed housing" defined. *(1) As used in ORS 197.307, until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:*

(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;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

(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.

(2) Subsection (1)(a) and (d) of this section shall not apply to:

(e) A city with a population of less than 2,500.

(f) A county with a population of less than 15,000.

(3) A local government may take an exception to subsection (1) of this section in the same manner that an exception may be taken under the goals. [1981 c.884 §6; 1983 c.795 §2; 1989 c.380 §1]

Conclusions of Law: The Council concludes the City's proposed amendments to its Housing Element are fully consistent with ORS 197.303 and will ensure a *Comprehensive Plan* that will provide opportunities for development of all types of housing listed herein above.

ORS 197.296 Factors to establish sufficiency of buildable lands within urban growth boundary; analysis and determination of residential housing patterns. (1)(a) The provisions of this section apply to metropolitan service district regional framework plans and local government comprehensive plans for lands within the urban growth boundary of a city that is located outside of a metropolitan service district and has a population of 25,000 or more.

Conclusions of Law: The Council concludes the City of Medford is larger than 25,000 people and is therefore subject to ORS 197.296.

(2) At periodic review pursuant to ORS 197.628 to 197.650 or at any other legislative review of the comprehensive plan or regional plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, a local government shall demonstrate that its comprehensive plan or regional plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.

Conclusions of Law: The Council concludes the City of Medford's Housing Element is a 20-year plan and that the City Council initiated UGB review in 2006 by resolution. The Housing Element was initially scheduled for hearing but no formal decision was reached. In response to comments received, the City of Medford elected to undertake additional work on the Housing Element which included data updates and the matter is now scheduled for completion in 2010 with the 20-year period beginning from the end of 2009 through the end of 2029.

(3) In performing the duties under subsection (2) of this section, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

Conclusions of Law: The Council concludes the City of Medford's Housing Element is based upon a 2007 adopted and acknowledged buildable lands inventory and that this inventory has been updated to reflect lands built through 2009 and to incorporate a small number of inventory corrections consistent with the 2007 methodology where they were identified through the analysis process.

(b) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

Conclusions of Law: The Council concludes the City of Medford's Housing Element has analyzed housing needs according to five major types of housing: detached single-family, manufactured dwellings, attached single family, duplexes and multi-unit multi-family. The

Council herewith concludes the housing needs analysis includes all needed housing types identified in ORS 197.303 and the conclusions addressing the same are herewith incorporated and adopted. The Council herewith incorporates and adopts their conclusions of law demonstrating compliance with the applicable statewide planning goals and relevant administrative rules.

> *(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, "buildable lands" includes:*
>
> > *(A) Vacant lands planned or zoned for residential use;*
> >
> > *(B) Partially vacant lands planned or zoned for residential use;*
> >
> > *(C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and*
> >
> > *(D) Lands that may be used for residential infill or redevelopment.*
>
> *(b) For the purpose of the inventory and determination of housing capacity described in subsection (3)(a) of this section, the local government must demonstrate consideration of:*
>
> > *(A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;*
> >
> > *(B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and*
> >
> > *(C) The presence of a single family dwelling or other structure on a lot or parcel.*
>
> *(c) Except for land that may be used for residential infill or redevelopment, a local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.*

Conclusions of Law: The Council concludes the City of Medford's Housing Element is based upon a 2007 adopted and acknowledged buildable lands inventory and that this inventory has been updated to reflect lands built through 2009 and to incorporate a small number of inventory corrections consistent with the 2007 methodology where they were identified through the analysis process. The existing acknowledged methods are compliant with the buildable lands definitions herein above and the map referenced herein is placed in the record in support of the housing element.

> *(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on*

data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

(B) Trends in density and average mix of housing types of urban residential development;

(C) Demographic and population trends;

(D) Economic trends and cycles; and

(E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years.

(c) A local government shall use data from a wider geographic area or use a time period for economic cycles and trends longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

Conclusions of Law: Pursuant to (b) and (c) above, the Medford City Council concludes that the data in support of the Housing Element is appropriately based upon the time period since the last periodic review and that the City of Medford is an adequate geography to analyze and evaluate the housing need pursuant in accordance with (a) above to meet the obligations of Section (3) above.

The City Council concludes, as follows with respect section (a) above:

(A) The Housing Element measures and reports the number, density and average mix of housing types of urban residential development that have actually occurred;

(B) The Housing Element measures and reports changes in density and average mix of housing types of urban residential development during the period;

(C) Section II of the Housing Element includes demographic and population trend analysis;

(D) The Housing Element expresses economic trends and cycles in the context of housing construction and income reporting; and

(E) The Housing Element specifically includes sample analysis of projects to evaluate the net-to-gross density ratios for 28 percent of all units constructed since the last periodic review in addition to the city-wide inventory and reporting of all permits during the period.

(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, the local government shall take one or more of the following actions to accommodate the additional housing need:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, the local government shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary;

(b) Amend its comprehensive plan, regional plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. A local government or metropolitan service district that takes this action shall monitor and record the level of development activity and development density by housing type following the date of the adoption of the new measures; or

(c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.

Conclusions of Law: The City Council concludes that ORS 197.296(9) includes a reference to ORS 197.296(6) that makes clear what types of measures the legislature found appropriate and sufficient to amend the comprehensive plan to demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate the entire housing needs for the next 20 years. The City Council herewith incorporates and adopts its conclusions of law herein addressing ORS 197.296(9) demonstrating that the City of Medford did most all of the statutorily suggested actions or measures as part of its last periodic review (or through other revisions to its plan and implementing regulations) and that the housing needs analysis in the Housing Element reflects densities and housing mix developed under these regulations. Nevertheless, the Planning Commission reviewed the projections and in its deliberations recommended the Housing Element assume potential densities of 8.0 units per net buildable acre. Even with this significant increase in assumed future density, the Medford City Council concludes that additional measures cannot reasonably be adopted that would be sufficient to

accommodate the entire 20-year residential land need within the existing UGB. As such, the only statutory options available are (a) or (c) above. As such, the City finds that it is required to take action and amend the UGB consistent with the results of the Housing Element and the same is required by the Housing Element adopting ordinance.

> *(7) Using the analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.*

Conclusions of Law: The City Council concludes that ORS 197.296(9) includes a reference to ORS 197.296(7) that makes clear what types of measures the legislature found appropriate and sufficient to amend the comprehensive plan to demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate the entire housing needs for the next 20 years. The City Council herewith incorporates and adopts its conclusions of law herein addressing ORS 197.296(9) demonstrating that the City of Medford did most all of the statutorily suggested actions or measures as part of its last periodic review (or through other revisions to its plan and implementing regulations) and that the housing needs analysis in the Housing Element reflects densities and housing mix developed under these regulations.

Further, the City Council concludes that the Planning Commission, and ultimately the City Council, concluded that the analysis conducted under subsection 3(b) indicated a target overall average density of 8.0 units to the net buildable acre (or 6.3 units to the gross buildable acre). Ultimately, these are achievable under existing regulations, but the City recognizes that some development regulations may appropriately be evaluated at the next periodic review.

> *(8)(a) A local government outside a metropolitan service district that takes any actions under subsection (6) or (7) of this section shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.295 to 197.314.*
>
> *(b) The local government shall determine the density and mix of housing types anticipated as a result of actions taken under subsections (6) and (7) of this section and monitor and record the actual density and mix of housing types achieved. The local government shall compare actual and anticipated density and mix. The local government shall submit its comparison to the commission at the next periodic review or at the next legislative review of its urban growth boundary, whichever comes first.*

Conclusions of Law: The City Council concludes that the Housing Element includes extensive analysis and description of the relationship between past actions to support efficient urban mix of housing and actual mix and density achieved. The City Council further concludes that it is entitled to rely upon adopted and acknowledged provisions of its comprehensive plan for purposes of demonstrating compliance with the Goals and relevant statues and on that basis concludes the City's plan and regulations currently comply and that assumed densities at 8.0 units per net buildable acre are achievable within the City's regulatory framework while promoting efficient utilization of urban land.

> *(9) In establishing that actions and measures adopted under subsections (6) or (7) of this section demonstrably increase the likelihood of higher density residential development, the local government shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section and is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section. Actions or measures, or both, may include but are not limited to:*
>
> > *(a) Increases in the permitted density on existing residential land;*
> >
> > *(b) Financial incentives for higher density housing;*
> >
> > *(c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;*
> >
> > *(d) Removal or easing of approval standards or procedures;*
> >
> > *(e) Minimum density ranges;*
> >
> > *(f) Redevelopment and infill strategies;*
> >
> > *(g) Authorization of housing types not previously allowed by the plan or regulations;*
> >
> > *(h) Adoption of an average residential density standard; and*
> >
> > *(i) Rezoning or redesignation of nonresidential land. [1995 c.547 §3; 2001 c.908 §1; 2003 c.177 §1]*

Conclusions of Law: The Council concludes at or since the last periodic review, that the City has done the following:

- Increased permitted density on existing residential lands
- Provided financial incentives for higher density housing in the form of Urban Renewal funding for certain qualifying downtown housing projects
- Maintained a PUD ordinance providing density bonuses for qualifying projects
- Continues to assure a straightforward permitting processes for all residential projects with very infrequent appeals while delivering high quality projects

- Require minimum density ranges for all urban residential zones
- The City has skinny street standards and recently adopted density standards that support in-fill on small projects that cannot meet standard minimum densities due to lot configuration and existing built environments
- All housing types under the building code are allowed in one or more Medford zoning districts
- Medford's density calculation methods function as an average residential density standard because the density is calculated on a gross acreage basis (promoting higher densities) where the entire project density is calculated and only secondarily on a lot size-by-lot size basis.

. IV.1(B) Oregon Statewide Planning Goals

Goal 1: Citizen Involvement

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process...

Conclusions of Law: The Council concludes the City has maintained record of the public process and the City herewith incorporates its procedural *Findings of Fact and Conclusions of Law* in Sections I and II as evidence that the City has properly achieved Goal 1 for the subject legislative amendment to the City of Medford *Comprehensive Plan.*

Goal 2: Land Use Planning

PART I -- PLANNING

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions...

Conclusions of Law: The Council herewith incorporates and adopts the balance of the Findings of Fact in Section III and Conclusions of Law in Section IV as its basis to conclude the City has dutifully conducted its Goal 2 Planning Requirements.

Goal 3: Agricultural Lands

To preserve and maintain agricultural lands...

Conclusions of Law: Based upon its Findings of Fact in Section V above, the Council Concludes that achievement of Goal 3 is balanced against the urban residential development goals embodied in Goal 10 through the application of ORS 197.296, OAR 660-008, and OAR 660-024.

Goal 4: Forest Lands

To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture...

Conclusions of Law: The Council concludes the City does not have residential lands located near Goal 4 protected lands and nothing in the Housing Element update could reasonably be interpreted to affect achievement of Goal 4 in Jackson County.

Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces

To protect natural resources and conserve scenic and historic areas and open spaces...

Conclusions of Law: The Council concludes that the proposed amendments will not affect any identified Goal 5 resource nor is any additional Goal 5 review required for this amendment. But the Council does recognize that the Housing Element may inform future Goal 5 reviews that involve residential lands.

Goal 6: Air, Water and Land Resources Quality

To maintain and improve the quality of the air, water and land resources of the state...

Conclusions of Law: The Council concludes that the proposed amendments will not affect achievement of Goal 6 nor is any additional Goal 6 review required for this amendment. But the Council does recognize that the Housing Element may inform future Goal 6 reviews that involve residential lands.

Goal 7: Areas Subject to Natural Hazards

To protect people and property from natural hazards...

Conclusions of Law: The Council concludes that the proposed amendments will not affect any identified Goal 7 natural hazard areas nor is any additional Goal 7 review required for this amendment, but the Council does recognize that the Housing Element may inform future Goal 7 reviews that involve residential lands.

Goal 8: Recreational Needs

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts...

Conclusions of Law: The Council concludes that the proposed amendments recognize the needs for certain public and quasi-public uses on lands that serve critical Goal 8 needs and are usually located within residential areas. Examples of these needs include parks, schools, private outdoor recreation, social and fraternal clubs, and spiritual/religious institutions.

Goal 9: Economic Development

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens...

Conclusions of Law: The City Council concludes that the *Comprehensive Plan* amendments to update the Housing Element have been coordinated through the Planning Staff with a recent update to the Economic Element and that residential land need estimates recognize that housing needs will be met on employment lands at historical rates and that some employment land needs will be met in residential areas through the Planned Unit Development approval process. Collectively, the Council expects these two land need factors to self-balance over time and therefore projected employment land consumption by housing does not require an offsetting amount of additional residential land.

Goal 10: Housing

To provide for the housing needs of citizens of the state.

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

***Buildable Lands** -- refers to lands in urban and urbanizable areas that are suitable, available and necessary for residential use.*

***Government-Assisted Housing** -- means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.*

***Household** -- refers to one or more persons occupying a single housing unit.*

***Manufactured Homes** -- means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 USC 5401 et seq.), as amended on August 22, 1981.*

***Needed Housing Units** -- means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, "needed housing units" also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters.*

GUIDELINES

A. PLANNING

1. *In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.*
2. *Plans should be developed in a manner that insures the provision of appropriate types and amounts of land within urban growth boundaries. Such land should be necessary and suitable for housing that meets the housing needs of households of all income levels.*
3. *Plans should provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.*
4. *Plans providing for housing needs should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.*

B. IMPLEMENTATION

1. *Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions.*
2. *Plans should take into account the effects of utilizing financial incentives and resources to (a) stimulate the rehabilitation of substandard housing without regard to the financial capacity of the owner so long as benefits accrue to the occupants; and*

   (b) bring into compliance with codes adopted to assure safe and sanitary housing the dwellings of individuals who cannot on their own afford to meet such codes.

3. *Decisions on housing development proposals should be expedited when such proposals are in accordance with zoning ordinances and with provisions of comprehensive plans.*
4. *Ordinances and incentives should be used to increase population densities in urban areas taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities and*

(3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.

5. *Additional methods and devices for achieving this goal should, after consideration of the impact on lower income households, include, but not be limited to: (1) tax incentives and disincentives; (2) building and construction code revision; (3) zoning and land use controls; (4) subsidies and loans; (5) fee and less-than-fee acquisition techniques; (6) enforcement of local health and safety codes; and (7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.*
6. *Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.*

Conclusions of Law: First and foremost, the Medford City Council concludes that Goal 10 is implemented by ORS 197.296 and OAR 600-008 and the conclusions of law addressing this rule herein below are herewith incorporated and adopted as the overarching basis to conclude the proposed Housing Element amendment complies with Statewide Planning Goal 10. In addition to this overarching Conclusion of Law, the City Council concludes as follows with respect to Statewide Planning Goal 10:

1. Based upon the Findings of Fact in Section III and the updated Housing Element itself, the Council concludes the Housing Element contains analysis of needed housing units, housing affordability, and needed housing density and mix.
2. The Housing Element contains policies concerning providing opportunities for development of needed housing types in the City.
3. The Housing Element contains a detailed analysis of residential land capacity based on the Buildable Lands Inventory and an analysis of residential land need by plan designation.
4. The Planning Guidelines and Implementation Strategies do not function as mandatory approval criteria, but the Council concludes that the Housing Element is generally responsive and consistent with all Goal 10 planning guidelines. Nothing in the plan precludes future application of all implementation strategies listed under the Goal.

Goal 11: Public Facilities and Services

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development...

Conclusions of Law: The City Council concludes the Housing Element is consistent with the policies of the City's adopted and acknowledged *Comprehensive Plan* to achieve Goal 11. The Council also concludes that long-term facility plans for fundamental key facilities such as water

supply with necessary rights and sewage treatment have been planned consistent with the levels of demand likely to result from the realization of the Housing Element objectives.

However, the Council recognizes major updates such as the Housing Element update often articulate future public facility demands likely to occur from residential development activities.

These demands are likely to have localized effects. For this reason, the City Council concludes that ultimate achievement of Goal 11 will likely require updates to the City's Public Facilities Element. The City Council further concludes that such updates are not appropriate unless and until individual lands are selected for UGB inclusion because it is impossible to plan specific localized infrastructure investments when the location of the areas to be served are not known.

The City Council also concludes that the City conducted a recent Economic Element update and that similar public facility demands will likely be articulated from that process. Moreover, both of these updates are expected to precipitate a UGB review. Localized public facilities demands are appropriately considered as part of a Goal 14 UGB review. Decisions about growth are made in part based upon serviceability when comparing alternative growth areas. For these reasons, the City Council concludes that updates to the Public Facilities Element will be most timely in response to growth planned through the Housing Element update, Economic Element update, and UGB review. Following those legislative amendments, a review of the Public Facilities Element would be timely.

Goal 12: Transportation

To provide and encourage a safe, convenient and economic transportation system...

Conclusions of Law: The City Council concludes the Housing Element is generally consistent with the policies of the City's adopted and acknowledged *Transportation System Plan* (TSP) to achieve Goal 12. The City Council further concludes that the Housing Element includes analysis and continues policies that have important transportation implications, including but not limited to the following:

- The City's housing policies exist in a regional context that includes several other cities. Jacksonville and Ashland have significant buildable land that permits large-lot single family dwellings (by Oregon Goal 10 & 14 standards). Development patterns in these cities' tend to be similar to development patterns under Medford's SFR-2 zoning. The development patterns tend to be large high quality (Assessor's Stat Class 5 plus) housing on relatively large lots. These households tend to be affluent and often have two full-time workers and it is not uncommon that they might both be employed in Medford. Thus, no matter where these households are located in the region they tend to generate primary peak hour trips on Medford streets. Supplying at least some of the regional housing for these households within Medford has important transportation policy implications because if a significant portion of new units in this price range/rent level segment locate in the outlying communities of Jacksonville and Ashland then many of the transportation impacts in Medford will still be realized, but without the benefit of

System's Development Charges and ongoing revenues by City residents to support street system maintenance. In addition to the above competing cities, similar transportation issues to those described here arise in this housing market segment for rural residential properties in Jackson County.

- The City's housing policies exist in a regional context that includes several other cities. Eagle Point, Grants Pass, Central Point and Phoenix all have single family residential zones that permit typical single family dwellings and support similar development patterns to Medford's SFR-4 zoning district. The development patterns tend to be typical quality (Stat Class 3-4 plus) housing on typical single-family lots. These households tend to have moderate incomes and often have two full-time workers and it is not uncommon that they might both be employed in Medford. Thus, no matter where these households are located in the region they tend to generate primary peak hour trips on Medford streets. Supplying housing for these households within Medford has important transportation policy implications because if a significant portion of new units in this price range/rent level segment locate in the outlying communities of Eagle Point, Grants Pass, Central Point and Phoenix then many of the transportation impacts in Medford will still be realized, but without the benefit of System's Development Charges and ongoing revenues from City residents to support street system maintenance. Moreover, this market segment is large and constitutes the highest single proportion of new households on a regional basis and therefore the impacts are not just limited to Medford's local street system. The roads connecting these communities to Medford are expensive State highways and county roads and the transportation impacts to these roads will be disproportionately severe. This phenomena is not mere theoretical possibility, it resulted in high growth in Eagle Point from about 2001-2007 causing Oregon Highway 62 (a National Highway System facility) to become overwhelmed.

- By providing balanced policies that support higher density housing and PUD projects with integrated uses the City of Medford continues to reduce reliance on the automobile by providing nodal development patterns that support alternative transportation modes.

The Council recognizes major updates such as the Housing Element update often articulate future transportation facility demands likely to occur from residential development activities and that these demands are likely to have localized effects. For this reason, the City Council concludes that ultimate achievement of Goal 12 will likely require updates to the City's Transportation System Plan; this conclusion is consistent with comments to the City made by the Oregon Department of Transportation.

The City Council also concludes that the City recently completed an Economic Element update and that similar public facility demands will likely be articulated from that process. Moreover, both of these updates are expected to precipitate a UGB review and localized public facilities demands are appropriately considered as part of a Goal 14 UGB review; decisions about growth are made in part based upon serviceability when comparing alternative growth areas. The City also recognizes that the County's TSP requires UGB amendments to identify higher-order street

corridors at the time of the UGB amendment and this will need to be developed during that Goal 14 UGB review. For these reasons, the City Council concludes that updates to the TSP will need to occur in two steps. First, a conceptual higher-order street plan will need to be developed for any future growth areas that result in amendments through the UGB review process. (These amendments would be developed to accommodate demands projected in the Housing Element and the Economic Element updates.) Second, a more detailed TSP update(s) will be most timely once specific areas for type and quality of growth are identified through completion of the UGB review.

Goal 13: Energy Conservation

To conserve energy...

Conclusions of Law: The City Council concludes that the *Comprehensive Plan* amendment to update the Housing Element does not directly affect energy conservation, but it does have implications for achievement of the goal. First, the housing element supports the supply of adequate types of housing in Medford where the region's employment is concentrated thereby reducing energy consumption for work trips. Second, a range of housing types supports energy efficiency by providing housing choices for a variety of household compositions.

Goal 14: Urbanization

To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Urban Growth Boundaries

Urban growth boundaries shall be established and maintained by cities, counties and regional governments to provide land for urban development needs and to identify and separate urban and urbanizable land from rural land. Establishment and change of urban growth boundaries shall be a cooperative process among cities, counties and, where applicable, regional governments. An urban growth boundary and amendments to the boundary shall be adopted by all cities within the boundary and by the county or counties within which the boundary is located, consistent with intergovernmental agreements, except for the Metro regional urban growth boundary established pursuant to ORS chapter 268, which shall be adopted or amended by the Metropolitan Service District.

Land Need

Establishment and change of urban growth boundaries shall be based on the following:

(1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments; and

(2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection(2).

In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.

Boundary Location

The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors:

(1) Efficient accommodation of identified land needs;

(2) Orderly and economic provision of public facilities and services;

(3) Comparative environmental, energy, economic and social consequences; and

(4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Urbanizable Land

Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Comprehensive plans and implementing measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned.

GUIDELINES

A. PLANNING

1. Plans should designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account (1) the growth policy of the area; (2) the needs of the forecast population; (3) the carrying capacity of the planning area; and (4) open space and recreational needs.

2. The size of the parcels of urbanizable land that are converted to urban land should be of adequate dimension so as to maximize the utility of the land resource and enable the logical and efficient extension of services to such parcels.

3. Plans providing for the transition from rural to urban land use should take into consideration as to a major determinant the carrying capacity of the air, land and water

resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

4. Comprehensive plans and implementing measures for land inside urban growth boundaries should encourage the efficient use of land and the development of livable communities.

B. IMPLEMENTATION

1. The type, location and phasing of public facilities and services are factors which should be utilized to direct urban expansion.

2. The type, design, phasing and location of major public transportation facilities (i.e., all modes: air, marine, rail, mass transit, highways, bicycle and pedestrian) and improvements thereto are factors which should be utilized to support urban expansion into urbanizable areas and restrict it from rural areas.

3. Financial incentives should be provided to assist in maintaining the use and character of lands adjacent to urbanizable areas.

4. Local land use controls and ordinances should be mutually supporting, adopted and enforced to integrate the type, timing and location of public facilities and services in a manner to accommodate increased public demands as urbanizable lands become more urbanized.

5. Additional methods and devices for guiding urban land use should include but not be limited to the following: (1) tax incentives and disincentives; (2) multiple use and joint development practices; (3) fee and less-than-fee acquisition techniques; and (4) capital improvement programming.

6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.

Conclusions of Law: First and foremost, the Medford City Council concludes that Goal 14 is implemented by detailed administrative rules found at OAR 660-008 and OAR 660-024 and the conclusions of law addressing those rules herein below are herewith incorporated and adopted as the overarching basis to conclude the proposed Housing Element amendment complies with Statewide Planning Goal 14. The City Council further concludes that Goal 14's applicability in the context of a Housing Element review requires complete technical and policy compliance with the land need factors of Goal 14, but is limited to only policy and general consistency with the boundary location factors where the final land use decision herein does not expand the UGB to include specific lands. Consistent with these overarching Conclusions of Law, the City Council concludes as follows with respect to Statewide Planning Goal 14:

1. The inventory of buildable land for residential uses, projection of land demands, and supply and demand reconciliation analysis do not independently amend the UGB. Rather

they develop a sufficient basis of facts to estimate the land needed, pursuant to Statewide Planning Goal 2, upon which action must be taken under ORS 197.296. The Council further concludes that the nature and extent of the Housing Needs Analysis provides an adequate factual basis to guide a UGB location alternative analysis in manner that provides for logical application of said boundary location factors.

2. The Housing Element establishes the City's land need and supply for the City of Medford UGB for adequate residential development opportunities and with supporting infrastructure for those residential opportunities by evaluating the ability of existing lands within the UGB to satisfy projected land demands to meet the 20-year population forecast coordinated with Jackson County.

3. The Housing Element and corresponding Housing Needs Analysis function to specify characteristics necessary to satisfy Medford's urban land needs for housing.

4. The Housing Element also estimates the amount of residential land that creates a livable community by supplying uses necessary and appropriate for residential areas. These uses include urban parks, fraternal/social organizations, churches, fire stations, and similar uses.

5. The Housing Element considers all land within its urban growth boundary to be available for urban development.

6. The Housing Element contains an analysis and results in a conclusion that the City of Medford has inadequate land supplies to satisfy it's housing needs for its 20-year population forecast, but consistency with Goal 14 requires that this determination come with a corollary conclusion that the needs cannot reasonably be accommodated within the existing UGB. For the City of Medford, the City Council concludes as follows with respect to why Medford's land needs cannot reasonably be accommodated within the existing UGB, as follows:

    a. Medford has delivered housing consistent with its acknowledged Comprehensive Plan that was amended under Periodic Review to comply in all ways with Goal 10 and Goal 14 and thus an analysis and projection of need consistent with that acknowledgement order must logically continue to comply with Goal 10 and Goal 14 and therefore the plan already reflects reasonable efforts to accommodate identified needs within the existing UGB consistent with those needs.

    b. There is no substantial evidence in the record that underlying structural changes to Medford demographics, economics, and/or municipal service delivery have occurred to such a degree since the last periodic review as to render future projections based upon delivered housing since the last periodic review invalid or somehow inappropriate. Nevertheless, the Planning Commission recommended, and the City Council agreed, that somewhat higher residential densities could be supported through continuing urbanization to support densities of 8.0 units per

built acre which is 1.4 units per acre higher than historic densities under the adopted and acknowledged regulations that have been in effect since the last periodic review.

IV.1(C) Oregon Administrative Rule Division 008

660-008-0010

Allocation of Buildable Land

The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

Conclusions of Law: The Medford City Council concludes that the updated Housing Element documents available land in each residential plan designation. The housing needs analysis concludes that the City has a deficit of 996 gross acres of residential land, 465 acres in the UR designation, 39 acres in the UM designation, 49 acres in the UH designation, 16 acres for group quarters, and 426 acres for public and semi-public land needs.

660-008-0015

Clear and Objective Approval Standards Required

Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Conclusions of Law: The Medford City Council concludes that the City of Medford's residential development standards are clear and objective and do not result in unreasonable cost or delay in residential development.

660-008-0020

Specific Plan Designations Required

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in the local housing needs projection.

(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:

(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;

(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and

(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Conclusions of Law: The Medford City Council concludes that residential land in the City of Medford has specific residential plan designations.

660-008-0025

The Rezoning Process

A local government may defer rezoning of land within an urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified. If such is the case, then:

(1) The plan shall contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.

(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Conclusions of Law: The Medford City Council concludes the existing Comprehensive Plan and Medford Land Development Code contain provisions to establish holding zones for urbanizable lands at the time they are annexed and the reasons for this process is to provide separation of the statutorily defined annexation procedures from decisions of public facilities adequacy for serving urban intensity development that is the subject of rezoning. Medford has clear and objective standards for rezoning to urban standards to permit the maximum planned residential density under any of its plan designations.

660-008-0030

Regional Coordination

(1) Each local government shall consider the needs of the relevant region in arriving at a fair allocation of housing types and densities.

(2) The local coordination body shall be responsible for ensuring that the regional housing impacts of restrictive or expansive local government programs are considered. The local coordination body shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Conclusions of Law: The Medford City Council concludes that the housing needs analysis and updated Housing Element consider regional housing needs.

660-008-0035

Substantive Standards for Taking a Goal 2, Part II Exception Pursuant to ORS 197.303(3)

(1) A local government may satisfy the substantive standards for exceptions contained in Goal 2, Part II, upon a demonstration in the local housing needs projection, supported by compelling reasons and facts, that:

(a) The needed housing type is being provided for elsewhere in the region in sufficient numbers to meet regional needs;

(b) Sufficient buildable land has been allocated within the local jurisdiction for other types of housing which can meet the need for shelter at the particular price ranges and rent levels that would have been met by the excluded housing type; and

(c) The decision to substitute other housing types for the excluded needed housing type furthers the policies and objectives of the local comprehensive plan, and has been coordinated with other affected units of government.

(2) The substantive standards listed in section (1) of this rule shall apply to the ORS 197.303(3) exceptions process in lieu of the substantive standards in Goal 2, Part II. The standards listed in section (1) of this rule shall not apply to the exceptions process authorized by OAR 660-007-0360.

Conclusions of Law: The Medford City Council concludes the updated Housing Element presents opportunities for providing needed housing types and does not propose an exception to provide needed housing types as defined by ORS 197.303.

660-008-0040

Restrictions on Housing Tenure

Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall include a determination of housing need according to tenure as part of the local housing needs projection.

Conclusions of Law: The Medford City Council concludes that the City of Medford does not restrict construction of either rental or owner occupied housing.

IV.1(D) Oregon Administrative Rule Division 024

660-024-0000

Purpose and Applicability

(1) The rules in this division clarify procedures and requirements of Goal 14 regarding a local government adoption or amendment of an urban growth boundary (UGB).

(2) The rules in this division interpret Goal 14 as amended by Land Conservation and Development Commission (the Commission) on or after April 28, 2005, and are not applicable to plan amendments or land use decisions governed by previous versions of Goal 14 still in effect.

(3) The rules in this division adopted on October 5, 2006, are effective April 5, 2007. The rules in this division amended on March 20, 2008, are effective April 18, 2008. The rules in this division adopted March 13, 2009, and amendments to rules in this division adopted on that date, are effective April 16, 2009, except as follows:

(a) A local government may choose to not apply this division to a plan amendment concerning the evaluation or amendment of a UGB, regardless of the date of that amendment, if the local government initiated the evaluation or amendment of the UGB prior to April 5, 2007;

(b) For purposes of this rule, "initiated" means that the local government either:

(A) Issued the public notice specified in OAR 660-018-0020 for the proposed plan amendment concerning the evaluation or amendment of the UGB; or

(B) Received LCDC approval of a periodic review work program that includes a work task to evaluate the UGB land supply or amend the UGB;

(c) A local government choice whether to apply this division must include the entire division and may not differ with respect to individual rules in the division.

Conclusions of Law: The City Council concludes that the proposed Housing Element update serves to evaluate the City's residential land needs and supply within the existing UGB. Thus, this Housing Element update must be consistent with the land need requirements of Division 024. The City Council further concludes that the version of Division 024 and Goal 14 addressed herein is in full force and effect and none of the exceptions listed at OAR 660-024-0000(3)(a-d) are being utilized herein.

660-024-0010

(9) "UGB" means "urban growth boundary."

660-024-0040

Land Need

(1) The UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open

space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule. The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision.

Conclusions of Law: The Council concludes that the Housing Element identifies the residential land needs and the other urban use needs to serve those residential land needs and that the analysis in the Housing Element has been performed using the best available information and methodologies, reasonably accurate and precise.

(2) If the UGB analysis or amendment is conducted as part of a periodic review work program, the 20-year planning period must commence on the date initially scheduled for completion of the appropriate work task. If the UGB analysis or amendment is conducted as a post-acknowledgement plan amendment under ORS 197.610 to 197.625, the 20-year planning period must commence either:

(a) On the date initially scheduled for final adoption of the amendment specified by the local government in the initial notice of the amendment required by OAR 660-018-0020; or

(b) If more recent than the date determined in subsection (a), at the beginning of the 20-year period specified in the coordinated population forecast for the urban area adopted by the city and county pursuant to OAR 660-024-0030, unless ORS 197.296 requires a different date for local governments subject to that statute.

Conclusions of Law: The City Council concludes the actual UGB review will commence following acknowledgement of the Housing Element and the City will coordinate with the State of Oregon Department of Land Conservation and Development and Jackson County on the planning period for the UGB review, but the need is based upon a 20-year need through the current year (2010) through 2029.

(3) A local government may review and amend the UGB in consideration of one category of land need (for example, housing need) without a simultaneous review and amendment in consideration of other categories of land need (for example, employment need).

Conclusions of Law: The City Council concludes the Housing Element is directed only at characterizing residential land needs within the existing UGB and future UGB review will result in definitive land need determinations for UGB changes. The City performed a recent review of employment needs, but the City recognizes that the UGB review for residential lands may proceed in advance of the review for other land needs if the City and County determine this to be the appropriate course of action.

(4) The determination of 20-year residential land needs for an urban area must be consistent with the adopted 20-year coordinated population forecast for the urban area, and with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 7 or 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490.

Conclusions of Law: The Council concludes that the Housing Element is consistent with the adopted 20-year coordinated population forecast for the Medford UGB and that the Housing Element meets the requirements of Goal 10, OAR 660 division 8 and ORS 197.296 and 197.303.

(5) Except for a metropolitan service district described in ORS 197.015(13), the determination of 20-year employment land need for an urban area must comply with applicable requirements of Goal 9 and OAR chapter 660, division 9, and must include a determination of the need for a short-term supply of land for employment uses consistent with OAR 660-009-0025. Employment land need may be based on an estimate of job growth over the planning period; local government must provide a reasonable justification for the job growth estimate but Goal 14 does not require that job growth estimates necessarily be proportional to population growth.

Conclusions of Law: The City Council concludes the proposed Housing Element update does not affect employment land needs.

(6) Cities and counties may jointly conduct a coordinated regional EOA for more than one city in the county or for a defined region within one or more counties, in conformance with Goal 9, OAR chapter 660, division 9, and applicable provisions of ORS 195.025. A defined region may include incorporated and unincorporated areas of one or more counties.

Conclusions of Law: Medford concludes this criterion is not relevant Medford's Housing Element.

(7) The determination of 20-year land needs for transportation and public facilities for an urban area must comply with applicable requirements of Goals 11 and 12, rules in OAR chapter 660, divisions 11 and 12, and public facilities requirements in ORS 197.712 and 197.768. The determination of school facility needs must also comply with ORS 195.110 and 197.296 for local governments specified in those statutes.

Conclusions of Law: The City Council concludes the Housing Element has estimated land for transportation and public facilities as part of its analysis of the gross land need. A more detailed facility planning process will follow the completion of the Housing Element update and expected UGB review.

8) The following safe harbors may be applied by a local government to determine housing need under this division:

(a) A local government may estimate persons per household for the 20-year planning period using the persons per household for the urban area indicated in the most current data for the urban area published by the U.S. Census Bureau.

(b) If a local government does not regulate government-assisted housing differently than other housing types, it is not required to estimate the need for government-assisted housing as a separate housing type.

(c) If a local government allows manufactured homes on individual lots as a permitted use in all residential zones that allow 10 or fewer dwelling units per net buildable acre, it is not necessary to provide an estimate of the need for manufactured dwellings on individual lots.

(d) If a local government allows manufactured dwelling parks required by ORS 197.475 to 197.490 in all areas planned and zoned for a residential density of six to 12 units per acre, a separate estimate of the need for manufactured dwelling parks is not required.

(e) A local government outside of the Metro boundary may estimate its housing vacancy rate for the 20-year planning period using the vacancy rate in the most current data published by the U.S. Census Bureau for that urban area that includes the local government.

(f) A local government outside of the Metro boundary may determine housing needs for purposes of a UGB amendment using the combined Housing Density and Housing Mix safe harbors described in this subsection and in Table 1, or in combination with the Alternative Density safe harbor described under subsection (g) of this section and in Table 2. To meet the Housing Density safe harbor in this subsection, the local government may Assume For UGB Analysis that all buildable land in the urban area, including land added to the UGB, will develop at the applicable average overall density specified in column B of Table 1. Buildable land in the UGB, including land added to the UGB, must also be Zoned to Allow at least the average overall maximum density specified as Zone To Allow in column B of Table 1. Finally, the local government must adopt zoning that ensures buildable land in the urban area, including land added to the UGB, cannot develop at an average overall density less than the applicable Required Overall Minimum density specified in column B of Table 1. To meet the Housing Mix safe harbor in this subsection, the local

government must Zone to Allow the applicable percentages of low, medium and high density residential specified in column C of Table 1.

(g) When using the safe harbor in subsection (f), a local government may choose to also use the applicable Alternative Density safe harbors for Small Exception Parcels and High Value Farm Land specified in Table 2. If a local government chooses to use the Alternative Density safe harbors described in Table 2, it must

(A) Apply the applicable Small Exception Parcel density assumption and the High Value Farm Land density assumption measures specified in the table to all buildable land that is within these categories, and

(B) Apply the Housing Density and Mix safe harbors specified in subsection (f) of this section and specified in Table 1 to all buildable land in the urban area that does not consist of Small Exception Parcels or High Value Farm Land.

(h) As an alternative to the density safe harbors in subsection (f) and, if applicable, subsection (g), of this section, a local government outside of the Metro boundary may assume that the average overall density of buildable residential land in the urban area for the 20-year planning period will increase by 25 percent over the average overall density of developed residential land in the urban area at the time the local government initiated the evaluation or amendment of the UGB. If a local government uses this Incremental Housing Density safe harbor, it must also meet the applicable Zoned to Allow density and Required Overall Minimum density requirements in Column B of Table 1 and, if applicable, Table 2, and must use the Housing Mix safe harbor in Column C of Table 1.

(i) As an alternative to the Housing Mix safe harbor required in subsection (f) of this section and in Column C of Table 1, a local government outside the Metro boundary that uses the housing density safe harbor in either subsection (f), (g) or (h) of this section may estimate housing mix using the Incremental Housing Mix safe harbor described in paragraphs (A) to (C) of this subsection, as illustrated in Table 3:

(A) Determine the existing percentages of low density, medium density, and high density housing on developed land (not "buildable land") in the urban area at the time the local government initiated the evaluation or amendment of the UGB;

(B) Increase the percentage of medium density housing estimated in paragraph (A) of this subsection by 10 percent, increase the percentage of high density housing estimated in paragraph (A) of this subsection by five percent, as illustrated in Table 3, and decrease the percentage of low density single family

housing by a proportionate amount so that the overall mix total is 100 percent, and

(C) Zone to Allow the resultant housing mix determined under subparagraphs (A) and (B) of this subsection.

(j) Tables 1, 2 and 3 are adopted as part of this rule, and the following definitions apply to terms used in the tables:

(A) "Assume For UGB Analysis" means the local government may assume that the UGB will develop over the 20-year planning period at the applicable overall density specified in Column B of Tables 1 and 2.

(B) "Attached housing" means housing where each unit shares a common wall, ceiling or floor with at least one other unit. "Attached housing" includes, but is not limited to, apartments, condominiums, and common-wall dwellings or row houses where each dwelling unit occupies a separate lot.

(C) "Average Overall Density" means the average density of all buildable land in the UGB, including buildable land already inside the UGB and buildable land added to the UGB, including land zoned for residential use that is presumed to be needed for schools, parks and other institutional uses.

(D) "Coordinated 20-year Population Forecast" under Column A of the Tables refers to the population forecast for the urban area described under OAR 660-024-0030.

(E) "Density" means the number of dwelling units per net buildable acre.

(F) "High Value Farm Land" has the same meaning as the term defined in ORS 195.300(10).

(G) "Required Overall Minimum" means a minimum allowed overall average density, or a "density floor," that must be ensured in the applicable residential zones with respect to the overall supply of buildable land for that zone in the urban area for the 20-year planning period.

(H) "Single Family Detached Housing" means a housing unit that is free standing and separate from other housing units, including mobile homes and manufactured dwellings under ORS 197.475 to 197.492.

(I) "Small Exception Parcel" means a residentially zoned parcel five acres or less with a house on it, located on land that is outside a UGB prior to a proposed UGB expansion, subject to an acknowledged exception to Goal 3 or 4 or both.

(J) "Zone To Allow" or "Zoned to Allow" means that the comprehensive plan and implementing zoning shall allow the specified housing types and densities under clear and objective standards and other requirements specified in ORS 197.307(3)(b) and (6).

Conclusions of Law: The City Council concludes the housing needs analysis is subject to ORS 197.296 and the therefore pursuant to the ***tables*** density and mix safe harbors are not available to the City of Medford. The Council concludes it is unclear as to whether the other safe harbors in the rule may be utilized, but in an abundance of caution the City addresses the same herein, as follows:

- The City does not use the persons per household safe harbor, but nonetheless uses a reasonable figure. The most recent information Census Bureau information shows 2.48 people per household which is somewhat higher than long-term projections for the Country as a whole which is 2.41 (see Zhang et al and the Pro-Famy demographic model predictions). As a medium sized urban area, Medford is expected to trend from the 2.48 in the most recent American Community survey toward that long-term average with a modest decline of 2.445.
- The City does not regulate government assisted housing any different than other housing types.
- The City of Medford permits manufactured homes in all residential zones. The City of Medford does permit manufactured dwelling parks in all residential zones. The City projected the number of manufactured dwellings to be added as a housing type.
- The City does not utilize the safe harbor for vacancy rate, but nonetheless uses a reasonable rate. The vacancy rate in the most recent Census data is 7.8 percent which is very high by historic standards and does not appear appropriate for a long-term plan considering the somewhat unusual conditions in the housing market. The analysis uses 5.5 percent which is an average rate between the current 7.8 percent and rates measured in the census in 1990 and 2000.

(9) The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

(B) The population growth rate for the urban area in the adopted 20-year coordinated population forecast specified in OAR 660-024-0030.

(b) A local government with a population of 10,000 or less may assume that retail and service commercial land needs will grow in direct proportion to the forecasted urban area population growth over the 20-year planning period. This safe harbor may not be used to determine employment land needs for sectors other than retail and service commercial.

Conclusions of Law: The City Council concludes the proposed Housing Element update does not affect employment land needs.

(10) As a safe harbor during periodic review or other legislative review of the UGB, a local government may estimate that the 20-year land needs for streets and roads, parks and school facilities will together require an additional amount of land equal to 25 percent of the net buildable acres determined for residential land needs under section (4) of this rule, and in conformance with the definition of "Net Buildable Acre" as defined in OAR 660-024-0010(6).

Conclusions of Law: The City Council concludes the safe harbor is not reasonably supportable for the City of Medford under the analysis procedures of ORS 197.296 where the net-to-gross factor was measured to be near 30 percent just for roads on many representative projects of modern development practices; Medford's TSP and local circulation plans call for highly gridded street patterns to support alternative transportation and traffic movement but these policies increase the net-to-gross factors despite the application of skinny street standards in many of the areas. The analysis of land need for public and semi-public land did not use the safe harbor methodology. The analysis of need for public and semi-public land was based on an empirical analysis of existing public and semi-public uses, excluding need for roads. The City Council concludes that the City of Medford will need 426 gross acres for government buildings and facilities, city parks, schools, churches, and fraternal organizations and similar uses.

The analysis used a net to gross conversion to account for land needed for roads and other rights-of-way. The net to gross factors used were: 23% for single-family detached, 15% for manufactured units in mobile home parks, 12% for single-family attached units, 12% for duplexes, and 10% for apartments.

660-024-0050

Land Inventory and Response to Deficiency

(1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024¬0040. For residential land, the buildable land inventory must include vacant and redevelopable land, and be conducted in accordance with OAR 660-007-0045 or 660-008-0010, whichever is applicable, and ORS 197.296 for local governments subject to that statute. For employment land, the inventory must include suitable vacant and developed land designated for industrial or other employment use, and must be conducted in accordance with OAR 660-009-0015(3).

Conclusions of Law: The City Council herewith incorporates and adopts its *Findings of Fact and Conclusions of Law* addressing OAR 660-008-0010 and on this basis concludes residential land has been inventoried consistent with the rule.

(2) As safe harbors, a local government, except a city with a population over 25,000 or a metropolitan service district described in ORS 197.015(14), may use the following assumptions in inventorying buildable lands to accommodate housing needs:

(a) The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;

(b) Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.

Conclusions of Law: Based upon the Findings in Section III and the Housing Element and Housing Needs Analysis themselves, the Council concludes the residential land has been inventoried consistent with this safe harbor, notwithstanding its inapplicability.

(3) As safe harbors when inventorying land to accommodate industrial and other employment needs, a local government may assume that a lot or parcel is vacant if it is:

(c) Equal to or larger than one-half acre, if the lot or parcel does not contain a permanent building; or

(d) Equal to or larger than five acres, if less than one-half acre of the lot or parcel is occupied by a permanent building.

Conclusions of Law: The City Council concludes these provisions are not applicable to residential lands inventorying.

(4) If the inventory demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296 where applicable. Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB. Changes to the

UGB must be determined by evaluating alternative boundary locations consistent with OAR 660-024-0060.

Conclusions of Law: The City Council concludes the application of this subsection must occur as part of the UGB review process. The actual UGB review will commence following acknowledgement of the Housing Element and the City will coordinate with the Oregon Department of Land Conservation and Development and Jackson County on the planning period for the UGB review.

(5) When land is added to the UGB, the local government must assign appropriate urban plan designations to the added land, consistent with the need determination. The local government must also apply appropriate zoning to the added land consistent with the plan designation, or may maintain the land as urbanizable land either by retaining the zoning that was assigned prior to inclusion in the boundary or by applying other interim zoning that maintains the land's potential for planned urban development until the land is rezoned for the planned urban uses. The requirements of ORS 197.296 regarding planning and zoning also apply when local governments specified in that statute add land to the UGB.

Conclusions of Law: The Council concludes that no land is being added as part of the Housing Element update but that any future land that may be added to satisfy identified residential land needs can feasibly and must comply with this rule.

Ultimate State Criteria Conclusions of Law: Based upon the Findings of Fact in Section III and all the above foregoing Conclusions of Law, the City Council concludes the Housing Element amendment is fully consistent with applicable State of Oregon approval criteria.

IV.2 CITY OF MEDFORD CRITERIA

IV.2(A) Medford Land Development Code

Refer to the Review and Amendment section of the Comprehensive Plan [inapplicable provisions omitted].

Conclusions of Law: The Council concludes the criteria contained in the review and amendment section of the plan text is addressed herein below and herewith incorporated and adopted and on that basis concludes the Medford *Land Development Code* approval criteria for the subject amendment are satisfied.

IV.2(B) Review and Amendments Section of the *Comprehensive Plan*

The seven criteria within the Review and Amendments section of the *Comprehensive Plan* are prefaced with the following language, which clearly establish alternative tests prerequisite to an affirmative decision:

" [. . .] While all of the criteria may not apply to each proposed amendment, all must be considered when developing substantive supporting final action on the amendment, and

those criteria which are applicable must be identified and distinguished from those which are not."

The City Council construes the above language to mean that not all criteria may apply to any given application, but all must be considered. The City Council further understands that if it finds that some of the criteria do not apply, it must explain why. The criteria listed in the *Comprehensive Plan* Review and Amendments section, which pertain to the subject changes are addressed herein below:

Conclusions

Amendments shall be based on the following:

A change or addition to the text, data, inventories, or graphics that substantively affects the nature of one or more conclusion.

Conclusions of Law: The Council concludes that the Housing Element update proposes changes and/or additions to text, data, inventories, and graphics that substantively affect the nature of one or more conclusions in the existing Housing Element. The Council concludes that the changes to text, data, inventories, and/or graphics are consistent with land use planning for residential lands pursuant to Statewide Planning Goal 10 and that the conclusion amendments are consistent with that Goal 10 analysis and the City's policy objectives to achieve Goal 10.

Goals and Policies

Amendments shall be based on the following:

1. *A significant change in one or more conclusion.*
2. *Information reflecting new or previously undisclosed public needs.*
3. *A significant change in community attitudes or priorities.*
4. *Demonstrable inconsistency with another Comprehensive Plan provision.*
5. *Statutory changes affecting the Comprehensive Plan.*
6. *All applicable Statewide Planning Goals.*

Conclusions of Law: The Council concludes as follows with respect to the proposed changes to the Housing Element Goals and Policies:

1. The Goal 10 analysis presented in the Housing Element yielded significant changes to the Housing Element conclusions, such as the amount of land needed to meet residential land demands through the year 2029. On this basis, the Council concludes the proposed changes to the Goals and Policies are responsive to identified and significant changes to one or more conclusions.
2. The Council concludes the Housing Element update is a thoroughgoing update to the Element that included comprehensive analysis of the City's Goal 10 objectives. While the project built on the previous element and does not chart a radically different course than

the previous element, it does reflect new and/or previously undisclosed public needs, such as additional housing for retirees, for example: multi-family units, congregate care units, single-family units, and manufactured homes.

3. The Council concludes that the Housing Element update represents a refinement of attitudes and priorities to achieve Goal 10 for the City of Medford but that the general approach is consistent with the existing element. Therefore, the changes are not due to significant changes in community attitudes or priorities.

4. The Council concludes it has reviewed the *Comprehensive Plan* and has identified one potential demonstrable inconsistency with another *Comprehensive Plan* provision. Policy 1-A of the General Land Use Plan (GLUP) Element states that the GLUP Map shall be reviewed at least every five years. It has been more than five years since a comprehensive review of the GLUP Map occurred for residential lands and it has been more than five years since a comprehensive assessment of the City's residential land needs. The Council concludes that changes to the Goals and Policies are warranted as part of a thoroughgoing update to the Housing Element as a necessary prerequisite to a GLUP Map review, consistent with current LCDC Goal 10 rules, in order to first assess the extent to which the GLUP Map is adequately planning for residential land needs consistent with Statewide Planning Goal 10.

5. The Council concludes that there have been changes in the Oregon Revised Statutes that have resulted in a change to the Housing Element. The previous Housing Element was adopted in 1995. ORS 197.296 was adopted in 1996. ORS 197.296 describes the methodology for conducting a housing needs analysis. The Goals and Policies in the revised Housing Element respond to the housing need identified in the housing needs analysis.

Implementation Strategies

Amendments shall be based on the following:

1. *A significant change in one or more goal or policy.*
2. *Availability of new and better strategies, such as those resulting from technological or economic changes.*
3. *Demonstrable ineffectiveness of a present strategy(s).*
4. *Statutory changes affecting the Comprehensive Plan.*
5. *Demonstrable budgetary constraints in association with at least one of the above criteria.*
6. *All applicable Statewide Planning Goals.*

Conclusions of Law: The Council concludes as follows with respect to the proposed changes to the Housing Element Implementation Strategies:

1. The Goal 10 analysis presented in the Housing Element yielded some significant changes to the Housing Element conclusions and this yielded some significant changes to one or more goals and/or policies; all new or modified implementation strategies have been written to further the objectives of said goal and/or policy changes.
2. The Council concludes the Housing Element update is a thoroughgoing update to the Element that included comprehensive analysis of the City's Goal 10 objectives. While the project is built on the previous element and does not chart a radically different course than the previous element, it does refine the City's strategies in response to this update project. In particular, the update uses the best available information and methodologies to describe the current need for all types of housing, housing affordability, and housing trends. For these reasons, the Council expects the Housing Element strategies to be new and potentially better than the existing body of Goal 10 strategies.
3. The Council concludes it has reviewed the previous Housing Element and because the City's general approach to achieve Goal 10 is not radically changed, the existing strategies do not require amendment because they were not demonstrably ineffective.
4. The Council concludes that there have been changes in the Oregon Revised Statutes that have resulted in a change to the Housing Element. The previous Housing Element was adopted in 1995. ORS 197.296 was adopted in 1996. ORS 197.296 describes the methodology for conducting a housing needs analysis. The Goals and Policies in the revised Housing Element respond to the housing need identified in the housing needs analysis.
5. The Council concludes it is not aware of demonstrable budgetary constraints that have rendered any of the previous Housing Element strategies impractical for any of the reasons given for the proposed amendments in 1-4 above.

General Land Use Plan Map Designations

Amendments shall be based on the following:

1. *A significant change in one or more goal or policy, or implementation strategy.*
2. *Demonstrated need for the change to accommodate unpredicted population trends, to satisfy urban housing needs or to assure adequate employment opportunities.*
3. *The orderly and economic provision of key public facilities.*
4. *Maximum efficiency of land uses within the current urbanizable area.*
5. *Environmental, energy, economic and social consequences.*
6. *Compatibility of the proposed change with other elements of the Comprehensive Plan.*

7. All applicable Statewide Planning Goals.

Conclusions of Law: The Council concludes the proposed Housing Element amendment does not alter the application and/or description of any General Land Use Plan Map Designations. But the implication of its adoption may result in changes to the GLUP Map and/or the residential land map designation descriptions in order to carry out the City's long-term Goal 10 objectives. The findings above addressing portions of OAR 660-008, OAR 660-024, and ORS 197.296 consider such changes are appropriate to assure consistency with all aspects of the rules.

Urban Growth Boundary, Urban Reserve, UGMA, URMA

See Urbanization Element:

Conclusions of Law: The Council concludes the proposed Housing Element amendment does not alter the UGB, but the implication of its adoption may result in future changes to the UGB in order to carry out the City's long-term Goal 10 objectives. The findings above addressing portions of OAR 660-008, OAR 660-024, and ORS 197.296 contemplate such changes are appropriate to assure the plan is ultimately consistent with all aspects of those rules.

No aspects of the Housing Element amends or has significant implications for the establishment or changes to Urban Reserves, and/or Urban Growth Management Agreements (UGMA), and/or Urban Reserve Management Agreements (URMA).

Citizen Involvement Program

Amendments shall be based on recommendations from the Committee for Citizen Involvement (CCI), and on Statewide Planning Goal 1, and any other applicable Statewide Planning Goals.

Conclusions of Law: The Council concludes the proposed amendments will have no affect on the City's Citizen Involvement Program.

Revision of Data, Inventories and Graphics

Revisions of those portions of the Comprehensive Plan document which do not affect a Plan conclusion, goal, policy, implementation strategy, General Land Use Plan designation, the Urban Growth Boundary, the Citizen Involvement Program, or the Review and Amendment Procedures may be made when need by order of the Planning Director. Such revisions shall be transmitted to the Planning Commission, City Council, and all other recorded holder to the Comprehensive Plan.

Conclusions of Law: The Council concludes the Housing Element update contains a thoroughgoing review of data, inventories, and graphics applicable to the City's residential land base and achievement of Goal 10. While some of this data might have been adopted through an independent order, the Council concludes that this type of comprehensive review is appropriately adopted by ordinance as part of this legislative review process.

BEFORE THE CITY COUNCIL
FOR THE CITY OF MEDFORD
JACKSON COUNTY, OREGON

IN THE MATTER OF A PROCEDURAL CLASS A LEGISLATIVE AMENDMENT TO THE CITY OF MEDFORD *COMPREHENSIVE PLAN* THAT REPLACES THE EXISTING HOUSING ELEMENT AND ADOPTS A NEW HOUSING NEEDS ANALYSIS.	***DLCD COMMENTS CONCLUSIONS OF LAW*** **File No. CP-08-055** **Ordinance Exhibit C** **November 10, 2010**

I. DLCD LETTER OF SEPTEMBER 21, 2010

On September 21, 2010, the Oregon Department of Land Conservation and Development (DLCD) tendered a letter to the City of Medford which raised seven issues that the City addresses as follows:

DLCD Comment #1

The revised Housing Element still does not adequately address future housing affordability in Medford based on the demographic and other trends set-forth in the Housing Element data and findings. A significant portion of the resident population is considered "cost burdened" based on HUD standards, and this is not expected to change. As one example, the record does not demonstrate that projecting forward the historic housing mix will achieve Medford's housing policies and objectives to meet the housing needs of this segment of the population. The city should revisit its housing mix and density assumptions.

Discussion and Conclusions of Law: The City Council finds that this issue is raised in such a way that it requires proper consideration in its individual parts:

1. Sentence 1 states DLCD's conclusion that the City has still not adequately addressed housing affordability based upon demographic or "other trends" which are in the Housing Element or its supporting findings. DLCD has not directed the City to any data sources in the Housing Element, its supporting Findings of Fact and Conclusions of Law, or elsewhere to enable the City to properly respond. More particularly, the City does not know nor does DLCD explain what is meant by "other trends" and the City concludes that most of the trend data in the Housing Element depicts rapidly falling housing prices in the near-term ownership markets with only modest increases in the rental markets.
2. The first part of Sentence 2 — that a significant portion of the resident population is considered "cost burdened" — is an observation that is likely true for most any metropolitan statistical area. As to whether this will change, the Housing Element includes considerable analysis on the complex relationships between income and housing prices and rents. The Element does not presume to be able to know *a priori* how these complex relationships will interact during the 20-year planning period. If DLCD has such projections, or knows where they are available, that data would have been valuable to the Housing Element update process. The analysis in the Housing Element explains the complex nature of these relationships and the City is somewhat skeptical that such projections could reasonably be made with any expectation of accuracy.

3. Sentence 3 substantially ignores Housing Element Table 33 where a broad comparison of the complex relationships between housing mix and income strata are considered. That table shows reasonable housing allocation estimates amongst the various housing types for a community such as Medford. Land use planning cannot guarantee ultimate future prices and rents in relation to incomes, but where the planned housing can reasonably be projected to balance according to the identified market income segments, then the Housing Element land use planning effort has reasonably performed its function within the housing market. Other factors that affect ultimate prices and rents in relation to incomes are dependent on other factors over which Medford exercises no control, such as interest rates, money supply, foreign trade policies, etc.
4. For the above reasons, Sentence 4 is conclusory and does not necessarily follow from the preceding suppositions.

Based upon the foregoing, the City Council concludes that its Findings of Fact and Conclusions of Law in Ordinance Exhibit B are sufficient and this comment does not require changes to the Housing Element necessary to satisfy any mandatory criteria to which the Housing Element is subject.

DLCD Comment #2

The section of the Housing Element "Forecast of Housing need by Type and Density" as revised still does not meet the statutory requirements of ORS 197.296(7). ORS 197.296(7) requires a comparison of "overall average density and overall mix of housing types" for actual development and for future housing needs. Please provide the statutory analysis.

Discussion and Conclusions of Law: The City Council concludes that no changes to the Housing Element are required as a matter of law. The Council further concludes that the process it used to formulate the Housing Element was specifically developed to arrive at the required comparison of "overall average density and overall mix of housing types." Moreover, the Council concludes that the Housing Element, in its entirety, represents and *is the statutorily prescribed comparison.* If the issue raised by DLCD goes to unstated elementary math, then the City herewith provides the following in response:

Actual Overall Average Development Density: 6.8 units per net buildable acre
Future Overall Average Housing Needs: 8.0 units per net buildable acre
Equals: Increase of 1.2 units per net buildable acre (a material but not enormous change)

As to the overall mix of housing types, there are no planned differences between the actual overall average and the future housing needs overall average. As such, no supporting mathematics are required.

DLCD Comment #3

The Housing Element appears internally inconsistent regarding the future density target in gross acreage. For example, on page vi, the text states that for purposes of the housing needs analysis the proposed density for the period 2009 – 2029 is 8 units per net acre or 6.3 dwellings per gross acre, and that the residential density for land added to the UGB to meet the City's need would average 6.5 dwellings per gross acre. So, is the needed housing density 6.3 or 6.5 dwelling unit per gross acre? Please determine the correct figure for gross residential density and then use that number consistently throughout the Housing Element.

Discussion and Conclusions of Law: The City Council asserts and concludes that no changes are necessary and that the math is correct. The difference pointed up by DLCD is due to surpluses and deficits across the various housing types and plan designations not being precisely proportional to the total. Thus, the slightly higher proportional deficit of Urban High and Urban Medium density lands translates to higher average dwellings per gross acre for lands that must be added than for the planning area as a whole. The City Council concludes this to be intuitively obvious. For example, if a community has completely run out of low density single family land but has only a small deficit of high density housing land needs over the twenty-year period, then the needed density outside the existing UGB would be much lower than the overall density that is required to meet the aggregate needs over the planning period.

DLCD Comment #4

Page 77, Conclusion #2: "Active adult retirement community" ("AARC") is a development type and not a specific housing need under Goal 10, and therefore it should not be included in the list of needed housing types. To comply with Goal, 10, the city identifies the housing types needed by senior residents according to their incomes and other factors (e.g., single-family detached, single-family attached, multi-family, etc.). We understand that these housing types include the housing types typically developed in AARCs.

Discussion and Conclusions of Law: The City Council concludes the language has been changed in response to this comment.

DLCD Comment #5

Page 78, Conclusion #13: It states: "The 20 year planning period has added and balanced allocations for the Urban Medium density plan designation," but we did not find the evidence in support of this statement other than past designation of part of the Southeast Plan Area for this range of housing density. The City's own analysis shows that since this plan/zoning designation was created, no medium density housing types have been built in the designated area. What will Medford do to try to prevent this from continuing to happen? The Housing Element must identify additional measures intended to meet Medford's medium density needed housing requirement, and demonstrate how those measures will achieve the needed number and types of dwellings in this density range within the 20-year planning period.

Discussion and Conclusions of Law: The City Council concludes that this comment requires no changes to the Housing Element in order to comply with criteria. However, the Council also concludes that some discussion is warranted because DLCD's comment does not fairly characterize the historical context surrounding the Urban Medium Density designation. The Housing Element needed to project some development in this category going forward because no development occurred in this category from 1996 to 2009, as the Housing Element makes plain and DLCD observes. As to the reasons for the lack of development in Urban Medium Density category, it was not for lack of local demand nor for lack of proper regulations. It was also not due to a local development community unwilling to supply that type of housing to the market. Housing in the Urban Medium Density category is primarily located in Medford's Southeast Plan Area.[1] Development in that area was under a Transportation Planning Rule induced regulatory barrier to development for a significant portion of the period from 1996 to 2009. By

[1] The Southeast Area is a 1000 acre area comprehensively master planned and, in large part, intended to supply needed housing and other uses.

the time the regulatory burden was addressed (by way of a $70 million I-5 Interchange) and local land use authorizations necessary for its development were obtained and infrastructure extended through intervening developable areas, the housing market collapsed and demand for this and any other type of new residential development all but evaporated. The City of Medford was without power to address any of these development impediments, other than its work in helping to fund the needed interchange.[2]

DLCD Comment #6

UH – High Density: For consistency with Goal 10 and related statutes and rules, the land supply in that designation should be reserved for needed high density housing types. We highly recommend that Medford amend the UH designation and its implementing HDR zone to prohibit single-family detached housing, including small-lot single-family detached. Otherwise, this land could be converted to single-family housing.

Discussion and Conclusions of Law: The City Council concludes that this comment requires no amendments to the draft plan. The comment likely stem from a lack of understanding of the basic mechanics of Medford's acknowledged Comprehensive Plan. Medford's Comprehensive Plan utilizes a General Land Use Plan Map (or GLUP). This map is general. Zones lines do not always precisely align with the generalized map and thus it is reasonable to expect very small numbers of single-family detached dwellings to be located under the UH plan designation; the Housing Element estimates 74 such dwellings or approximately 2 percent of the total dwellings planned for UH areas.

Thus, the type of spatial restriction suggested by DLCD would impair the basic geographic structure of the City's Comprehensive Plan Map and implementation mechanics. From a zoning standpoint, the UH allows two districts the UR-30 and UR-20 and both of these require minimum densities to be achieved which almost always requires multi-story attached housing as the only means of meeting required minimums.

DLCD Comment #7

In order to make it easier to achieve more needed housing units and greater urban land efficiency, Medford should eliminate the SR-2 and SR-4 zones for new development and provide incentives for more PUDs in the SR -6 and SR -10 zones. This will make it easier for the city to achieve its goal of an overall minimum of 8 units per net acre.

Discussion and Conclusions of Law: The City Council concludes that no changes to the Housing Element are required as a matter of law. The City Council duly notes DLCD's suggestion but believes and concludes that this is strictly policy matter which the City Council believes is not appropriate for Medford because it would have ruinous transportation impacts. See, Ordinance Exhibit B for Goal 12 analysis which is responsive to this policy issue.

[2] The City of Medford funded approximately $30 million in interchange improvements.

EXCERPT
MINUTES OF THE REGULAR MEETING OF THE MEDFORD CITY COUNCIL
October 21, 2010

The regular meeting of the Medford City Council was called to order at 12:00 noon in the Council Chambers of the Medford City Hall on the above date with the following members and staff present:

Mayor Gary Wheeler; Councilmembers Chris Corcoran, Al Densmore*, Dick Gordon*, James Kuntz, Jill Stout, Bob Strosser, and Ben Truwe
Deputy City Manager Bill Hoke; Deputy City Attorney Lori Cooper; Deputy City Recorder Karen Spoonts
Councilmember Greg Jones was absent.
*Left as noted.

********** *Portion left out for brevity.* **********

70. Public Hearings

70.1 CONTINUED From October 7, 2010
Consider amending the Medford Comprehensive Plan by replacing the current Housing Element with a fully updated Housing Element, including the Housing Needs Analysis, for the planning period 2009-2029. (CP-08-055)

Planning Director Jim Huber introduced Jay Harland, CSA Planning, who was hired to look at the Plan. Mr. Huber described the process, noted the criteria for a Class A Comprehensive Plan amendment, and stated that a council study session was held on this topic earlier this year. Planning staff and the Planning Commission recommended approval. Councilmember Gordon questioned how the Rogue Valley Manor (Manor) is included in the breakdown between single family/multi; staff explained how they were included in the mix. Councilmember Strosser apologized to Mr. Harland for missing the last public hearing.

Public Hearing opened.
No one spoke.
Public Hearing closed.

Motion: Direct staff to prepare an ordinance and Findings of Fact and Conclusions of Law for Adoption of the Housing Element.
Moved by: Bob Strosser Seconded by: Jill Stout

Council expressed their appreciation for all involved in the process. Councilmember Gordon stated that he had a meeting with the Manor where they discussed that the Manor is actually no different than an industry and yet it is looked on by the State and the City as a retirement home. The parent company of the Manor, Pacific Retirement Services, is meeting with people outside the area to move into the manor's facility. He stated that the Manor does not have an issue with the wording of the Plan. Mr. Strosser noted that the Manor also has affordable housing.
Roll call: Councilmembers Corcoran, Densmore, Gordon, Kuntz, Strosser, Stout, and Truwe voting yes.
Motion carried and so ordered.

********** *Portion left out for brevity.* **********

100. Adjournment to evening session

Mayor stated that the evening meeting is cancelled as there are no items for consideration. There being no further business, this Council meeting adjourned at 1:34 p.m.

The proceedings of the City Council meeting were recorded and are filed in the City Recorder's office. The complete agenda of this meeting is filed in the City Recorder's office.

Karen M. Spoonts, MMC
Deputy City Recorder

Exhibit 'D'
CP-08-055

City of Medford

Agenda Item Commentary

Item No.:
Meeting Date: **October 7, 2010**
Page: **1 of 1**

SUBJECT:
Consideration of an ordinance amending the *Medford Comprehensive Plan* by replacing the current Housing Element with a fully updated Housing Element, including Housing Needs Analysis, for the planning period 2009 to 2029. (Class "A" Major Legislative)

INITIATOR:
City of Medford

STAFF INFO. SOURCE:
James E. Huber, A.I.C.P., Planning Director
Praline McCormack, Planner II
File No. CP-08-055

FISCAL IMPACT:
N/A

RECOMMENDATION:
At their meeting of September 9, 2010, the Medford Planning Commission voted to forward a favorable recommendation to the City Council for approval of CP-08-055, per the August 31, 2010 Commission Report.

BACKGROUND & KEY ISSUES:
The current Housing Element was adopted September 21, 1995 and covers the planning period 1994 to 2010.

The newly updated Housing Element covers the planning period 2009 to 2029. The plan proposes:

- A projected housing mix of 65% single-family residences and 35% multi-family residences;
- Projected density of 6.3 dwellings per gross acre on all lands within the existing UGB (this equals 8 dwellings per net acre), and 6.5 dwellings per gross acre on any lands that may be added to the UGB to meet the City's need;
- Given its current capacity and projected need, Medford does not have the capacity to meet the need for dwelling units, group quarters, and public and semi-public lands within its existing UGB. Therefore, Medford has a deficit of 996 gross acres of residential land.
- The section referring to Adult Active Retirement Communities (AARC's) has been updated and satisfies both DLCD and the Rogue Valley Manor.

Based upon Council's action, Staff will finalize the *Findings of Fact and Conclusions of Law*, and bring the ordinance back to Council for adoption with the complete *Findings of Fact* on November 18, 2010.

EXHIBITS:
A – Planning Commission Order dated September 9, 2010 & Planning Commission Report dated August 31, 2010
B – Draft Housing Element dated September 10, 2010
C – All comments received from DLCD
D – All minutes from Planning Commission hearings

Note: All exhibits listed on the Planning Commission Report can be accessed on the Planning Department page of the City of Medford website at: http://www.ci.medford.or.us/page.asp?navid=1667.

BEFORE THE MEDFORD PLANNING COMMISSION

STATE OF OREGON, CITY OF MEDFORD

IN THE MATTER OF PLANNING COMMISSION FILE CP-08-055	)	
COMPREHENSIVE PLAN AMENDMENT TO ADOPT NEW	)	**ORDER**
HOUSING ELEMENT, CITY OF MEDFORD, APPLICANT	)	

ORDER forwarding a favorable recommendation to City Council for approval of the Housing Element for the planning period 2009 to 2029.

WHEREAS:

1. The Medford Planning Commission has duly accepted the proposal developed in accordance with the Land Development Code, Section 10.184 Class "A" Amendment Criteria, as well as the Comprehensive Plan, Review and Amendments Section, and

2. The Medford Planning Commission has duly held a public hearing on the matter of the Housing Element, with a public hearing a matter of record of the Planning Commission on August 12, 2010, and that the Planning Commission, in rendering their decision, considered the Staff Report dated August 3, 2010.

3. At the public hearing on said proposal, evidence and recommendations were received and presented by the Planning Department staff; and

4. At the conclusion of said public hearing, after consideration and discussion, the Medford Planning Commission, within the scope of its authority found that the approval criteria had been satisfied and recommended approval of the Housing Element dated July 1, 2010 with the following changes:

a. Change the projected density for new construction (2009-2029) to 8 dwelling units per net acre in order to make the City's 20-year new housing density target consistent with what the City has committed to in the Regional Problem Solving (RPS) Plan, facilitate the provision of mass transit, meet DLCD's recommended target, and make the new Housing Element consistent with the 1995 Housing Element Implementation Strategy 2-A (1).
b. Change text related to active adult retirement communities in order to resolve the outstanding issue with DLCD regarding this housing type, deemphasize this type of housing as an official housing type, remove duplicative information, and remove specific numbers regarding the unmet need for this housing type.
c. Change the Goals, Policies and Implementation Strategies in order to make them realistically achievable, remove redundancies, and state implementation strategies as a possible means to achieve the policy in recognition that other strategies may arise during the planning period.
d. Update the Housing Affordability and Wealth information in Section Six, Strategies for Meeting Housing Needs because the information presented is out-of-date and much has changed in regards to family finances since 2004.
e. Remove Appendix B because the information contained in that section was largely duplicative of information contained within Section Six of the Housing Element.

CITY OF MEDFORD
EXHIBIT # A - 1 of 2
File # CP-08-055

ORDER **CP-08-055**

THEREFORE LET IT BE HEREBY ORDERED that the proposed Housing Element stands with a favorable recommendation per the Planning Commission Report dated August 31, 2010, subject to the recommended changes stated herein.

AND LET IT FURTHER BE OF RECORD that the action of the Planning Commission in approving this proposed Housing Element is hereafter supported by the findings referenced in the Planning Commission Report dated August 31, 2010.

Accepted and approved this 9th day of September, 2010.

CITY OF MEDFORD PLANNING COMMISSION

Planning Commission Chair

ATTEST:

Planning Department Representative

CITY OF MEDFORD
PLANNING DEPARTMENT

PLANNING COMMISSION REPORT

Date: August 31, 2010

Subject: Update of the Housing Element (CP-08-055)
City of Medford, Applicant

(Note: All notes in bold text reflect Planning Commission decisions or actions that supplement the Staff Report.)

DESCRIPTION

Consideration of a Class 'A' Major Legislative *Comprehensive Plan* Amendment proposal to replace the current *Housing Element*, adopted September 21, 1995, and covering the planning period 1994 to 2010, with an updated *Housing Element* that covers the planning period 2009 to 2029.

PROPOSAL

The purpose of the Housing Element is to ensure that the City of Medford adequately plans to meet the housing needs of all people within the community – regardless of their income. This document sets forth the City's long-range policies on future housing development. Any future amendments to the City's Urban Growth Boundary (UGB) or General Land Use Plan (GLUP) Map must be consistent with policies contained within the *Comprehensive Plan*, including this Housing Element. Application of or changes to residential GLUP Map designations and zoning must be based upon the land need acreages identified in the Housing Element.

For convenience, the document's Executive Summary is included as Exhibit A, and the Conclusions, Goal, Policies and Implementation Strategies are included as Exhibit B. The proposed Housing Element is attached as Exhibit C.

Note: Due to the Commission's changes to the Housing Element as discussed in this Report, the Executive Summary has been revised and is included as Exhibit A-1, and the Conclusions, Goal, Policies and Implementation Strategies have also been revised and are included as Exhibit B-1. The pages with changes in the revised Housing Element are included as Exhibit C-1. Any new text that has been added is bold, and deleted text is strike-through.

BACKGROUND

The Housing Element is a chapter of the *Comprehensive Plan*. This update is based on the *Buildable Lands Inventory* adopted by City Council on February 21, 2008. The

CITY OF MEDFORD
EXHIBIT # A - 2 of 2
File # CP-08-055

Housing Element provides a comprehensive look at Medford's potential housing need over the planning period 2009 to 2029. The analysis documents national, regional and local trends and forecasts housing growth. Through data collection and a series of calculations called the Housing Needs Analysis, this chapter of the *Comprehensive Plan* projects residential land needs and the types of housing required by Medford's citizens for the next twenty years. It compares the total expected demand for land with the existing supply of buildable land and then projects the density ranges and the average net and gross densities for future residential development necessary to meet the identified needs. The analysis forecasts deficits in residential lands over the planning period; therefore, additional residential lands will be needed.

The first section of the *Housing Element* provides an Executive Summary of the document. The last sections of the *Housing Element* present Conclusions, Goals, Policies and Implementation Strategies which will guide the City's policy and decision-making related to residential development over the next twenty years.

The Housing Element discusses land in terms of net acreage and gross acreage, which can be confusing. Gross acreage includes public rights-of-way. Net acreage includes the land only for dwelling units, not the public rights-of-way. The reason the gross density number is smaller than net density number is due to the fact that gross density is less dense as there is more land with the public rights-of-way included. The Housing Element determined the conversion rate from net to gross by adding an estimated 18% more land for the public rights-of-way. This estimate is based on past development experience. It is important to note that this conversion rate is an estimate and can vary.

PROCEDURES TO DATE

- April 24, 2008 a first Request for Comment on the draft Housing Element was sent out to all affected agencies and interested parties, including the Oregon Department of Land Conservation and Development (DLCD), and was posted on the Planning Department's website. We received 19 responses. The Housing Element was revised to address those comments.
- April 10, 2009 the revised Housing Element was sent out for a second Request for Comment to all affected agencies, interested parties, and those who provided comments on the previous draft. We received five responses.
- June 11, 2009 the Planning Commission held a public hearing (Exhibit D). The Commission voted 7-1 to recommend to City Council that they not adopt the Housing Element due to issues raised by DLCD and that the issues are addressed before the Planning Commission would be able to make a recommendation of approval. (See June 18, 2009 memo to City Council summarizing their discussion and vote - Exhibit E.)
- June 2009 through July 2010 Staff met with DLCD twice to discuss the issues. The City then hired CSA Planning to revise the Element to address DLCD's comments.
- July 6, 2010 a newly revised Housing Element was sent out for a third Request for Comment. To date two responses have been received, including a July 16, 2010 letter from DLCD (Exhibit F).

- July 12, 2010 and July 26, 2010 the Planning Commission held study sessions to discuss the latest version of the Housing Element.
- July 27, 2010 the revised Housing Element was reviewed by the Citizens' Planning Advisory Committee and they had no comments.
- August 12, 2010 the Planning Commission held a public hearing and directed Staff to prepare an Order for the next meeting.
- September 9, 2010 the City Council will hold a Study Session to discuss the Housing Element.
- September 9, 2010 the Planning Commission will decide on the Order.
- October 7, 2010 is the tentative date for the City Council public hearing.

APPROVAL CRITERIA

For Class 'A' Major Legislative *Comprehensive Plan* Amendments, approval criteria are found in:

- *Medford Land Development Code Section 10.182, Application Form* – Exhibit G
- *Medford Comprehensive Plan.* Plan Review and Amendments – Exhibit H

Note: As of September 1, 2010, approval criteria for Class "A" Amendments can be found in *Medford Land Development Code* Section 10.184, Class "A" Amendment Criteria which is included as Exhibit G-1.

Other Oregon planning policies that govern housing:

- Statewide Planning Goal 10 - Housing
- Oregon Revised Statute (ORS) 197.296 – Factors to establish sufficiency of buildable lands within urban growth boundary; analysis and determination of residential housing patterns
- Oregon Administrative Rule (OAR) 660 Division 8 – Interpretation of Goal 10 Housing

ISSUES

Comments Received

In 2009, DLCD responded with comments dated May 28, 2009 (Exhibit I). It was those comments that spurred the revisions to the Housing Element that have taken place since then.

Regarding the newly revised Housing Element, DLCD responded with comments dated July 16, 2010 (Exhibit F). The majority of these comments are addressed in the proposed *Findings of Fact and Conclusions of Law* (Exhibit J). Prior to the final City Council hearing, Staff may make some minor adjustments to the document to address appropriate technical comments. Staff considers there to be two main policy issues identified in DLCD's comments, those regarding the assumed future density and those regarding Active Adult Retirement Communities (AARC's). These two issues are discussed below.

1. Density

In the letter from DLCD dated July 16, 2010 they recommend that Medford commit to achieving greater residential density "by designating 8 units per net acre the minimum density target...," (which is 6.6 dwelling units per gross acre).

The City has prepared various drafts of the Housing Element in response to comments. Several factors in the analysis have changed due to error corrections, reassessing assumptions based on comments, newer data, etc. The following table, Housing Needs Analysis Results Comparison, shows how the numbers, such as housing mix, density, land needed for public uses, land needed for housing, and total land needed have changed over time.

Medford Housing Needs Analysis Results Comparison 7-28-10[1]

	Housing Type Mix (Single-Family/ Multiple-Family)	Projected Gross Density (Dwelling Units per Gross Acre)[2]	Buildable Residential Land for Public Uses (Gross Acres)	Buildable Residential Land to Meet Housing Need (Gross Acres)	Total Buildable Residential Lands to Meet Housing & Public Uses Need (Gross Acres)
February 2008 Draft HNA	60% - 40%	6.0 DU/AC	435 AC	0 (765 AC Surplus)	0 (330 AC Surplus)
April 24, 2008 Draft HNA	68% - 32%	5.2 DU/AC	435 AC	981 AC	1,416 AC
April 10, 2009 Revised Draft HNA	68% - 32%	5.4 DU/AC	425 AC	1,034 AC	1,459 AC
July 1, 2010 Revised Draft HNA	65% - 35%	5.6 DU/AC	426 AC	670 AC	1,096 AC
Planning Commission Recommendation	65% - 35%	6.3 DU/AC	426 AC	569 AC	996 AC
			Land Needed	+ Land Needed =	Total Land

[1] Note: The Commission approved a change in the projected density target for new development to 8 dwellings per net acre, which is now reflected in the revised Draft Housing Element, Exhibit C-1. In the table above, the last line was formerly referred to as a "Possible Option" has now been changed to "Planning Commission Recommendation."

[2] Gross Acres include land needed for public rights-of-way.

Public Uses for Housing Needed

As the table shows, we went from a surplus in the February 2008 draft to a deficit in the April 2008 draft. This is due to the fact that the total buildable land needed is the result of calculations based on the other factors such as housing mix and projected density. The first draft came to the conclusion that we had a surplus of lands partially due to the housing mix of 60% single-family and 40% multi-family, and as a result of calculation errors that have since been corrected.

The table also shows that the amount of land needed for public use has not changed over the various versions. This is because the estimate of lands needed for public uses is based on the population forecast. The analysis in the Housing Element shows that Medford will need 11.6 acres of public and semi-public lands per 1,000 people between 2009 and 2029.

The current draft of the Housing Element projects the following:

- A needed housing type mix of 65% single-family, and 35% multi-family units
- New residential construction projected at 5.6 dwellings per gross acre
- 426 gross acres of buildable residential land for public uses. Public uses include parks, schools, and other public facilities sites.
- 670 gross acres of buildable residential land to meet housing needs for 2009-2029
- This results in a total of 1,096 gross acres of buildable residential land to meet housing and public uses needs.

Note: The Commission recommended changes, so the Housing Element has been revised, and the new projections are as follows:

- **A needed housing type mix of 65% single-family and 35% multi-family units**
- **New residential construction projected at 6.3 dwellings per gross acre**
- **426 gross acres of buildable residential land for public uses.**
- **569 gross acres of buildable residential land to meet housing needs for 2009-2029**
- **This results in a total of 996 gross acres of buildable residential land to meet housing and public uses needs.**

Adoption of DLCD's suggested density target shown in the Results Comparison ("Possible Option") would change the numbers. New residential construction would be projected at 6.6 dwellings per gross acre[3], with a total of 979 gross acres of buildable residential land needed to meet housing and public uses needs. This is a difference of 117 acres from the results presented in the July 1, 2010 version.

If the suggested density target of 6.6 dwelling units per gross acre were adopted, the projection tables in the Housing Element (Tables 37 through 41) would need to be revised as well as all text throughout the document related to these projections.

[3] Note: The numbers referred to in this paragraph were estimates. When the actual analysis was completed, new residential construction is projected at 6.3 dwellings per gross acre, with a total of 996 gross acres of buildable residential land needed to meet housing and public uses needs. This is a difference of 100 acres from the results presented in the July 1, 2010 version.

Note: The Commission recommended changes, which have been made and the revised projection tables (Tables 35, 37, 38, 39, 41, and Table 44 was deleted) and text can be found in Exhibit C-1.

Staff recommends the suggested density target of 8 dwellings per net acre (6.6 dwellings per gross acre) for the following reasons:

a. It would make the City's 20-year new housing density target consistent with what the City has committed to in the Regional Problem Solving (RPS) Plan, which is 6.5 dwellings per gross acre over the 50-year plan horizon.
b. It would further the provision of mass transit. The Rogue Valley Transportation District (RVTD) has expressed the need for 7 dwellings per gross acre in order to make an intermediate level of bus service viable.
c. This density target will meet DLCD's recommended target for Medford.
d. It would make the new Housing Element consistent with the 1995 Housing Element, Implementation 2-A (1) which states:

   Prepare amendments to the GLUP Map for consideration by the City Council that provide for a minimum overall housing density of eight dwelling units per net acre of buildable land, including an increase in multiple-family housing types. Encourage development outside the city or UGB, where permitted, to facilitate future urban form and density.

e. The difference in total buildable lands needed is 117 acres from the July 1, 2010 version, a 13% reduction. Staff does not consider this to be a significant reduction in needed acreage.

2. AARC's

Active Adult Retirement Communities (AARC's) are identified in the Housing Element (Section 6) as one housing type in the strategies for meeting the housing needs of Medford's senior citizens. Table 44 shows a need for this type of housing for an estimated 1,215 to 3,290 senior households. This housing type is also discussed in Appendix B, Housing Needs of Aging Households where national trends of America's elderly population are discussed. Table 46 in Appendix B is exactly the same as Table 44 in Section 6.

DLCD stated in their letter that the Housing Element does not document a specific need for AARC's in Medford for the planning period 2009-2029. Previous comments from DLCD in 2009 also indicated dissatisfaction with the City's assertion that AARC's are a needed housing type.

In response, Staff recommends revision of Section 6, Strategies for Meeting Housing Needs, and the complete removal of Appendix B from the Housing Element.

Staff recommends the removal of the projections for AARC's from Section 6 of the Housing Element for two reasons. First, it would remove the specific numbers regarding the unmet need for this housing type. Secondly, it would resolve an outstanding DLCD issue.

The removal of the AARC language would result in the need for a few minor changes in language throughout Section 6.

Staff recommends the removal of Appendix B. Much of the information contained in the Appendix was duplicative of information in Section 6.

Note: The Commission approved Staff's changes to Section 6, which are now reflected in the revised Draft Housing Element, as well as the complete removal of Appendix B, which has now been replaced with the projection tables from the July 1, 2010 version of the Housing Element. The Commission made further revisions to Section 6, which are also reflected in the revised Draft Housing Element. See Exhibit C-1.

Note: The Commission recommended updating the section titled "Housing affordability and wealth" in Section 6, Strategies for Meeting Housing Needs, including Table 43, Measures of Financial Worth by Age Group, 2004 in order to provide more recent information given the effects of the current economic recession. After the hearing, Staff found that it would not be easy to update this information and the table. Therefore, Staff is leaving the information as-is but including the Commission's recommended language at the end of that section.

Goal, Policies and Implementation Strategies

Staff has concerns regarding the proposed implementation strategies in the Housing Element. Several of the strategies as drafted are policies. Often, some strategies are aspirational in nature, whereas other strategies are directly achievable. Staff wants to be cautious about the wording of the strategies identified in the Housing Element because they essentially become the Planning Department's and the overall City's project list and Staff wants to make sure they can be accomplished. Therefore, Staff is proposing revisions to the implementation strategies. Strategies on similar topics have been moved under the policy they most relate to, and in some cases, are shown as a list of possible means to achieve the policy, recognizing that other strategies may arise during the planning period. Although the wording may have changed, few of the previously proposed strategies have been eliminated.

Note: The Commission approved Staff's changes to the Goals, Policies and Implementation Strategies, which are now reflected in the revised Draft Housing Element, see Exhibit B-1.

ANALYSIS

Part One – Overview

This amendment places new data, analyses, conclusions, policies and implementation strategies in the *Housing Element* of the *Comprehensive Plan,* including:

- The adopted forecast of population growth for 2009 to 2029 anticipates that Medford's population will grow by 35,591 people.

- The capacity of Medford's current residential buildable land in the UGB is 11,424 dwelling units on vacant, partially vacant, and redevelopable lands.

- The average density of residential development that occurred in Medford between 1996 and 2009 was 5.6 dwelling units per gross acre.

- The mix of residential development that occurred in Medford between 1996 and 2009 was 67% single-family detached and 33% multi-family.

- To accommodate projected growth to 2029, Medford will need approximately 15,050 new dwelling units.

- Medford has a need for 1,096 gross buildable acres in residential designations.

- The projected average density of residential development between 2009 and 2029 is 5.6 dwelling units per gross acre, the same as that which occurred in 1996 to 2009.

Note: Due to the Commission's changes to the Housing Element as discussed in this Report, the information in the last two bullets has changed as follows:

- **Medford has a need for 996 gross buildable acres in residential designations.**

- **The projected average density of residential development between 2009 and 2029 is 6.3 dwelling units per gross acre, which is 0.7 units per gross acre more dense than dwelling units per gross acre achieved from 1996-2009.**

Part Two – Changes Since 2009

Extensive revisions have been made to the Housing Element since the 2009 version.

First, an update of Medford's building permit data was done because most of the data previously provided was up to 2006. Now most data is through 2009. There have been considerable changes to the housing market in regards to prices, foreclosure rates, and vacancy rates since 2006 and the new draft reflects those changes.

Prior analysis on the amount of land consumed was found to be in error because there were problems with the original building permit data. The building permit data problem has been corrected and the analysis on the amount of land consumed has been revised. This resulted in a somewhat higher density estimate for housing units built during 1996-2009 of 5.6 units per gross acre instead of the previous estimate of 5.4 units per gross acre.

One of the issues DLCD had raised in 2009 was affordable housing. The Housing Element had not addressed value and price versus what is affordable. These are analyzed in the revised version. Analysis has been added regarding value versus size and quality. More analysis on reinvestment trends, housing age and housing condition is now included in the revised version. Also, affordability by housing type at prices and rent levels corresponding with projected demographics has been added.

There were some issues and calculation errors in the previous draft related to dwelling unit capacity within the City's UGB. Properties with SFR-00 (Single-Family Residential – 1 dwelling unit per lot) zoning were incorrectly counted as having the capacity of only one dwelling unit per lot. SFR-00 is a holding zone, and the underlying GLUP designation indicates the intended future zoning. There are large parcels, especially in the Southeast Plan area, where there are high density residential designations, but the SFR-00 zoning has not yet been changed. This capacity estimate was corrected in the revised version. Also, a median density for each GLUP designation was used for lands inside the UGB, including sloped lands, in the previous version. But this was not appropriate for Urban Low Density Residential (UR) given that Medford usually requires SFR-2 (Single-Family Residential – 2 dwelling units per gross acre) zoning on slopes over 15%. Therefore, capacity on slopes was recalculated based on the more appropriate SFR-2 zoning. These changes in capacity calculations resulted in an increase in the estimate of the City's current UGB capacity by 2000 dwellings.

Projected household size was slightly reduced from 2.47 to 2.45 persons per household, a number that is consistent with the RPS Plan. Vacancy rates were slightly increased from 4.5% to 5.5%. The 2000 Census showed a vacancy rate of 4.5%. During 2008-2009 the vacancy rate was much higher at 7.8%. In the revised draft, a more realistic figure was used, an average of 5.5%.

As a result, total unmet residential land need was reduced from 1,459 acres to 1,096 acres. When measured, the housing type mix since the last Housing Element to 2009 was 67% single-family dwelling types and 33% multi-family types. But, we expect that more multi-family dwellings will be built in the future because the City created an UM (Urban Medium Density) GLUP designation in 1995, which allows only the MFR-15 (Multi-Family Residential – 15 units per gross acre) zone. Much of the lands within the City limits that have the UM designation are located in the Southeast Plan area. There was not significant build-out in the Southeast Plan area from 1995 to 2009, but there should be in the future. In addition, the City is in the process of creating Transit-Oriented Districts, wherein more land will be designated as high density residential. Therefore, the analysis is projecting a housing mix of 65% single-family and 35% multi-family.

Note: Due to the Commission's changes to the Housing Element as discussed in this Report, the first sentence in the above paragraph is revised to state: "As a result of the calculation corrections, and the Commission's recommendation to increase projected density, total unmet residential land need was reduced from 1,459 acres to 996 acres."

Considerable progress toward addressing housing issues in Medford has occurred since 1995. In Section 1, Staff added to the document a list of land use regulations that have

been adopted since the 1995 Housing Element, a list of land use efficiency strategies that are currently in the *Medford Land Development Code*, a list of implementation strategies from the *1995 Housing Element* that have been completed, statistics on land use applications such as PUD's and how many PUD applications have taken advantage of the density bonus. In Section 7, Staff added a list of completed implementation measures that addressed housing affordability, a list of possible efficiency measures specific to affordable housing that the City could adopt, and the numbers showing that 49% of Jackson County's subsidized housing is located in Medford.

FINDINGS

The proposed *Findings of Fact and Conclusions of Law*, dated July 30, 2010 (Exhibit H) is, by this reference, incorporated as a part of this report. A discussion of the proposal relative to the approval criteria listed above is included in the proposing Findings. The proposed Findings conclude that this amendment satisfies all applicable criteria.
Note: As previously stated, in conjunction with the final City Council action, Staff will make adjustments to the Findings to address the final decision, as well as to address appropriate technical comments, and any and all objections.

ACTION TAKEN

Directed staff to prepare a Final Order forwarding a favorable recommendation to City Council for approval of CP-08-055, per the Planning Commission Report dated August 31, 2010, including Exhibits A through L.

EXHIBITS

Exhibit A	Executive Summary from Draft Housing Element dated July 1, 2010
Exhibit A-1	Executive Summary from Revised Draft Housing Element dated August 25, 2010
Exhibit B	Conclusions, Goal, Policies and Implementation Strategies from Draft Housing Element dated July 1, 2010
Exhibit B-1	Conclusions, Goal, Policies and Implementation Strategies from Revised Draft Housing Element dated August 25, 2010
Exhibit C	Draft Housing Element dated July 1, 2010
Exhibit C-1	Excerpt of Changed Pages from Revised Draft Housing Element dated August 25, 2010
Exhibit D	Excerpt of Minutes from Planning Commission hearing June 11, 2009
Exhibit E	Memorandum from Planning Commission to City Council dated June 18, 2009
Exhibit F	Letter from DLCD dated July 16, 2010
Exhibit G	Approval Criteria - *Medford Land Development Code* Section 10.182, Application Form
Exhibit G-1	Approval Criteria – *Medford Land Development Code* Section 10.184 Class "A" Amendment Criteria (effective Sept. 1, 2010)
Exhibit H	Approval Criteria - *Medford Comprehensive Plan.* Plan Review and Amendments
Exhibit I	Letter from DLCD dated May 28, 2009

Exhibit J *Findings of Fact and Conclusions of Law* dated July 30, 2010
Exhibit K Proposed Revisions to Section 6, Strategies for Meeting Housing Needs
Exhibit K is replaced with Exhibit C-1
Exhibit L Proposed Revisions to Goals, Policies and Implementation Strategies
Exhibit L is replaced with Exhibit B-1

Note: *The current Housing Element, the proposed Housing Element Update, and the Buildable Lands Inventory can be accessed on the Planning Department page of the City of Medford website www.ci.medford.or.us.*

PLANNING COMMISSION AGENDA: **May 28, 2009**
June 11, 2009
August 12, 2010
September 9, 2010

DRAFT

Housing Element

of the Medford *Comprehensive Plan*

Medford Planning Department
City of Medford, Oregon
www.medford.ci.or.us

Draft of September 10, 2010

CITY OF MEDFORD
EXHIBIT # B
File # CP-08-055

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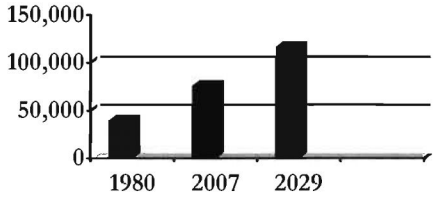
EXECUTIVE SUMMARY

The purpose of the *Housing Element* is to present analysis of trends that may affect housing needs in the City of Medford from 2009 to 2029 including: demographic, local residential development, housing affordability, and national housing trends. The *Housing Element* is intended to comply with statewide planning policies that govern housing including Goal 10 (Housing), ORS 197.296, and OAR 660 Division 8.

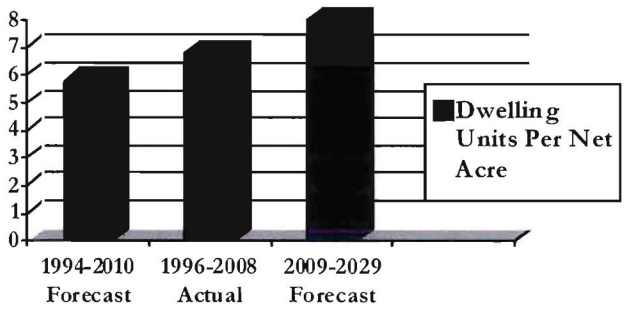
Medford's Population 1980 - 2029



Medford's population has grown substantially over the last 27 years, and will continue to do so. Population has grown by 94 percent, increasing from 39,700 people in 1980 to 77,240 people in 2009. This represents an average annual growth rate of 2.3 percent. The adopted population forecast predicts that between 2009 and 2029 population will grow to 115,900 representing an average annual rate of 1.9 percent. The majority of households tend to be family households. Medford is younger on average than both Jackson County and the State, with the fastest-growing age groups being children and young adults (aged 5 to 17), and baby boomers (aged 45 to 64). The implication of these trends is that Medford will need to provide housing in a range of types and prices to meet the varying needs of its citizens – both present and future.

Given its population growth, it is not surprising to find that Medford's housing stock increased by 7,422 dwelling units between 1996 and 2009. Medford supplied a variety of housing types during that period, including 4,121 single family detached, 180 manufactured dwellings, 175 single-family attached, 297 duplexes and 2,092 dwellings in multi-unit projects. The average density for residential development between 1996 and 2009 was 6.8 dwellings per net acre, which was higher than the *1995 Housing Element* forecasted average density of 5.8 dwellings per net acre. The current Housing Needs Analysis, which is based on the adopted Buildable Lands Inventory, proposes an increase in the average residential density for the 2009 to 2029 period of 8.0 dwellings per net acre, or 6.3 dwellings per gross acre (the density of land that may be added to the Urban Growth Boundary to meet the City's need would average 6.5 dwellings per gross acre). Gross density refers to the number of dwelling units for each acre of land including areas devoted to streets, sidewalks, and other public rights-of-way and infrastructure. Whereas net density is the number of dwelling units for each acre of land devoted to residential uses excluding the public rights-of-way.

Average Net Density of Medford's Residential Development

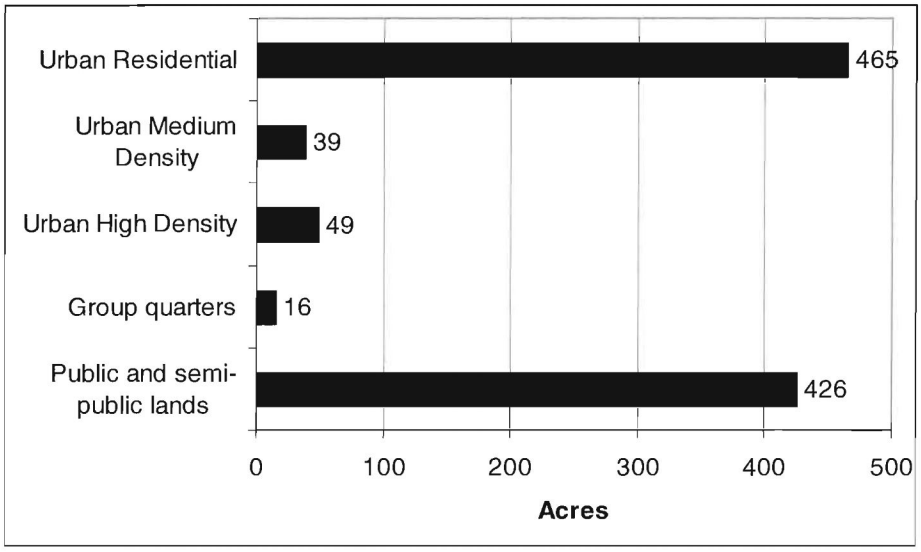


Because Medford has a need for housing of all types, future development is assumed to occur similarly to past development; the mix of housing is expected to continue with 65% single-family types and 35% multi-family types.

Between 2000 and 2008 housing became less affordable because home prices increased by 68%, while household income increased by only 10 percent. In contrast, the cost of rent increased by 35 percent. In addition,

households and families in Medford have lower income on average than the state averages. The homeownership rate has historically been 57% of units in 1990 and 2000. Based on these trends homeownership rates will not change substantially over the 2009-2029 period.

Medford has an estimated capacity for development of 11,424 dwelling units within the existing urban growth boundary. In order to accommodate forecasted population growth from 2009 to 2029, Medford will need 15,050 new dwelling units – an excess of 3,626 units beyond the City's current capacity. Therefore, Medford does not have enough residential buildable land within the existing urban growth boundary to accommodate predicted growth. **The Housing Needs Analysis indicates that there is a need for 996 total gross acres of additional residential land in the General land Use Plan designations depicted below.**



Lastly, this *Housing Element* includes Conclusions, Goals, Policies and Implementation Strategies that will guide the City's policy and decision-making related to residential development over the next twenty years.

I. REGULATORY BACKGROUND

This *Housing Element* is a component of the City of Medford *Comprehensive Plan.* The element is intended to comply with statewide planning policies and requirements that govern housing, including Goal 10 (Housing), ORS 197.296, and OAR 660 Division 8. The primary purposes of this chapter are (1) to describe characteristics of the existing mix and density of housing in Medford, (2) to describe recent residential development trends in the City, (3) to evaluate housing affordability, (4) to project future needs for housing in Medford for the 20-year period between 2009 and 2029, and (5) to provide the City with goals and policies based on conclusions derived from the housing needs analysis and strategies to implement those policies.

LEGISLATIVE FRAMEWORK

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197), established the Land Conservation and Development Commission (LCDC), and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 (Housing) addresses housing in Oregon and provides guidelines for local government comprehensive planning. Goal 10, states:

> **Goal: To Provide For The Housing Needs Of Citizens Of The State.**
>
> Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

The state housing goal is similar to the national housing goal of providing safe, decent, and sanitary housing for all individuals, regardless of age, race, color, religion, disability, sex, marital or family status, or national origin. This goal, a result of the United States Housing Act of 1934, solidified, and made permanent, federally-assisted public housing programs.

1995 HOUSING ELEMENT

This section evaluates efficiency measures that were put into place since adoption of the *1995 Housing Element* in order to increase densities and meet housing needs. These efficiency measures include: land use regulations, infill and efficient use of land strategies, as well as completed Implementation Measures.

Following is a table showing projections from the *1995 Housing Element* compared to actual development that occurred between 1996 and 2009, as well as projections from this updated Housing Element.

	1995 Housing Element Projection (1994-2010)	Actual Development (1996-2009)	2009 Housing Element Projection (2009-2029)
Density of New Development	5.8 dwellings per net acre	6.8 dwellings per net acre	8 dwellings per net acre
Overall City Density (in 1994 actual overall density was 4.3 dwellings per net acre)	5.1 dwellings per net acre projected for 2010	5.1 dwellings per net acre in 2009	5.4 dwellings per net acre in 2029
Housing Mix	65% single-family dwellings, 35% multi-family dwellings	67% single-family dwellings, 33% multi-family dwellings	65% single-family dwellings, 35% multi-family dwellings
Accessory Dwelling Units	N/A	117 (average 12/year)	240 (average 12/year)
Average Needed Units Per Year	608	605	753
Persons Per Square Mile	2,819	3,026	3,748

Land Use Regulations

Land use regulations can help regulate growth and meet housing needs. The purpose of reviewing land use regulations is to explore ways of accommodating needed population growth within the existing urban growth boundary, prior to any effort made to expand the urban growth boundary. This is a requirement of *Oregon Revised Statutes* (ORS) 197.296. Over the years, Medford has adopted many land use regulations to better accommodate population growth within its existing urban growth boundary. Regulations that have been completed since the 1995 *Housing Element* are listed below, while potential new regulations that can be adopted are discussed in the *Housing Element, Section VI, Strategies for Meeting Housing Needs.*

- The City instituted a minimum density and as a result average net density increased beyond projected density. New development density was projected to be 5.8 dwellings per net acre by the year 2010. Actual development between 1996 and 2009 was 6.8 dwellings per net acre.
- Amended the *Medford Land Development Code* to allow for accessory dwelling units in all single-family zones with no restrictions on tenure. An accessory dwelling unit (ADU) or "mother-in-law" unit is a detached or attached dwelling unit that is additional and auxiliary to an existing single-family dwelling, and is on the same tax lot. Between 1996 and 2006 117 ADU's have been built, an average of 12 per year.
- Amended the *Medford Land Development Code* to allow for the rental of up to two rooms in single-family or multi-family dwellings without a conditional use permit, as well as the rental of up to five rooms in owner-occupied multi-family dwellings without a conditional use permit.
- Small residential lots are allowed, including as small as 1,800 square feet for townhouses in a multi-family zone, and 3,250 square feet for townhouses in single-family zones; for detached single-family homes, lots as small as 3,600 square feet are permitted.
- Compliance with minimum and maximum lot sizes and densities are required.
- Narrow residential streets are allowed, primarily a 28-foot paved section.
- Planned Unit Developments (PUDs) are allowed which permit any house type no matter what the zoning is. In PUDs larger than five acres, the residential density may be increased by up to twenty percent more than the maximum density permitted. Between 1996 and 2006 the City received 92 PUD applications. Out of those applications received, 18% utilized the PUD density bonus, and those bonuses averaged 15%.
- Multi-family residential developments are permitted in commercially-zoned areas (at a minimum of 20 units per acre). Between 1996 and 2009 316 dwelling units were built in commercial zones.
- Promoted infill development by allowing flag lots and Minimum Access Streets (small private streets serving three units). During 2003 to 2006 264 applications for partitions and subdivisions were submitted, 99 applications (38%) included flag lots, and 87 applications (33%) included Minimum Access Streets.
- Use of Transit Oriented District (TOD) zoning overlays, including the Central Business District, Southeast Overlay District, and currently working on the West Main TOD Overlay.
- Mixed-use buildings or development are allowed in commercial zones or by PUD.
- Downtown revitalization is underway as a result of work by Medford Urban Renewal Agency (MURA), including the promotion of residential development in the Downtown.
- Multi-family tax credits are available to developers through Medford's Downtown Vertical Housing Program.
- An Urban Medium Density Residential plan designation was added, with a density range of ten to fifteen units per acre, to encourage townhouses in areas where higher density apartments would not be compatible.
- Revised the manufactured home park approval process and review standards.

- As a first step to infill, nearly all of the older rural residential neighborhoods in the urban growth boundary were annexed. If and when infill occurs in these neighborhoods, this will add to urban efficiency.

Infill and Efficient Use of Land

The current *Medford Land Development Code* provides a number of standards and procedures that serve to support infill and efficient use of land. Over 30 examples of these are included in the following list entitled, "Infill and Land Use Efficiency Strategies – Medford Land Development Code."

INFILL AND LAND USE EFFICIENCY STRATEGIES MEDFORD LAND DEVELOPMENT CODE

Type	Description	Code Sections
Flexible Lot Design	Measurement of lot dimensional standards allows irregularly shaped lots to accommodate infill	10.012
Zone Change	Planning Commission is the approving authority for zone changes – City Council action not required	10.122
Annexation	Application and criteria for approving Annexations made easier to achieve in 2003 – first step in developing many smaller underdeveloped sites	10.196-10.197
Planned Unit Developments	Allow modifications to development standards without the Exceptions process	10.230-10.245
	Allow 20% density bonus on 5+ acre sites	10.230-10.245
	Allow private streets which can have lesser design standards	10.230-10.245
	Can have 20% of a land use type not permitted in the zone	10.230-10.245
	Can have any housing type	10.230-10.245
Exception Applications	Criteria for approving Exceptions to development standards made easier to achieve in 2005	10.251-10.253
Urban Medium Density Residential	UMDR GLUP designation (MFR-15 zoning) (adopted in 1996) requires rowhouse or lower density multiple-family housing (15-20 dwellings per acre)	10.310
Higher Residential Density	SFR-10 zoning is allowed in the single-family (Urban Residential) GLUP designation (next to other SFR-10 or minimum 5 acres) – allows 6 to 10 dwellings per acre - duplexes, rowhouses, small lots	10.310; 10.710-10.714
Higher Residential Density	Stand-alone multiple-family maximum density is higher in the C-B Overlay (no maximum via a Conditional Use Permit) and S-E Overlay (maximum of 36 dwellings per acre)	10.358 10.373
Residential Lane	Narrow public residential streets (Residential Lane - up to 450 feet in length) are permitted	10.430
Minor Residential Street	The common residential street (Minor Residential Street) is narrow (28 feet curb–to-curb)	10.430
Flag Lots	Flag lots are permitted when a through street is not feasible	10.450
Minimum Access Easements	Minimum Access Easements for 2-3 dwellings are permitted when a through street is not feasible	10.450
Cul-de-Sacs	Public Street Cul-de-sacs (up to 450 feet in length) are permitted when a connection is not	10.450

Type	Description	Code Sections
	feasible.	
Lot Coverage	Residential lot coverage limitation (35% to 50%) limits coverage by structures only and not uncovered driveways or patios, and allows at least a 2,000 square foot footprint for single-family dwellings regardless of coverage.	10.706
Zero Lot Line Dwellings	Single-family detached zero lot line dwellings are allowed in single-family zones	10.707
Density – Mixed-Use Building	No density maximum in mixed-use (commercial-residential) buildings	10.708
Higher Residential Density	Residential density calculation includes to the centerline of abutting streets (i.e. gross density)	10.708
Flexible Density Standards	Parcels under one acre in size may reduce density by one unit to assure development is feasible	10.708
Flexible Lot Design	Ooversized residential lots may be created for pre-existing houses to encourage infill	10.708
Building Height	Maximum building height (halfway between eave and roof peak) in single-family zones is as high as 35 feet	10.710
Residential Setbacks	Side and rear yard setbacks are minimal – as little as 4 feet depending on building height	10.710-10.714
Higher Residential Density	There are minimum density requirements in each residential zone	10.710-714
Higher Residential Density	There are maximum lot size limitations in each residential zone	10.710-714
Parking Requirements	Required parking for attached dwellings is only 1.5 spaces per unit	10.743
Front Setback Reductions	Front setbacks may be reduced to the average setback of buildings on parcels adjoining the same street; uncovered patios, porches, balconies, and stairways may extend 6 feet into a front setback	10.798
Flexible Housing Types	Where a duplex is permitted, two detached dwellings are allowed in lieu of the duplex	10.820
Accessory Dwelling Units	Minimal requirements for Accessory Dwelling Units (adopted in 1995) - no additional parking spaces; owner not required to live on-site; not counted in maximum density calculations; may be attached or detached	10.821
Mixed-Use Areas	Multiple-family dwellings (20-30 dwellings per acre) are allowed in all commercial zones except Neighborhood Commercial	10.837
Flexible Housing Types	Manufactured dwellings on a foundation are allowed in single-family zones	10.900

1995 Implementation Measures

Following is a list of the **completed** Implementation Measures from the 1995 Housing Element.

1. 1-A(1): Prepare community design guidelines – Adopted design guidelines for Site Plan and Architectural Review.
2. 1-A(2): Require planned developments in unique undeveloped areas – Southeast Plan Area.
3. 1-A(3): Prepare hillside design standards – Adopted hillside development procedures.
4. 1-B(1): Institute a neighborhood planning program – Work has begun.
5. 1-B(2): Continue to monitor housing conditions and enforce housing code violations – Managed by Code Enforcement, also have voluntary rental registration program and required vacant housing registration.
6. 1-B(3): Prepare a plan for publicizing housing rehabilitation programs – See Consolidated Plan, Funds available through CDBG.
7. 1-B(4): Emphasize preservation and/or rehabilitation of the existing supply of special need and affordable housing – See Consolidated Plan, Funds available through CDBG.
8. 1-B(5): Encourage annexation of unincorporated developed neighborhoods – Annexed all unincorporated developed neighborhoods.
9. 1-B(6): Identify areas for downzoning to promote a mix of housing types throughout the community – Duplexes are permitted only on lots 6,000 square feet or greater in order to ensure compatibility with existing neighborhoods.
10. 1-C(1): Amend Comprehensive Plan and Land Development Code that provide requirements for inclusion of open space – PUDs require open space. Site Plan and Architectural Commission encourages functional open space. Upcoming stormwater detention ordinance will require detention in open space.
11. 1-D(1): Review Land Development Code to assure standards and requirements relating to multi-family development do not inhibit innovative design while requiring aesthetics and amenities – Southeast Plan has additional standards regarding aesthetics and amenities.
12. 2-A(1): Amend GLUP to provide for a minimum overall housing density of eight dwelling units per net acre – Southeast Plan did this, upcoming W. Main TOD plan will do this, and currently working on Internal Rezone Review that will do this city-wide.
13. 2-B(1): Require shade trees as part of residential development – Southeast Plan requires trees.
14. 2-B(3): Develop and distribute materials regarding benefits of water conservation – Medford Water Commission has done this.
15. 2-D(1): Identify and evaluate residential areas within the UGB that may be subject to natural or manmade hazards. If necessary, amend the GLUP Map and Land Development Code in order to reduce the exposure of residential to these hazards and establish appropriate standards – Identified and evaluated residential areas on slopes and adopted a hillside ordinance that provides hillside development procedures. FEMA is currently updating the floodplain maps.
16. 3-A(1): Initiate development of a regional housing data collection system – Done for RPS.
17. 3-A(2): Participate in the development of a regional strategy to manage growth, including housing density and mix standards and public facility funding policies that meet urban goals – Done for RPS.
18. 3-C(1): Identify areas where upzoning would best support infrastructure improvements, including transit – This is being done through TOD's and an Internal Rezone Review.
19. 4-A(1): Establish a fair housing program – We comply with state requirements.
20. 5-A(1): Establish a system for reviewing residential projects for compliance with Housing Element goals and policies including achievement of maximum permitted densities, and prepare a yearly report to decision makers – Done through 2002.
21. 5-A(2): Establish a housing advisory committee – Created a Housing & Community Development Commission.
22. 5-A(3): Prepare an affordable housing policy study to determine the best means to increase housing affordability – Housing Commission prepared a Barriers to Affordable Housing Report.

23. 5-B(1): Consider establishing a Housing Department – Created Neighborhood Resources Division.
24. 5-B(2): Evaluate innovative affordable housing programs – Housing Commission prepared a Barriers to Affordable Housing Report.
25. 5-C(1): Amend Land Development Code to permit accessory dwelling units in single-family residential areas – Amended Code to permit accessory dwelling units in SFR zones.
26. 5-C(3): Investigate methods for promoting a mix of housing types in new residential areas and compatible higher density infill and redevelopment in existing residential areas – We are doing this via PUD's and TOD's.
27. 5-C(4): Investigate methods for promoting additional housing in the downtown – MURA is working on this, and the Lithia Commons project has been approved that will provide additional housing downtown.
28. 5-D(2): Review Land Development Code to assure continued compliance with state laws regarding regulation of residential homes and facilities providing care, treatment or training – Review of the Code is doing on a regular basis to ensure compliance with state laws.
29. 6-A(1): Prepare a schedule for the regular updating of the housing need projection required by state law – This was done for RPS.
30. 6-A(2): Prepare a schedule for the regular updating of the buildable lands inventory – This was done for RPS.
31. 6-A(3): Initiate GLUP Map amendments which designate sufficient buildable land to satisfy housing need by type and density range as determined in the housing need projection – We are currently working on this.
32. 6-A(4): Identify residentially designated land in the city suitable for upzoning and propose such zone changes – We are currently working on this through the Internal Rezone Review.
33. 6-A(5): Amend the Comprehensive Plan to add an Urban Medium Density Residential designation and designate areas on the GLUP Map – Added Urban Medium designation.
34. 6-A(8): Prepare an inventory of manufactured home parks that may be potentially displaced – This was done for this Housing Element.

CONSOLIDATED PLAN

The City of Medford *Consolidated Plan for Housing and Community Development 2005- 2009* provides a framework for action to meet the housing needs of residents of the City, with emphasis on assisting its populations with greatest need. The five-year strategic plan outlines the City's needs, goals and strategies for assisting low- and moderate-income households. The plan also provides the basis for allocating U.S. Department of Housing and Urban Development (HUD) funds under the Community Development Block Grant Program (CDBG). During each year of the five-year plan, the City prepares an Annual Action Plan that outlines the specific program activities to be carried out in meeting the Medford *Consolidated Plan* strategies.

Although similar in content to the *Housing Element*, the *Consolidated Plan* provides a more in-depth assessment of affordable housing need for special groups, such as the homeless, disabled, and elderly. See the *Consolidated Plan* for a discussion of strategies and priorities for housing need over one-year and five-year periods. Housing projects within the city must be consistent with the *Consolidated Plan* to use federal funding. The City is completing an update of the *Consolidated Plan* for the five-year period beginning in 2010.

CITIZEN INVOLVEMENT

Another of the nineteen Statewide Planning Goals that must be addressed in a comprehensive plan is Citizen Involvement. To incorporate citizen input for the *Housing Element*, the City established a nine-member subcommittee composed of various community stakeholders. The subcommittee's role was to review key assumptions and policy options and provide recommendations to the Planning Commission and City Council. The subcommittee met four times during the development of the *Housing Element*. The process also included three joint City Council/Planning Commission worksessions. The worksessions were intended to keep the decisionmaking bodies informed throughout the process and to seek input on key assumptions and policy issues.

The City of Medford *Comprehensive Plan* provides for a Citizen Planning Advisory Committee (CPAC). CPAC conducts regular meetings, and one of its duties is to review proposed *Comprehensive Plan* amendments such as the *Housing Element*. The draft document was also forwarded three times for comment to various agencies and individuals with interest or expertise in housing in the Medford area. In addition, study sessions and public hearings before the Planning Commission and City Council will be conducted prior to adoption of the final *Housing Element*.

Methods

The housing needs analysis presented in this Element follow the methodology described in the DLCD report *Planning for Residential Development*, referred to as the "workbook." DLCD developed the workbook to help cities comply with ORS 197.296.[1] The workbook generally describes seven steps in conducting a housing needs analysis:

1. Determine the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic trends that will affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population, and household 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.
5. Estimate the number of additional new units by structure type.
6. Determine the density ranges for all plan designations and the average net density for all structure types.
7. Evaluate unmet housing needs and the housing needs of special populations (Goal 10 needs).

The analysis presented in this report builds from a range of secondary data sources. The data used in the *Housing Element* is from readily available standard sources and utilizes the most current available data:

- The U.S. Census of population and housing (1980, 1990, and 2000) and American Community Survey (2008) provide historic demographic, socioeconomic, and housing data;
- Claritas, Inc. provides custom demographic and market reports for current years; and
- The Medford Planning Department provided data on building permits, development densities, and other applicable data.
- Other data sources, such as the Jackson County *Comprehensive Plan Population Element*, the Oregon Office of Economic Analysis forecast of population growth by sex and age, and population estimates from the Portland State University's Population Research Center.

Where possible, the *Housing Element* uses data from the 2008 American Community Survey, which is a survey conducted by the U.S. Census Bureau. The reason to use American Community Survey data is the most current available data from the Census. The American Community Survey is based on a survey of a sample of households, rather than a census of all (or nearly all) households. As a result, the American Community Survey data has a larger margin of error than the census long-form data (which is also survey data but with a larger sample size), which is large for some data. Where appropriate, concerns about the accuracy of American Community Survey data are discussed in the *Housing Element*.

[1] DLCD published the *Planning for Residential Growth* Workbook in 1997. Goal 14 and ORS 197.296 have changed since the Workbook was initially published. According to DLCD, these changes do not make substantial changes to the basic methodologies for inventorying buildable land and determining housing need. While the Medford *Housing Element* generally uses the methods described in the DLCD Workbook, it also incorporates changes to Goal 14, ORS 197.296, and other relevant Administrative Rules.

HOUSING ELEMENT FORMAT

This *Housing Element* is divided into nine sections, including this *Section I. Regulatory Background*:

- *Section II. Population and Demographic Trends* identifies population trends and household characteristics required to assess existing and future housing need.
- *Section III. Housing Inventory Trends* provides the data necessary to characterize the existing housing situation, and recent residential development trends.
- *Section IV. Housing Affordability and Income Analysis* presents information about income distribution, housing costs and housing affordability. The section includes an analysis of needed housing by cost for the planning period.
- *Section V. Residential Land Needs* presents the supply of residential buildable land and projects the amount of housing need over the planning period as required by the Statewide Planning Goals. It also presents forecasts of housing need by type and tenure and projects residential land needs for the planning period
- *Section VI. Strategies for Meeting Housing Needs* discusses manufactured home parks, housing needs of an aging population, and downtown housing.
- *Section VII. Affordable Housing and Housing Assistance Programs* notes existing federal, state, and local housing assistance programs in the City of Medford.
- *Section VIII. Conclusions* provides findings based on the information and analysis presented in the *Housing Element.*
- *Section IX. Goals, Policies, and Implementation Strategies* provides the City's adopted goals, policies, and implementation strategies for the *Housing Element.*

The *Housing Element* also includes two appendices:

- *Appendix A.* Summary of National Housing Trends presents data on trends that may influence Medford's housing market.
- *Appendix B.* Housing Need Projection Based on Development Since Last Periodic Review presents an assessment of housing needs and residential land supplies based upon development trends since the last periodic review as required by ORS 197.296.

II. POPULATION AND DEMOGRAPHIC TRENDS

GROWTH TRENDS

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. Oregon's population growth rate exceeded national averages between 2000 and 2008.

Table 1 shows population over the 1980 to 2009 period for Oregon, Southern Oregon, Jackson County, and Medford. Jackson County and Medford experienced faster population growth than Southern Oregon or the state. Jackson County's population grew by 74,554 people from 1980 to 2009, an increase of 56% at an average annual growth rate (AAGR) of 1.6%.

Over the same period, Medford's population grew by 37,494 people, an increase of 94% at an average annual growth rate of 2.3%. In 1980, Medford's population accounted for 30% of the population in Jackson County and in 2009 Medford accounted for 37% of the County's population.

TABLE 1 - POPULATION GROWTH 1980-2009
JACKSON COUNTY AND CITY OF MEDFORD

Area	Population				Change 1980 to 2009		
	1980	1990	2000	2009	Number	Percent	AAGR
Oregon	2,633,156	2,842,337	3,421,399	3,823,456	1,190,300	45%	1.29%
Southern Oregon	191,311	209,036	264,934	290,675	99,364	52%	1.45%
Jackson County	132,456	146,387	181,269	207,010	74,554	56%	1.55%
Medford	39,746	46,951	63,154	77,240	37,494	94%	2.32%

Source: Center for Population Research and Census, Portland State University
Note: Southern Oregon includes Josephine and Jackson Counties. AAGR is average annual growth rate.

Table 2 shows Jackson County's adopted coordinated forecast of population growth for the County and the City of Medford for 2009 to 2029. The County forecasts that Medford's population will grow by 35,591 people between 2009 and 2029 at an AAGR of 1.85%. The City of Medford adopted this forecast into its *Comprehensive Plan Population Element* on November 1, 2007.

TABLE 2 - POPULATION GROWTH FORECAST 2009-2029
JACKSON COUNTY AND CITY OF MEDFORD

Year	Jackson County	Medford
2009	210,329	80,278
2019	242,773	99,127
2029	273,382	115,869
Change 2009 to 2029		
Number	63,053	35,591
Percent	30%	44%
AAGR	1.32%	1.85%

Source: 2009 to 2029 population forecast from the *Jackson County Comprehensive Plan*

*Note: AAGR is average annual growth rate

AGE CHARACTERISTICS

The median age of Medford residents increased since 1980 but is younger than the County or State averages. The median age in the City of Medford increased from 30.5 years in 1980 to 37.0 years in 2000 and in 2008 according to the U.S. Census 2008 American Community Survey.[2] In comparison, the median age in 2008 for the entire state was 38.0 years and was 40.4 years for Jackson County.

Table 3 shows the change in the age demographics in Medford between 1990 and 2000. Medford experienced increases in all age groups, with the largest changes in people 45 to 64 years, 5 to 17 years, and 25 to 44 years. The change in Medford's age distribution suggests that the City is attracting more retirees and people nearing retirement. The City's growth in people 45 to 64 years was similar to changes in demographics in Jackson County and Oregon for the 10 year period.

TABLE 3 - AGE OF RESIDENTS, 1990 AND 2000
CITY OF MEDFORD

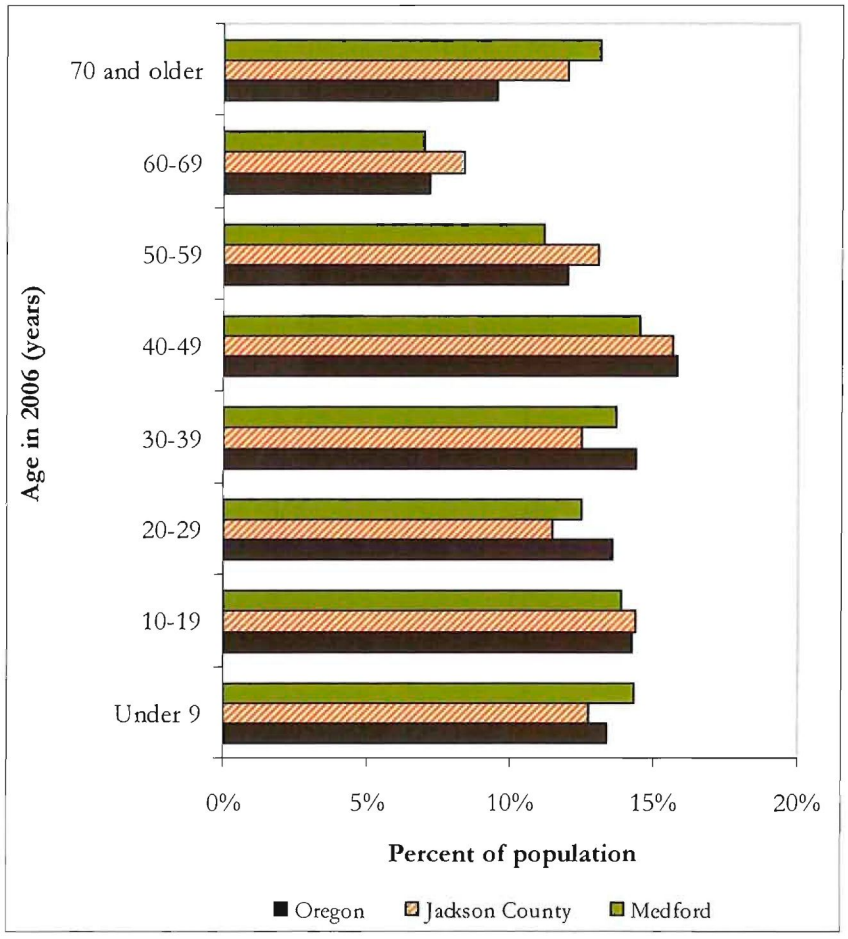
	1990		2000		Change 1990 to 2000		
Age Group	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	3,575	8%	4,398	7%	823	23%	-1%
5-17	8,274	18%	11,901	19%	3,627	44%	1%
18-24	4,126	9%	5,453	9%	1,327	32%	0%
25-44	14,496	31%	17,214	27%	2,718	19%	-4%
45-64	8,314	18%	13,753	22%	5,439	65%	4%
65 and over	8,166	17%	10,435	17%	2,269	28%	-1%
Total	***46,951***	***100%***	***63,154***	***100%***	***16,203***	***35%***	***0%***

Source: U.S. Census, 1990 and 2000

Figure 1 shows the age distribution for Medford, Jackson County, and Oregon in 2000. Medford's age distribution was similar to Jackson County and the State. Medford had a slightly larger share of residents 70 years and older (13%), compared to Jackson County (12%) and the State (10%). Medford had a larger share of younger people between age 20 and 39 (26%) than Jackson County (24%) and a smaller share of people aged 40 to 59 (26%) than the County (29%).

[2] The American Community Survey's estimate of Medford's median age of 37.0 years in 2008 had a margin of error ranging from a median age of 35.5 years to 38.5 years.

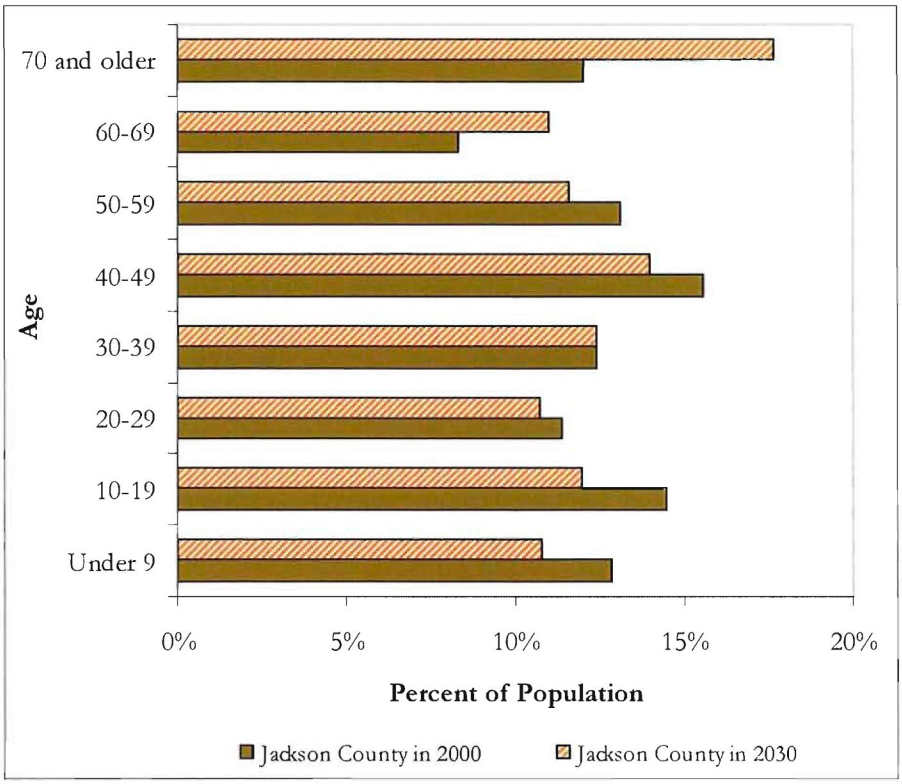
FIGURE 1 - AGE DISTRIBUTION, 2000
OREGON, JACKSON COUNTY AND CITY OF MEDFORD



Source: U.S. Census

State and national trends suggest that the median age will continue to increase, as well as the percentage of the population over age 60. Figure 2 shows projected change in population by age group based on the Oregon Office Economic Analysis's forecast of population by age issued in 2004. Figure 2 shows that Jackson County will have a larger share of population aged 60 and older in 2030 than in 2000, with a correspondingly smaller share of residents 29 years and younger. The forecast projects that the number of people aged 60 and older will more than double in Oregon and Jackson County between 2000 and 2030 but the number of people younger than 30 will only grow by about 25% during the same period. It is reasonable to expect that Medford will experience similar changes in the age of residents as the County and State.

FIGURE 2 - PROJECTED AGE DISTRIBUTION, 2000 TO 2030 JACKSON COUNTY



Source: Oregon Office Economic Analysis, Forecast of Population by Age, 2004.

HOUSEHOLD SIZE

Household sizes have been decreasing nationally since 1940. Table 4 shows average persons per household in Medford in 1990, 2000, and 2008. The average number of persons per household in the City of Medford in 1990 was 2.44 and increased to 2.48 in 2008. The increase in household size indicated by the 2008 American Community Survey is contrary to the State and County long-term trends in household size. Oregon's household size decreased from 2.52 people per household in 1990 to 2.51 in 2008, while Jackson County experienced a decrease in household size from 2.50 in 1990 to 2.43 in 2008.

TABLE 4 - AVERAGE PERSONS PER HOUSEHOLD, 1990, 2000 AND 2008 CITY OF MEDFORD

	1990	2000	2008
Average household size	2.44	2.47	2.48
Owner-occupied units	2.62	2.52	2.58
Renter-occupied units	2.33	2.39	2.37

Source: U.S. Census 1990 and 2000 and American Community Survey 2008
Note: The 2008 American Community's estimate of an average household size of 2.5 persons per household had a margin of error ranging from 2.38 to 2.62 persons per household.

HOUSEHOLD COMPOSITION

During the past 50 years, the composition of households in Oregon has changed. The share of family households other than married couples grew from about 11% of all households in 1950 to 16% in 2000. The most common type of "other" family households in Oregon is single women with children.

Table 5 shows that in 2008, 63% of Medford's households were family households and 37% were non-family households,[3] with similar proportions as the state and county averages. Medford had a smaller share of married couples in family households (47%) compared to the state average (50%) and county average (49%). About 29% of Medford's households were one-person households, compared to the state average of 28% and county average of 28% of households.

The information in Table 5 suggests that the predominant demographic needs are to supply housing needs to married couple households and one-person households which together comprise approximately 76% of all households. The types of housing needed by these groups are significantly different as the married couple households will require larger housing units than single householder units. The average family household size is approximately 3.12 which translates into needed housing types for the 63% of family households to generally be at least two and three bedroom housing units.

Two segments of the population that are often affected by housing affordability issues are single-parent households and single-person households with people over 65 years old. In 2008, Medford had 5,184 single-parent households, 73% of which had female heads of household. Medford had 9,000 single-person households in 2008. About one-third of single-person households (3,582 households) was a person 65 years or older. Most of the persons aged 65 and older and living alone were women (74%).

TABLE 5 - HOUSEHOLD TYPE, 2008
OREGON, JACKSON COUNTY, CITY OF MEDFORD

Household Type	Oregon		Jackson County		Medford	
	Number	Percent	Number	Percent	Number	Percent
Family Households	939,487	64%	**52,039**	**63%**	**19,432**	**63%**
Married couples	731,752	50%	40,278	49%	14,248	47%
Female householder, no husband present	147,237	10%	8,508	10%	3,810	12%
Male householder, no wife present	60,498	4%	3,253	4%	1,374	4%
Nonfamily Households	535,268	36%	**29,978**	**37%**	**11,189**	**37%**
Householder living alone	418,068	28%	23,059	28%	9,000	29%
Householder not living alone	117,200	8%	6,919	8%	2,189	7%
Total Households	***1,474,755***	***100%***	***82,017***	***100%***	***30,621***	***100%***
Average Household Size	2.51		2.43		2.48	
Average Family Size	3.07		2.95		3.12	

Source: U.S. Census, American Community Survey, 2008

Housing need can impact a household's decision to live in a community. Households will base their decision to move to Medford, in part, on the types of housing available in the City. Housing needs may change throughout a person's lifetime. The type of housing needed by young, single people is different than housing needs of middle-aged people with children or elderly people. Households' decisions about type of housing and where to locate are related to three household characteristics: age of the head of household; size of the household; and income. The age of the household head is related to household size and income, which affect housing needs. Income affects the ability of a household to afford their preferred housing type.

[3] Non-family households are households with one person living alone or a group of unrelated people living together.

HOUSEHOLD MOBILITY

Population growth is a function of birthrates, survival rates and migration. In the United States and other developed nations, birthrates and survival rates tend to be fairly constant so population changes are largely driven by migration. Migration occurs for many reasons, but the primary drivers tend to be economic. In Oregon, migration has historically been related to economic conditions in other states—most notably, in California. During downturns in California's economy, people leave the state for opportunities in Oregon and elsewhere. As California's economy recovers, the population exodus tapers off. In addition, retirees may be more likely to relocate to Oregon when their homes can be sold for high prices elsewhere. According to information from the Portland State University Population Research Center, Oregon had net interstate in-migration (more people moved to Oregon than moved from Oregon) of more than 700,292 people between 1990 and 2008, which accounted for 74% of Oregon's population growth over the period. The share of Oregon's population growth from in-migration was higher during the 1990's (81% of population growth) than for the 2000-2008 period (69% of population growth).

In-migration accounted for a larger share of population growth in Jackson County than in Oregon over the 2000-2008 period. Jackson County had in-migration of more than 21,747 people (90% of population growth).

The Oregon Department of Motor Vehicles collects data on out-of-state driver licenses surrendered by applicants for Oregon licenses. These data provide an indicator of the source of Oregon's in-migration. During the period 1999-2005, over 30% of surrendered licenses were from California and approximately 17% were from Washington. All other states each accounted for less than 5% of the surrendered licenses.[4] The DMV also collects data on Oregon driver licenses surrendered in other states. These data indicate that Washington and California are the top destinations for Oregon's out-migrants.[5]

The 1999 Oregon In-migration Study found that migrants to Oregon tended to have characteristics similar to existing residents, with a few notable differences. Recent in-migrants to Oregon were, on average, younger and more educated, and more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally mirrored Oregon's established pattern, with one exception: Hispanics made up more than 7% of in-migrants but only 3% of the state's population. The number-one reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.[6]

The Census asked households about their place of residence in 2007 (one year prior to the ACS count). Table 6 shows the place of residence in 2007 for Oregon, Jackson County, and Medford. Table 6 shows residents of Medford were more mobile than the county or state averages. Seventy-eight percent of residents of Medford lived in the same house in 2007, compared to 81% of Jackson County and 82% of Oregon's residents. However, residents of Medford that moved were more likely to move within Jackson County. Sixteen percent of Medford's residents lived in the same county in 2007, compared with 13% of Jackson County residents and 10% of Oregonians.

[4] *See* Oregon Department of Motor Vehicles, "Driver Issuance Statistics," http://www.oregon.gov/ODOT/DMV/news/driver_stats.shtml, accessed May 25, 2006.

[5] For a discussion of the DMV data, *see* Ayre, A, 2004, *People Moved to Oregon Despite Recession*, Oregon Employment Department, July.

[6] State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study.*

TABLE 6 - PLACE OF RESIDENCE, PERSONS 1 YEAR AND OVER, 2008 OREGON, JACKSON COUNTY, CITY OF MEDFORD

Location	Oregon		Jackson County		Medford	
	Persons	Percent	Persons	Percent	Persons	Percent
Population 1 year and older	3,738,741	100%	198,728	100%	75,660	100%
Same house in 2007	3,069,547	82%	160,763	81%	59,360	78%
Different house in 2007	650,023	17%	37,318	19%	16,300	22%
Same county	388,670	10%	25,868	13%	11,753	16%
Different county	261,353	7%	11,450	6%	4,547	6%
Same state	138,832	4%	5,547	3%	2,440	3%
Different state	119,824	3%	5,903	3%	2,107	3%

Source: U.S. Census, American Community Survey, 2008

ETHNIC POPULATION

Table 7 shows ethnicity for 1990 and 2000 in Oregon, Jackson County, and Medford. Table 7 shows that 9.2% of Medford's population was Hispanic in 2000, an increase of 3,454 people or 145% since 1990. Medford was more ethnically diverse than Jackson County or Oregon in 2000.

Between 2000 and 2008, Jackson County's Hispanic population grew by 34% (approximately 6,343 people) and in 2008 comprised 9.2% of the county's population. Recent data on ethnicity are not available for Medford. However, it is reasonable to assume that Medford's Hispanic population grew at least as fast as the County average. This would result in Medford adding 3,055 or more Hispanic residents over the eight year period between 2000 and 2008.

TABLE 7 - CHANGE IN ETHNICITY, 1990 TO 2000 OREGON, JACKSON COUNTY, AND CITY OF MEDFORD

	Oregon	Jackson County	Medford
1990			
Total Population	2,842,321	146,389	46,951
Hispanic or Latino	112,707	5,949	2,387
Percent Hispanic or Latino	4.0%	4.1%	5.1%
2000			
Total Population	3,421,399	181,269	63,154
Hispanic or Latino	275,314	12,126	5,841
Percent Hispanic or Latino	8.0%	6.7%	9.2%
Change 1900-2000			
Hispanic or Latino	162,607	6,177	3,454
Percent Change	144%	104%	145%

Source: U.S. Census, 1990 and 2000

The Oregon Housing and Community Services Department (OHCS) analyzed recent demographic changes taking place in Oregon and discussed their implications in a 2006 presentation "Changing Demographics: Impacts to Oregon and the US." Some of the most significant findings are summarized below:

- The birth rates of Hispanic/Latino residents are higher than non-Hispanic/Latino residents. In 1998, for the US, white non-Hispanic/Latino residents had a birth rate of 12.3 per 1,000, lower than Asians and

Pacific Islanders (16.4 per 1,000), black non-Hispanics (18.2 per 1,000) and Hispanic/Latino (24.3 per 1,000).

- The share of resident births and deaths in Oregon shows the implications of that birthrate: Hispanic/Latino residents accounted for 17.4% of births but only 1.4% of deaths in Oregon for 2001. In addition, Hispanic/Latino Oregonians are younger than non-Hispanic/Latino residents: in 2000, 75.9% of Hispanic/Latino residents of Oregon are under age 35, compared to 45.7% of non-Hispanic/Latino residents.
- In Oregon, Hispanic/Latino per capita income in 2005 was only 44% of white non-Hispanic/Latino per capita income.
- Hispanic/Latino residents of Oregon become homeowners at younger ages than non-Hispanic/Latino residents. Hispanic/Latino Oregonians under 45 have higher homeownership rates (57% of homeowners) than non-Hispanic/Latino residents (31% of homeowners).

DISABLED POPULATION

The Medford *Consolidated Plan 2005-2009 (and the pending 2010-2014 Plan)* provides information about housing and assistance programs for persons with disabilities. Table 8 shows population aged five years and older with disabilities for Oregon, Jackson County, and Medford in 2008. Medford had more than 12,800 residents with one or more disability in 2008. Medford's share of population with a disability (17%) was higher than the state average (13%) and county average (16%). The housing needs for disabled people may include the following special housing needs: modifications to housing to allow for handicapped accessibility or institutional or group care facilities.

TABLE 8 - POPULATION WITH DISABILITIES, 5 YEARS AND OLDER, 2008 OREGON, JACKSON COUNTY, AND CITY OF MEDFORD

	Oregon		Jackson County		Medford	
	Number	Percent	Number	Percent	Number	Percent
Total Population	3,746,320	100%	200,232	100%	75,903	100%
With disability	497,866	13%	31,143	16%	12,811	17%
With no disability	3,248,454	87%	169,089	84%	63,092	83%

Source: U.S. Census, American Community Survey, 2008

HOMELESS POPULATION

Some people living in Medford and Jackson County do not have a permanent place to live. Oregon Housing and Community Services Department conducts an annual census of people staying in shelters on one night per year. According to information collected by the state, common reasons for homelessness include: substance abuse, mental illness, unemployment, housing affordability, criminal history, domestic violence, and other reasons.

Table 9 shows a count of the total number of homeless people in (or turned away from) shelters in Jackson County on one specific night. Between 2001 and 2009, Jackson County had an average of 328 people, including 102 children, staying in homeless shelters (or turned away from shelter). It is difficult to determine if the number of homeless people has increased over the nine-year period because the data excludes people not staying in shelters. Apparent increases in homelessness may actually be an increase in the number of beds available in shelters.

TABLE 9 - PEOPLE STAYING IN OR TURNED AWAY FROM HOMELESS SHELTERS, 2001-2009 JACKSON COUNTY

Year	Total	Children
2001	187	74
2002	231	98
2003	201	88
2004	349	124
2005	400	146
2006	467	126
2007	359	104
2008	399	na
2009	356	56
Average homeless	***328***	***102***

Source: Homeless Shelter Nightcount Reports for 2001-2009, Oregon Housing and Community Services
Note: The Nightcount was conducted at the end of March for 2001 through 2004. From 2005 to 2009, the Nightcount was conducted at the end of January.

SUMMARY OF POPULATION AND DEMOGRAPHIC TRENDS:

1. Jackson County grew from 132,456 people in 1980 to 207,010 people in 2009, an increase of more than 74,554 people at an average annual growth rate of 1.55%. More than half that population growth occurred in Medford. Population within the Medford city limits grew from 39,746 residents in 1980 to 77,240 residents in 2009, increasing Medford's share of Jackson County population from 30% in 1980 to 37% of by 2009.

2. Migration was the largest source of population growth in Oregon and Jackson County. For the 1990 to 2008 period, about 90% of population growth in Jackson County resulted from net migration, compared to 69% of population growth in Oregon during the same period. In addition, Census data show that residents of Medford were more likely to have lived in a different house in 2007 (22%) compared to the County (19%) and State (18%) averages.

3. Medford's population is forecast to reach 115,869 people in 2029.

4. Medford's population is younger on average than Jackson County or Oregon averages. The median age in the City of Medford increased from 30.5 years in 1980 to 37.0 years in 2000 and has remained relatively constant since then[7]. In comparison, the median age in 2008 for the entire state was 38.0 years and 40.4 years for Jackson County.

5. Medford has a larger share of residents under 29 years than Jackson County. Between 1990 and 2000 the fastest growing groups were 45 to 64 years, 5 to 17 years, and 18 to 24 years. The slowest growing group was 25 to 44 years.

6. The Oregon Office of Economic Analysis forecasts that people aged 60 years and older will be the fastest growing age groups between 2000 and 2030, more than doubling in size in Jackson County. The age group forecast to grow slowest in Jackson County are people under 19 years old.

[7] The American Community Survey's estimate of Medford's median age of 37.0 years in 2008 had a margin of error ranging from a median age of 35.5 years to 38.5 years.

7. Medford's average household size increased from 2.44 people per household in 1990 to 2.48 people per household in 2008.[8]
8. Medford's household composition has only minor differences from state and county averages.
9. Medford is becoming more ethnically diverse. Medford's Hispanic population grew by 145% between 1990 and 2000, from 2,387 residents to 5,841 residents. In 2000, Medford had a larger share of Hispanic residents (9.2%) compared to the state average (8.0%) and Jackson County average (6.7%). National and state trends suggest that Medford will continue to become more ethnically diverse.
10. State trends indicate that Hispanic residents are typically younger than non-Hispanic residents when they purchase a house. About 57% of Hispanic homeowners were under 45 years old when they purchased their first house, compared with 31% of non-Hispanic homeowners.
11. Medford had approximately 12,811 residents with one or more disability in 2008. Medford's share of population with a disability (17%) is slightly higher than the state average (16%).

IMPLICATIONS OF POPULATION AND DEMOGRAPHIC TRENDS ON HOUSING NEED

Past trends support future projections that Medford's population will continue to grow. These trends indicate the City of Medford should (and must under ORS 197.296) plan to supply housing consistent with these population forecasts.

Future growth in population, especially in the fastest growing age groups, will impact the types of housing that Medford needs over the 2009-2029 period. Households will base their decision to move to Medford, in part, on the types of housing available in the City. Housing needs may change throughout a person's lifetime. The type of housing needed by young, single people is different than housing needs of middle-aged people with children or elderly people. The City will need to provide for the opportunity for development of a range of housing options, especially housing for the fastest growing segments of the population.

[8] The 2008 American Community's estimate of an average household size of 2.48 persons per household had a margin of error ranging from 2.37 to 2.59 persons per household.

III. HOUSING INVENTORY TRENDS

HOUSING UNIT GROWTH

Table 10 shows growth in housing units in Medford between 1980 and 2009.[9] Medford added more than 14,141 dwelling units between 1980 to 2009, averaging about 524 units per year. Medford's housing stock grew at an average annual rate of 2.1%, which is consistent with the historic population growth rate of 2.4% for the 1980 to 2008 period.

TABLE 10 - HISTORIC DWELLING UNIT GROWTH, 1980 TO 2009
CITY OF MEDFORD

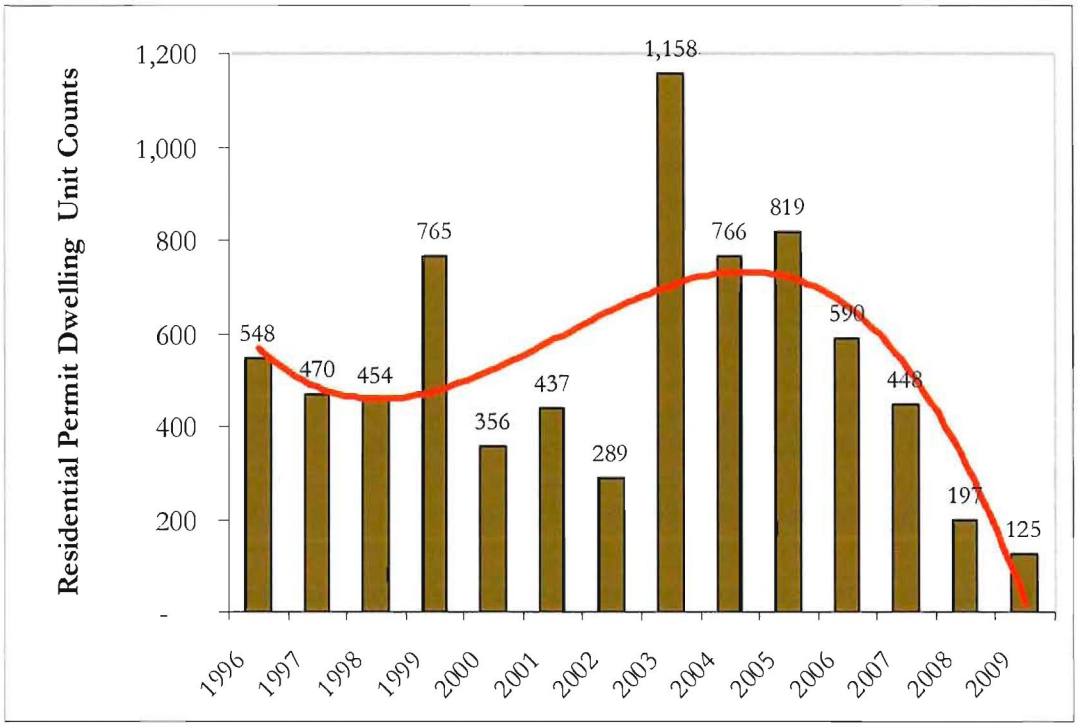
Year	Dwelling Units	New units	Percent change
1980	16,887	--	--
1985	17,872	985	6%
1990	19,988	2,116	12%
1995	23,606	3,618	18%
2000	26,199	2,593	11%
2005	29,668	3,469	13%
2009	31,028	1,360	5%
Change 1980-2009			
Number	14,141		
Percent	84%		
AAGR	2.1%		
Change 1996-2009			
Number	7,422		
Percent	25%		
AAGR	2.0%		

Source: US Census 1980-1995, City of Medford Permit Data 1996-2009 with comparison to 2000 Census data. AAGR is Annual Average Growth Rate.

Between December 31, 1995 and December 31, 2009, Medford issued building permits that allowed construction of 7,422 dwelling units. The number of permits issued peaked in 2003 at 1,158. The number of permits issued prior to 2003 was generally fewer than 600 units per year, with the exception of a peak in 1999. Figure 3 depicts the robust housing market from 2003 to 2006, followed by the softening in 2007, and rapid decline in 2008 through 2009.

[9] The estimate of dwelling units in 2006 shown in Table 10 exceeds the U.S. Census American Community Survey estimate of 30,492 dwelling units in Medford in 2006. The 2006 estimate in Table 10 is based on building permit data through December 31, 2006, whereas the American Community Survey's estimate is based on the Census' surveys conducted throughout 2006.

FIGURE 3 - RESIDENTIAL BUILDING PERMITS ISSUED, 1996-2009 CITY OF MEDFORD



Source: City of Medford

TENURE

Housing tenure refers to whether a household owns or rents their dwelling. Table 11 shows the change in tenure in Medford between 1990 and 2008. In 2008, 53% of the 30,621 occupied dwelling units in the City of Medford were owner-occupied. Medford's rate of homeownership was lower than Jackson County's homeownership rate of 62% and the statewide rate (64%). Ninety percent of owner occupied dwellings were single-family detached units, 6% were manufactured or mobile homes, and 3% were attached units such as condominiums and townhouses. Thirty-four percent of owner-occupied dwelling units were owned by residents 65 years and older.

Tenure experienced some degree of shift away from home ownership between 1990 and 2008. In 1990, 57% of dwellings in Medford were owner occupied and 43% were renter occupied. By 2008, 53% of dwellings in Medford were owner occupied and 47% were renter occupied.

TABLE 11 - TENURE, OCCUPIED DWELLING UNITS, 1990, 2000, AND 2008 CITY OF MEDFORD

	1990		2000		2008		Change in Dwelling Units 1990-2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent Change
Owner Occupied	10,707	57%	14,366	57%	16,187	53%	5,480	51%
Renter Occupied	8,160	43%	10,775	43%	14,434	47%	6,274	77%

Source: U.S. Census, American Community Survey, 2008

Note: Percent Change refers to the percent change by tenure between 1990 and 2008. In other words, owner occupied housing grew by 51% over the 1990 to 2008 period.

Note: The margin of error in the 2008 American Community Survey data in Table 11 suggests that homeownership rates in Medford in 2008 could range from 48% to 58%.

HOUSING MIX

The housing mix by structure type (i.e., percentage of single family, multi-family, and mobile/manufactured home units) is an important variable in any housing needs assessment. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Table 12 and Figure 4 show dwelling units approved through building permits issued for new residential construction for 1996 to 2009. Table 12 shows that the City issued permits for 4,949 single-family detached units over the 14-year period, averaging 402 single-family units annually. The City issued permits for 2,473 multifamily units, averaging 202 multi-family units annually.

On average, multi-family units accounted for one-third of permitted units. Overall, the mix presents significant volatility in the percent of multi-family from a housing mix standpoint. The mean is 33%, but has a standard deviation of 12%. In simple terms, this means that in most years the percent housing mix will range from 21% to 45% multi-family. This change from year to year is most likely explained due to small numbers issues. Even in a city the size of Medford, 202 data points in an average year is fairly low for a data type that tends to come in blocks of 8 to 40 units (typical multi-family project size). Single-family unit production generally trends closely with the local housing market. The construction phase of a multi-family project is a bigger project and requires many more years of planning and implementation. This can cause one or two large multi-family projects that break ground in a given year to significantly change the percentage of multi-family units delivered in that year.

TABLE 12 - BUILDING PERMITS ISSUED FOR NEW RESIDENTIAL CONSTRUCTION BY TYPE, 1996-2009
CITY OF MEDFORD

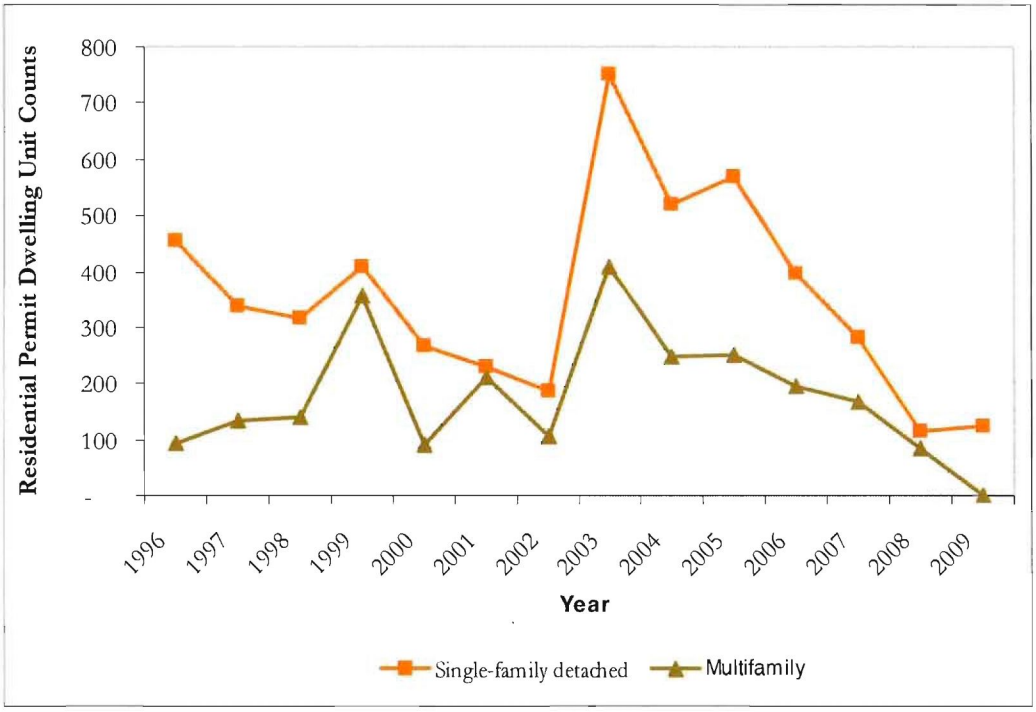
Year	Single-family detached		Multifamily		Total	Percent of 1996-2009 Total
	Permits Issued	Percent of Annual Total	Permits Issued	Percent of Annual Total		
1996	454	83%	94	17%	548	7%
1997	336	71%	134	29%	470	6%
1998	316	70%	138	30%	454	6%
1999	409	53%	356	47%	765	10%
2000	266	75%	90	25%	356	5%
2001	228	52%	209	48%	437	6%
2002	185	64%	104	36%	289	4%
2003	751	65%	407	35%	1,158	16%
2004	519	68%	247	32%	766	10%
2005	569	69%	250	31%	819	11%
2006	394	67%	196	33%	590	8%
2007	282	63%	166	37%	448	6%
2008	115	58%	82	42%	197	3%
2009	125	100%	-	0%	125	2%
Total	***4,949***	***67%***	***2,473***	***33%***	***7,422***	***100%***
Stnd. Deviation	***179***	***12%***	***111***	***12%***	***275***	***3.7%***
Annual Mean	***402***		***202***		***605***	

Source: City of Medford, table depicts all permit data in all land use designations.
Note: Single-family housing types include manufactured homes and attached homes on individual lots. Multi-family homes includes condominiums, townhouses, and duplexes and apartments.

Figure 4 shows dwelling units approved through building permits issued for new residential construction by the City of Medford for the 1996 to 2009 period. The share of multi-family dwelling units varied over the fourteen

year period from more than 48% of dwelling units in 2001 to none in 2009. The fact that zero multi-family units were permitted in 2009 is not surprising. In addition to the weak housing market conditions overall in 2009, the financial sector experienced a liquidity crises in 2008. This resulted in very tight credit markets for all of 2009. Multi-family units are larger structures with higher total value, and, therefore, require greater access to credit for financing on a per-project basis. Even if some multi-family projects had been demanded, access to credit to supply those units would have been difficult during this period.

FIGURE 4 - BUILDING PERMITS ISSUED FOR NEW RESIDENTIAL CONSTRUCTION BY TYPE, 1996-2009
CITY OF MEDFORD



Source: City of Medford
Note: Single-family housing types include manufactured homes and attached homes on individual lots. Multi-family includes condominiums, townhouses, and duplexes and apartments.

Table 13 shows changes in housing mix in Medford between 1996 to 2009. The housing mix during this period was 61.9% single family detached, 33.3% multi-family, and 4.8% manufactured dwellings in parks. Overall, these numbers reflect a slight increase in the percent of multi-family units from 1995 levels.

TABLE 13 - CHANGE IN HOUSING MIX, 1996-2009
CITY OF MEDFORD

	1995		2000		2005		2009		Mix 1996-2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single-family	15,365	65%	16,942	65%	19,101	64%	19,956	64%	4,591	61.9%
Multifamily	7,330	31%	8,142	31%	9,359	32%	9,803	32%	2,473	33.3%
Manufactured in Parks	911	4%	1,115	4%	1,208	4%	1,269	4%	358	4.8%
Total	***23,606***	***100%***	***26,199***	***100%***	***29,668***	***100%***	***31,028***	***100%***	***7,422***	***100%***

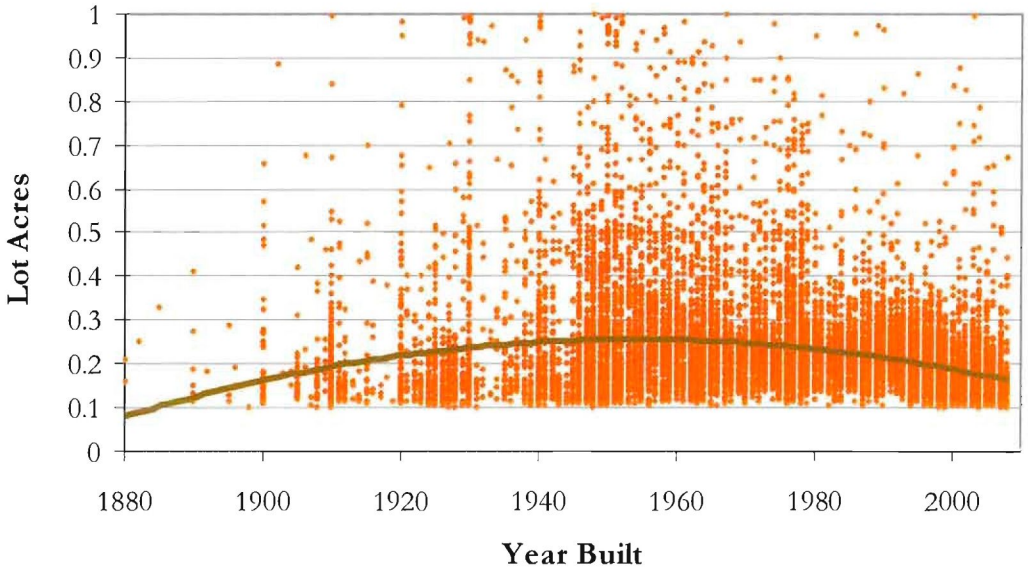
Sources: U.S. Census; City of Medford
Note: Single-family housing types include manufactured homes and attached homes on individual lots. Multi-family includes condominiums, townhouses, and duplexes and apartments.

HOUSING DENSITY

ORS 197.296(3) requires cities with population over 25,000 to conduct an analysis of housing density.[10] The density analysis, combined with the housing type mix analysis, is intended to provide a baseline for comparison with previous plan targets and to help cities determine if housing needs are being met. Moreover, estimates about future residential development and land needs are based, in part, on existing residential density.

Because this stage of the analysis is interested in trends, it is illustrative to begin with some measure of long-term density trends. Typical single-family dwellings on typically-sized individual lots comprise approximately 60% of Medford's total housing unit stock. Thus, this type of housing represents a relatively homogenous housing group to evaluate long-term trends, as follows:

FIGURE 5 – TYPICAL SINGLE FAMILY DWELLING LOT SIZE TRENDS, 1880-2009 CITY OF MEDFORD



Source: Jackson County Assessor; Analysis: CSA Planning Ltd.
Typical Single Family Dwelling is in Urban Residential designation, lot size .1 to 1 acre, and Stat Class 2 to 4.
Note: Stat Class is a measure of housing quality by the Jackson County Assessor. Stat Class 1 & 2 are low quality housing, Stat Class 3 is a typical single-family dwelling, Stat Class 4 is an above average dwelling, and Stat Class 5 is a high amenity dwelling.

The trend line in Figure 5 shows lot size changes over time. Generally, typical single family urban lot sizes peaked in the 1950's and 1960's, and since that time, lot size has been declining. This indicates Medford has been using its land base more efficiently over the last several years. When compared to the peak lot size period, current trends support lot sizes that are approximately 40% less than in those peak periods.

[10] The analysis must cover the period since the jurisdiction's last periodic review, or five years, whichever is longer. Medford last updated the *Housing Element* in 1995. This analysis uses the 1996-2009 period to determine the actual density and mix as required by ORS 197.296(3). Only dwellings issued permits in residential plan designations are included in the density analysis.

Table 14 shows net residential density by General Land Use Plan designation (column data) and Housing Type (row data) for dwelling units built between 1996 and 2009.[11] Table 14 shows that the average net density for residential development occurring in Medford between 1996 and 2009 was 6.8 units per net acre.

The UM designation was established in 1995 and is generally located in areas where growth is planned in the future, but requires intervening projects to extend facilities out to those lands. This has now occurred for much of the UM designated lands, but the housing construction downturn occurred at the point in time when these projects would have begun to build out.

The highest density projects occur in the Commercial plan designations. Commercial designations in Medford allow multi-family residential development under the MFR-30 zoning district standards. This promotes spatially mixed use development with high intensity commercial and high density residential development being proximate to one another.

TABLE 14 - RESIDENTIAL NET DENSITY OF NEW CONSTRUCTION BY PLAN DESIGNATION AND UNIT TYPES, 1996-2009
CITY OF MEDFORD

		Commercial (CC, CM, SC)	UH	UM	UR	Other	Row Totals (DU Types)
Single Family Detached	Dwelling Units	26	128	-	3964	3	**4121**
	Net Acres	1.3	13.3	-	809.5	5.2	**829**
	Density (DU/Net Acre)	**19.6**	**9.6**	-	**4.9**	**0.6**	**5.0**
Single Family Manufactured	Dwelling Units	1	4	-	175	-	**180**
	Net Acres	0.5	0.6	-	28.9	-	**30**
	Density (DU/Net Acre)	**2.0**	**7.1**	-	**6.1**	-	**6.0**
Single Family Attached	Dwelling Units	0	142	-	33	-	**175**
	Net Acres	0	11.4	-	6.26	-	**18**
	Density (DU/Net Acre)	-	**12.5**	-	**5.3**	-	**9.9**
Duplex	Dwelling Units	6	160	-	131	-	**297**
	Net Acres	0.4	12.4	-	13.7	-	**26**
	Density (DU/Net Acre)	**17.1**	**12.9**	-	**9.5**	-	**11.2**
Multi-Family	Dwelling Units	283	1441	-	368	-	**2092**
	Net Acres	13.0	73.3	-	24	-	**110**
	Density (DU/Net Acre)	**21.8**	**19.7**	-	**15.4**	-	**19.0**
Total Units	By GLUP	**316**	**1875**	-	**4671**	**3**	***6865***
Total Acres	(Net Built, by GLUP)	**15**	**111**	-	**882**	**5**	***1014***
Density	(DU/Net Acre, by GLUP))	**20.8**	**16.9**	-	**5.3**	**0.6**	***6.8***

Source: City of Medford; analysis by CSA Planning Ltd.
Notes: No dwellings were issued permits in the UM plan designation during the analysis period.
UR = Urban Residential General Land Use Plan Designation
UM = Urban Medium Density Residential General Land Use Plan Designation
UH = Urban High Density Residential General Land Use Plan Designation
The net density analysis accounted for private common areas as part of residential projects. GIS was used to share out common area acreage on a permit by permit basis, so the net acres for each permit reflects total net acres of common area plus the applicable pad lot area associated with the permit for projects with this and similar types of ownership patterns.

[11] Unit count differential of 7,422 versus 6,865 (from above reported permit data) reflect 557 dwelling units associated with permits that could not be georeferenced (8% of total unit count). Most all of this differential is due to permits issued in 1996 under a previous building permit database that could not be readily georeferenced in GIS. At a 92% capture rate, the density analysis is expected to be fully representative of development trends over the period.

Table 14 also depicts the success and implementation of the City's Planned Unit Development (PUD) ordinance, especially in supporting density in the UR designation. Since 1996, 368 units were supplied in the UR designation as multi-family units at a net density of 15.4 units to the acre. These units are largely the result of PUD approvals and the ability the City's ordinance provides for density bonuses and intensive residential development in the most appropriate portions of major projects.

Table 14 shows density of new units varies by housing type. Single-family detached and manufactured dwellings generally tend to have the lowest densities and multi-family types tend to have higher net densities. This is a typical and expected pattern. However, the cross-tabulation data reveals some more interesting phenomena. For example, there were 128 detached single-family dwellings in the UH designation and 131 duplexes in the UR designation over the period. These are large enough numbers to expect representative trend results. The trends depict nearly identical net densities. This suggests net density is affected by more than just the type of housing, but also where it is located and the nature of the residential project. There are many possible explanations for these phenomena. For example, many duplex projects in the UR designation are in-fill projects where design factors can be limited by existing conditions (lot configuration, existing buildings to be retained, access location and similar constraints). For single-family permits in UH designations, many of these were on small pad lots that are part of a larger project, such as retirement projects that include both cottage-type detached units with a larger institutional-style multi-family main building. When the net densities are averaged across a small pad lot and share of common area, the individual units reflect a high net density for that housing type.

The Urban Residential (UR) Plan designation permits the following zones:

- SFR-2 (for lands with slopes over 15% or other environmental constraints, minimum/maximum density is 0.8-2.0 dwellings per gross acre)
- SFR-4 (minimum/maximum density is 2.5-4.0 dwellings per gross acre)
- SFR-6 (minimum/maximum density is 4.0-6.0 dwellings per gross acre), and
- SFR-10 (minimum/maximum density is 6.0-10.0 dwellings per gross acre).

The Urban Medium Residential (UM) Plan designation permits the following zone:

- MFR-15 (minimum/maximum density is 10.0-15.0 dwellings per gross acre).

The Urban High Density Residential (UH) Plan designation permits the following zones:

- MFR-20 (minimum/maximum density is 15.0-20.0 dwellings per gross acre), and
- MFR-30 (minimum/maximum density is 20.0-30.0 dwellings per gross acre).

Table 15 depicts the density analysis by zoning district:

TABLE 15 - NET DENSITY BY ZONING DISTRICT, 1996-2009
CITY OF MEDFORD

	Dwelling Units		Acres		Density
	Unit Counts	Percent of Total	Net Built Acres	Percent of Total	DU/Net Acres
Commercial	338	4.9%	15	1.4%	**23.1**
MFR-30	370	5.4%	15	1.5%	**24.9**
MFR-20	1420	20.7%	86	8.4%	**16.6**
MFR-15	-	-	-	-	**-**
SFR-10	1251	18.2%	145	14.3%	**8.6**
SFR-6	1586	23.1%	248	24.5%	**6.4**
SFR-4	1678	24.4%	388	38.3%	**4.3**
SFR-2	195	2.8%	94	9.3%	**2.1**
Other Zones	27	0.4%	23	2.3%	**1.2**
Totals	**6865**	**100.0%**	**1014**	**100.0%**	**6.8**

Source: City of Medford; analysis by CSA Planning Ltd.
Notes in Table 14 are applicable Table 15 as well.

Table 15 depicts the implementation of Medford's Housing Element since 1996 from an urban efficiency standpoint. Overall, the plan achieved a 6.8 units per net acre density across all districts; if the 27 units delivered in the "other zones" are excluded, the achieved density is 6.9 units per net acre across the City. In the residential districts only, the net density achieved was 6.7 units per net acre. The Commercial and the MFR-30 zones deliver the highest densities per net acre, while the SFR-2 zone delivers the lowest, but it is applicable only on significantly sloped lands. Three districts (MFR-20, SFR-10, and SFR-6) delivered 62% of the units on 47% of the net acres of land consumed.

GROUP QUARTERS

Persons in group quarters do not consume standard housing units. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, social service facilities (such as mental hospitals, group homes, or shelters) or a large elderly population (nursing homes).[12] In general, any new need for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside of what is typically defined as the housing market. Group quarters, however, require land and are typically built in high density residential or commercial zones.

The U.S. Census estimated that 2.4% of Medford's population lived in group quarters in 1990 and 2000. In 1990, Census data indicated that 951 residents lived in group quarters and that 1,285 residents lived in group quarters in 2000. The U.S. Census' definition of group quarters does not include some types of housing for seniors, such as assisted living facilities or age-restricted developments, which are counted as multi-family dwelling units because they typically are studio or one bedroom apartments.

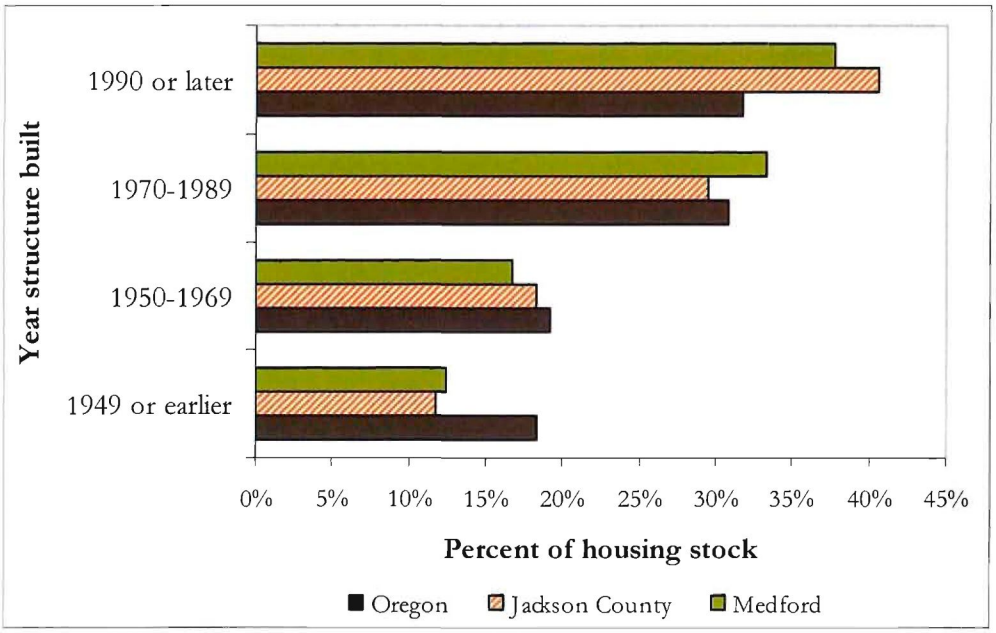
[12] The estimate of population in group quarters presented in this section is based on U.S. Census data. The Census' definition of group quarters is: "The Census Bureau classifies all people not living in households as living in group quarters. There are two types of group quarters: institutional (for example, correctional facilities, nursing homes, and mental hospitals) and non-institutional (for example, college dormitories, military barracks, group homes, missions, and shelters)."

The City of Medford's *Land Development Code* considers the following as group quarters: boarding or lodging house; nursing home or long-term care facility; residential care, training, or treatment facility; and residential drug and alcohol treatment facility.

HOUSING AGE

Figure 6 shows the age of housing stock in Oregon, Jackson County, and Medford. More than one-third of Medford's housing stock was built between 1990 and 2008. About one-third of Medford's housing stock was built before 1970. Medford has a larger share of new housing (built between 1990 and 2008) than Oregon or Jackson County.

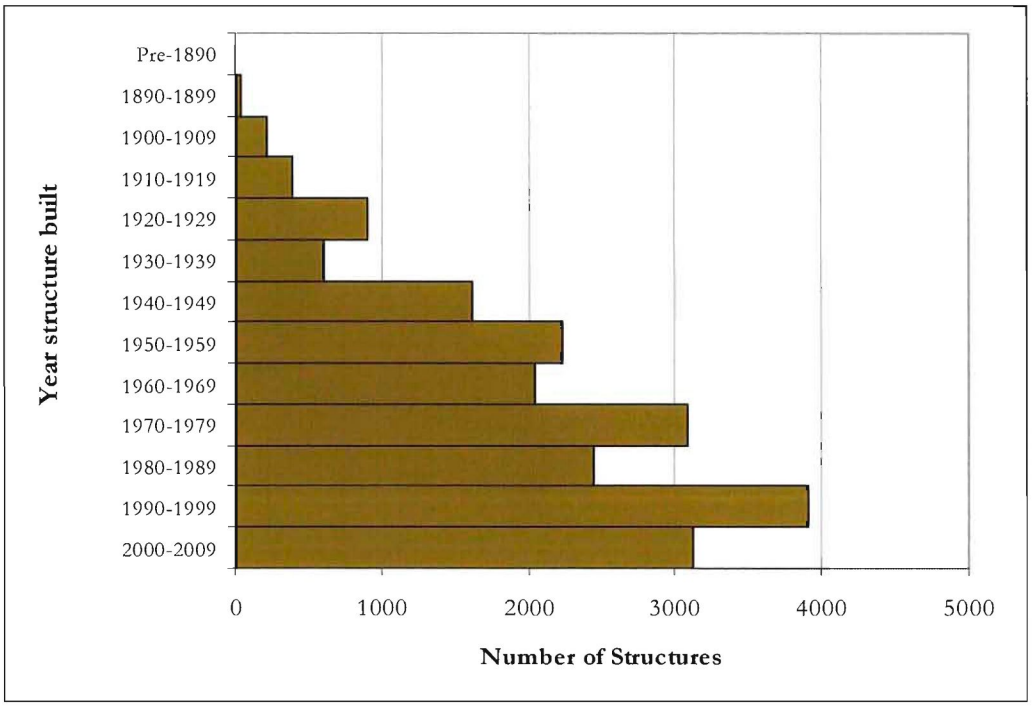
FIGURE 6 - AGE OF HOUSING STOCK PERCENT, 2008
OREGON, JACKSON COUNTY, AND CITY OF MEDFORD



Source: U.S. Census, American Community Survey, 2008

The other source of data that estimates housing age is the Jackson County Assessor. The below figure provides a more detailed breakdown of the Medford's housing stock age, as follows:

FIGURE 7 - HOUSING STOCK AGE, 1890-2009
CITY OF MEDFORD



Housing stock age is an important component in understanding the fundamentals of housing stock condition. The condition of a future housing stock to serve as adequate and appropriate shelter is based upon the quality of the initial construction and the level of reinvestment in that stock over time.

HOUSING CONDITION

Safe, decent housing is considered a basic need. The condition of a community's housing stock is an important consideration in an overall assessment of community and housing needs. In 2008, US Census data for the City of Medford estimated that 309 units (vacant and occupied) lacked complete plumbing facilities, and 764 lacked complete kitchen facilities.

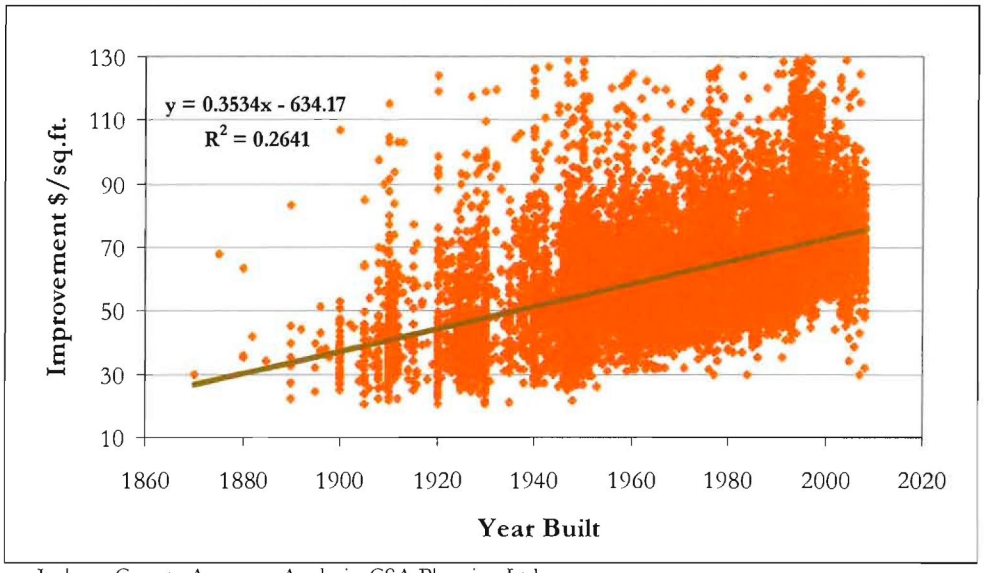
The City conducted a conditions survey for the City of Medford *Consolidated Plans 2005-2009* and *2010-2014*. The areas surveyed, located west of I-5 and north and west of downtown, had about 2,600 single-family units in residential neighborhoods. The surveyor visually inspected each structure from the street and used a five-point scale to assess the structure's overall exterior condition, including the roof, foundation, porch, windows, chimney, fascia, and siding.

The findings of the survey indicated that single-family housing in the areas surveyed was in generally sound condition, with 80% of houses rated as being in excellent or good condition and needing only modest repairs. Approximately 20% of the structures, approximately 500 residences, were found to need repair and rehabilitation to maintain long-term viability as decent, safe and sanitary housing. About 4% of these houses were rated as being beyond repair, with major structural problems.

The above housing condition information emphasizes the identification of housing stock that may fail to meet basic shelter needs now. While this baseline information on current deficiencies is valuable, a 20-year housing plan should also evaluate the ability of the existing housing stock to meet future needs. The essential question is, "what rate of absolute depreciation is the housing stock experiencing?" Absolute depreciation is the amount of depreciation after reinvestments. The best available information for this type of evaluation is the Jackson County

Assessor's data. Again, the typical single-family dwelling is the most appropriate unit of analysis because it is the most homogenous data set and constitutes approximately 60% of the entire stock. The below graph depicts the change in improvement value per square foot by year built:

FIGURE 8 – TYPICAL SINGLE FAMILY DWELLING DEPRECIATION, 2009 CITY OF MEDFORD



Source: Jackson County Assessor; Analysis: CSA Planning Ltd.
Typical SFD on lot .1 to 1 acre, Stat Class 2 to 4, Improvement $/sq. ft. $20-$130 *[outlier data reduction]*

Regression analyses typically seek a high R-square as a measure of a well performing regression. In this instance, a high R-square would indicate low levels of reinvestment relative to the value of initial construction and future year-built values could be well predicted by how old the housing is. In the case of Medford, the R-square indicates that only about 26% of the housing structural value can be predicted by the year the unit was built. This indicates relatively high inflation adjusted (2009 Real Market Values are by definition inflation adjusted) initial construction values for Medford's housing stock and the regression indicates high levels of reinvestment. Overall, the regression indicates that absolute depreciation in Medford's structural housing stock is approximately $0.35 per foot per year, but, that many factors besides unit age explain the expected utility of the housing units going forward.

The regression also presents a more generalized description of units that are at risk of becoming obsolete during the planning horizon. There appears to be a break point in the scatter diagram for houses built before approximately 1955, with improvement values per square foot of less than approximately $35/sq. ft. There are approximately 508 of such units in the UR plan designation in the Medford UGB. If one made a reasonable assumption that these units will require approximately $20,000 of additional reinvestment over the planning horizon, then this will require approximately $500,000 in additional investments not currently occurring in the market place, in each year over the planning period to assure these units will remain viable and useful units. Interestingly, the data results in a total number units for which some targeted investment may be required that is similar to the 2004 field survey estimates.

This data has important implications for planning lands to meet future housing needs, as follows:

- A "demolish and redevelop" strategy to supply additional housing does not appear as an appropriate housing strategy on a city-wide basis. The City has only about 508 typical single-family units at significant risk to becoming nonviable during the planning period. A relatively low level of subsidy would be required to maintain them as viable units. Demolishing such units would only garner approximately 100 redevelopable acres scattered on individual lots throughout the City. More detailed neighborhood planning may reveal some special and unique opportunities where this strategy may be appropriate, but

the numbers indicate these opportunities to be remote and unlikely to demonstrably affect the City's aggregate housing supplies or the associated need for residential lands.

- Medford can and should plan that the vast majority of its existing typical single-family dwelling stock will continue to meet future housing needs.

VACANCY RATES

The vacancy rate is one indication of the state of the housing market at a given point in time. Vacancy rates are cyclical and represent the lag between demand and the market's response to demand in additional dwelling units. Vacancy rates for rental and multiple-family units are typically higher than those for owner-occupied and single-family dwelling units.

Table 16 shows vacancy in Medford, Jackson County, and Oregon for 1990, 2000, and 2008. Medford's average vacancy rate, which was lower than the County and the State, varied from 4.2% in 1990 to 7.8% in 2008. Medford's average vacancy rate in 2000 was 4.4%. The vacancy rate in 2000 for single-family housing types was 3.7% and 6.4% for multifamily types.

TABLE 16 - HOUSING VACANCY BY TYPE, 1990, 2000, AND 2008
OREGON, JACKSON COUNTY, AND CITY OF MEDFORD

	1990	2000	2008
Medford			
Total Housing units	19,684	26,310	33,229
Total occupied	18,867	25,141	30,621
Total vacant	817	1,169	2,608
Vacancy rate	4.2%	4.4%	7.8%
Single-family	na	3.7%	na
Multifamlily	na	6.4%	na
Jackson County			
Total Housing units	60,376	75,737	88,258
Total occupied	57,238	71,532	82,017
Total vacant	3,138	4,205	6,241
Vacancy rate	5.2%	5.6%	7.1%
Single-family	na	5.0%	na
Multifamlily	na	7.5%	na
Oregon			
Total Housing units	1,193,567	1,452,709	1,628,902
Total occupied	1,103,313	1,333,723	1,474,755
Total vacant	90,254	118,986	154,147
Vacancy rate	7.6%	8.2%	9.5%
Single-family	na	5.0%	na
Multifamlily	na	7.5%	na

Source: U.S. Census, American Community Survey, 2008

OVERCROWDING

A dwelling is considered "overcrowded" if the household has more than one person per room. According to the Census, Medford had 641 overcrowded households (3.4% of households) in 1990. By 2000, Medford had 1,302 overcrowded households (5.2%), but an estimated 579 overcrowded households (1.9%) in 2008. Jackson County experienced a similar reduction in overcrowding, from 4.6% of households in 2000 to 2.1% of households in 2008.

Renters experience overcrowding more frequently than owners. More than two-thirds of overcrowded households in 2000 were renters. Rental units with four or more bedrooms were less common, accounting for about 3% of rental units in 2000. In comparison about 15% of owner units had four or more bedrooms. Hispanic/Latino

residents are experiencing overcrowding. For example, the 2000 US Census reported that 36% of Hispanic householders reported 1.01 or more occupants per room compared to only 3% for white alone non-Hispanic households. Of the 1,302 overcrowded units in 2000, 36% of those had Hispanic householders.

Cities in Jackson County all experience overcrowding, ranging from a low of 1% of units in Jacksonville to a high of 15% of units in White City. The cities in Jackson County with the highest frequency of overcrowding in 2000 were: White City (15%), Butte Falls (9%), and Eagle Point (8%).

SUMMARY OF TRENDS IN HOUSING INVENTORY:

1. Medford added more than 14,000 dwelling units between 1980 and 2009, averaging about 488 units per year. Medford's housing stock grew at an average annual rate of 2.1%, which is generally consistent with the population growth rate of 2.3% for the 1980 to 2009 period.
2. Medford issued building permits that allowed construction of 7,422 dwelling units between the end of 1995 through 2009, averaging 605 units per year. The number of permits issued prior to 2003 was generally fewer than 600 units per year, with the exception of a peak in 1999.
3. Medford's rate of homeownership (53% in 2008) was lower than Jackson County and Oregon rates.[13]
4. Single-family detached units accounted for 67% of residential development between 1996 and 2009, accounting for 4,949 units. The City issued permits for 2,473 multifamily units over the 1996 to 2009 period.
5. The majority of Medford's housing stock is single-family units, including single-family detached and manufactured homes. In 1995, single-family units including manufactured units in parks accounted for 69% of housing, decreasing slightly to 67% in 2009. Multi-family units, including duplexes and condominiums, accounted for 31% of Medford's housing in 1995 and 32% in 2009.
6. The built density of new residential development in Medford between 1996 and 2009 averaged 6.8 dwelling units per net acre. The net density of new residential development in the UR designation was 5.3 units per net acre and the UH had 16.9 units per net acre. Single-family detached units accounted for 60% of all new units during the period, with an average density of 5.0 units per net acre. Multi-family residential units with three or more units in the structure accounted for 30% of all units, with an average density of 19.0 units per net acre.
7. According to the US Census, 2.4% of Medford's population lived in group quarters in 1990 and 2000. In 1990, Census data indicated that 951 residents lived in group quarters, and that 1,285 residents lived in group quarters in 2000.
8. Medford's vacancy rate varied from 4.2% 1990 to 7.8% in 2008. Medford's average vacancy rate in 2000 was 4.4%. The vacancy rate for single-family housing types was 3.7% and 6.4% for multi-family types in 2000.
9. Depreciation rates for typical single-family dwellings in Medford are low at only $0.35 per built square-foot per year, and many other factors explain depreciation besides unit age. Overall, reinvestment in the existing typical single-family dwelling stock appears to be significant.

[13] Homeownership rates in Medford in 2006 could range from 51% to 59%, based on the margin of error in the American Community Survey data. During the 2000 to 2006 period, homeownership rates in Oregon increased from 64% to 65%. This statewide trend, combined with the peak number of single-family detached permits (which are typically ownership units) issued between 2003 to 2005 and increases in housing sales and prices, suggests that Medford's homeownership rates are likely to be closer to the high end of the range (59% owner occupied units).

IMPLICATIONS OF HOUSING INVENTORY ON HOUSING NEED

The City of Medford's existing typical single-family housing stock can and should be expected to continue as a viable housing stock to meet the needs of existing and future residents. As Medford's housing inventory grows over the 2010-2029 period, the City will need to provide opportunities for growth in a range of housing types. The City's PUD ordinance and allowance for high density residential development in Commercial zones appears to have supported efficient urbanization from 1995 through 2009. Long-term density trends depict the effect of land use regulations, decreasing the size of typical single-family detached dwelling units. Future housing growth should accommodate the needs of the City's growing population, most of whom are likely to be in-migrants. Growth can also be expected from Hispanic households who have higher than average birth rates.

Past experience suggests many of the City's new residents are likely to be retired or semi-retired people moving to Medford from out of state. Many of these residents have imported wealth from selling their previous home or from other accumulated assets. These residents are likely to choose to purchase a home, most frequently a single-family detached unit

IV. HOUSING AFFORDABILITY AND INCOME ANALYSIS

Since the last update of the *Housing Element* in 1995, housing became less affordable in Medford. Mirroring national trends, sales prices of single-family dwellings in Medford doubled between 2000 and 2006, far outpacing income growth (household incomes increased by about 10% over the same period). A typical standard used to determine housing affordability is that a household should pay no more than 30% of its monthly income for housing, including utilities.[14] According to the U.S. Census, nearly 8,200 households—about 35%—paid more than 30% of their income for housing in Medford in 2000.[15]

The residential home ownership market in 2000 to early 2007 experienced one of the greatest large asset inflationary cycles in the history of the United States. Medford was part of the vast majority of regions affected by this inflationary cycle. Incomes nationally and regionally did not keep pace with the residential home ownership market inflationary cycle, and the predictable deflationary cycle in housing prices began in mid 2007. This deflationary cycle has been ongoing from mid-2007 through 2009. The unknown conditions in the future are the degree to which the housing price corrections will continue, and when incomes may rise following the recession, triggered in large part by the financial consequences of the housing market inflationary cycle. In the context of a 20-year Housing Element analysis, the laws of economics appropriately assume that the housing market will trend toward equilibrium between prices and incomes.

This section describes changes in income and housing affordability in Medford, focusing on changes in housing cost between 2000 and 2008. It follows the methodology for conducting a housing needs analysis described in the DLCD report *Planning for Residential Growth*, resulting in an estimate of need for housing by income, type, and density.

INCOME

Income is one of the key determinants in housing choice and households' ability to afford housing. Table 17 shows change in income in Medford from 1989 to 2008. Factors that affect income include overall macro-economic conditions, regional competitiveness and performance, industry types, and related components.

TABLE 17 - CHANGE IN INCOME, 1989, 1999, AND 2008
CITY OF MEDFORD

				Change 1989 to 2008	
	1989	1999	2008	Amount	Percent
Per Capita Income	$13,791	$20,170	$24,505	$10,714	78%
Median Household Income	$25,677	$36,481	$40,093	$14,416	56%
Median Family Income	$31,332	$43,972	$52,581	$21,249	68%

Source: U.S. Census 1990, 2000 and, American Community Survey, 2008
Note: Income changes shown in Table 18 are in nominal dollars (not adjusted for inflation).

Table 18 shows income and indicators of poverty for Medford, Jackson County, and Oregon in 2008. Table 18 shows that income levels in Medford are similar to Jackson County averages but below state averages. Medford's

[14] Note that limitations exist to such indicators. For example, the concept of cost burden does not consider accumulated assets. As a result, this indicator may suggest that more households experience affordability issues than actually do.

[15] It is not possible to determine the degree to which cost burden changed between 2000 and 2008 (the most recent year for which American Community Survey data exist) and whether it is increasing or decreasing.

median household income in 2008 was $40,093, about $10,000 lower than the state average of $50,169. Medford's median family income was more than $8,000 lower than the state average.

Medford had higher rates of poverty among children and families compared to the state. About 41.3% of children in Medford and 17.0% of families were below the federal poverty level, compared with the state average of 30.5% of children and 9.6% of families.

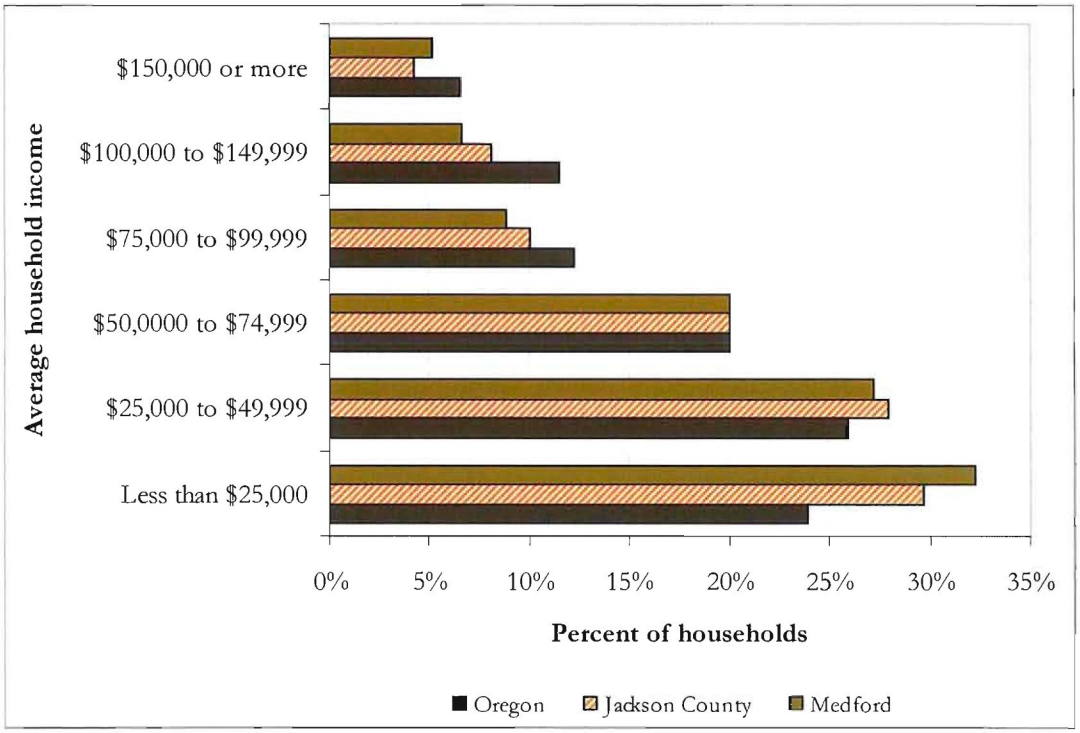
TABLE 18 - INCOME AND POVERTY, 2008
CITY OF MEDFORD, JACKSON COUNTY, AND OREGON

	Medford	Jackson County	Oregon
Per Capita Income	$24,505	$24,001	$26,439
Median Household Income	$40,093	$40,603	$50,169
Median Family Income	$52,581	$52,317	$61,190
Persons Below Poverty Level	21.5%	16.5%	13.6%
Children Below Poverty Level	41.3%	32.9%	30.5%
Families Below Poverty Level	17.0%	12.9%	9.6%
Elderly Below Poverty Level	3.3%	4.8%	5.9%

Source: U.S. Census, American Community Survey, 2008

Figure 9 shows a comparison of household income in Medford, Jackson County, and Oregon in 2008. Medford had a larger share of households with incomes between $25,000 and $49,999 compared to the State averages. Medford had a lower share of households with income over $100,000 than the state.

FIGURE 9 - HOUSEHOLD INCOME, 2008
CITY OF MEDFORD, JACKSON COUNTY, AND OREGON



Source: U.S. Census, American Community Survey, 2008

The data in Table 18 and Figure 9 show that households and families in Medford have lower incomes on average than the state averages. The information in these tables does not take into account other forms of wealth, such as accumulated assets. The implication is that households in Medford, especially those without accumulated assets, will be able to afford to pay less in housing costs than the state average.

HUD has set a standard grouping of households by income. The grouping or distribution is based on the median family income (MFI) for the jurisdiction in question. For the fiscal year 2008, MFI for Medford was $52,581 according to the American Community Survey.

Table 19 shows that the HUD household income grouping is as follows:

TABLE 19 – HUD MEDIAN FAMILY INCOME GROUPINGS AND ESTIMATED NUMBER OF HOUSEHOLDS PER GROUP, 2008 CITY OF MEDFORD

Income Level	Definition	Income range based on 2008 MFI	Estimated Households in Medford	
			Number	Percent
Extremely low income	Income up to 30% of MFI	$0 - $15,774	5,970	19%
Very low income	Income between 31% and 50% of MFI	$15,774 - $26,290	4,204	14%
Low income	Income between 51% and 80% of MFI	$26,291 - $42,065	5,824	19%
Moderate income	Income between 81% and 95% of MFI	$42,066 - $49,952	2,173	7%
Middle income	Income between 96% and 120% of MFI	$49,953 – $63,097	2,783	9%
Upper income	Income above 120% of MFI	$63,098 and higher	9,667	32%

Source: HUD and U.S. Census American Community Survey, 2008

HOUSING PRICE AND VALUE

To get a full perspective on housing needs, it is important to recognize and properly analyze the distinctions between housing price, housing value, and housing costs. For proper analysis, the "housing market" must necessarily be segmented into ownership and rental markets because these are essentially two separate markets from the consumer's perspective. Ownership markets are long-term large asset markets. Rental markets are comparatively short-term markets which function to provide shelter as a good to be used by the consumer.

In a market based economy, housing price is derived from activity in the market. Market dynamics result in prices being set by transactions between willing buyers and willing sellers, and will vary with the supply of willing sellers (or landlords in the rental market) and demand of willing buyers (or tenants in the case of the rental market). This is true in both ownership and rental housing markets. Housing ownership price information is generally only available from past sales sources, such as Jackson County records, and proprietary sources, such as the Southern Oregon Multiple Listing Service. Rental price information is available from the U.S. Census through the American Community Survey.

Housing value is an estimate of the price the unit of property (improvements and land) would fetch if that particular housing were made available to the market. While housing value can be estimated for all the housing in the planning area, it is critical to understand that value estimates contain implicit assumptions about housing markets. In aggregate, if all the housing in an area were actually exposed to the market at a particular time, the value estimates would be too high because the supply of willing sellers would have increased without a corresponding supply of willing buyers. In this way, housing value is a proxy for housing price for all housing in an area, but is not precisely the same as housing price. Housing value data is available from the Jackson County Assessor. This data will generally trend with housing price, but the estimated value may not equate precisely to the absolute value that would be set by the market at a particular time.

Both housing prices and values have two fundamental components, improvement prices [or values] and land prices [or values]. Improvement prices [or values] are affected by housing size, housing quality and housing type. Land prices [or values] are affected by location and the amount of land. In order to make meaningful conclusions regarding housing price trends and values, these components and factors should be properly accounted.

Ownership housing prices increased across all of Oregon between 2000 and 2007. Consistent with statewide trends, prices of ownership units rose rapidly in Southern Oregon. According to the Office of Federal Housing Enterprise Oversight (FHEO), the average sales price of a single-family home in Jackson County, the Medford Metropolitan Statistical Area (MSA), increased 85% between 2000 and 2006. The FHEO's housing price index (HPI) indicates that single-family sales prices in the Medford MSA started decreasing in the second quarter of 2007 and has decreased every quarter through 2009.

Table 20 shows the change in housing price in Medford from 2001 through 2008. Average sales price increased by 68% over the eight-year period, from nearly $155,000 to more than $260,000. Median sale prices increased 66% or about $91,000 over the eight-year period.

Table 20 also shows changes in housing price that started in 2006 in Medford's housing market. The number of units sold peaked between 2003 and 2005, and began decreasing in 2006. Sales prices peaked in 2006, at an average of about $303,000, and decreased by about $42,500 by 2008. This price trend reflects the national and statewide changes in home values which decreased between 2006 and 2008.

TABLE 20 - CHANGE IN HOUSING PRICE, 2001 TO 2008
CITY OF MEDFORD

Year of Sale	Units Sold	Median Sales Price	Average Sales Price
2001	1,220	$138,000	$154,921
2002	1,236	$150,000	$168,188
2003	1,515	$175,000	$199,792
2004	1,648	$203,200	$234,766
2005	1,636	$254,950	$289,690
2006	1,228	$269,700	$303,224
2007	929	$258,000	$295,635
2008	621	$229,000	$260,565
Change 2001 to 2008			
Amount		$91,000	$105,644
Percent		66%	68%

Source: southern Oregon Multiple Listing Service (MLS)
Note: 2008 data is current through October 24, 2008

Since 2008, prices have continued to decline in the City of Medford. For 2009, West Medford home prices dropped an additional 24.7% from 2008, to a median price of approximately $140,000. East Medford home prices dropped an additional 14.3% to a median price of $210,000. The median home price throughout the City has dropped to approximately $185,000 which represents an approximately 34% increase during the nine-year period from 2001 to 2009. Thus, short-term price trends have corrected significantly and are now back in line with more typical long-term asset price trends that reflect economy-wide inflation over time.

Single-family dwellings represent the majority of the City's housing stock. For this reason, an understanding of the fundamentals of value for this housing stock type is essential to understanding the fundamentals of the entire market for all types. Medford's single-family dwelling value fundamentals are depicted in the below table:

TABLE 21- SINGLE FAMILY DWELLING (SFD) VALUE FUNDAMENTALS, 2009

CITY OF MEDFORD

Year Built Categories	Stat Class 1& 2		Stat Class 3 & 4		Stat Class 5,6& 7		Grand Total	
	All	Since '95	All	Since '95	All	Since '95	All	Since '95
Typical SFD Unit Count	1,211	6	15,017	2,938	1,670	816	17,898	3,760
Mean Real Market Value (RMV)	$150,227	$209,198	$222,859	$250,228	$468,615	$524,169	$240,876	$309,613
Mean Year Built	1936	1999	1975	2001	1992	2003	1974	2002
Mean Square Footage	938	596	1,597	1,682	2,839	3,012	1,669	1,969
Mean Lot Size	0.22	0.30	0.23	0.18	0.32	0.31	0.24	0.21
Total Net Acres	267	2	3,408	534	537	252	4,213	788
Percent RMV that is Land	70%	56%	54%	48%	33%	32%	53%	45%

Source: Jackson County Assessor; Analysis by CSA Planning Ltd.
Note: This analysis data set is limited to representative urban SFD lots that are .1 to 1 acre in size; the count data will not equate to the count data of total SFD's in the City nor will mean lot size precisely equal the mean lot size for the SFD in the density calculations.

Table 21 controls for housing quality categories, as defined by the Jackson County Assessor in the Stat Class data set. The control quality results in mean values increasing as the Stat Class group increases. This data presents a number of essential fundamentals to understanding the City's housing market. Medford has only built six Stat Class 1 and 2 units since 1995. This creates a small numbers problem for the actual data contained in that column, but it also reveals an important fact. The mean year-built of Stat Class 1 and 2 homes is 1936. The data suggests that it is prohibitive from a cost and/or regulatory (modern building codes) standpoint to provide less than a Stat Class 3 single-family dwelling.

Stat Class 3 and 4 homes represent 78% of the analysis data set that have been built since 1995. The values of the homes built since 1995 are 11% greater than for Stat Class Group 3 and 4 for all years built. Lot sizes on the newer homes of this quality Stat Class group are 20% smaller. The homes are just 5% larger on average. Thus, the remaining 6% value difference is the result of higher total lot value despite the average lot being 20% smaller. In other words, lots where houses have been built since 1995 are valued at $1.92 a square-foot more than houses of similar quality built earlier.

The data also suggests a significant shift in single-family dwelling quality since 1995 as a share of the total stock. These units make up just 9% of the total stock, but represent 22% of the stock with a year built since 1995. Stat Class 5+ housing units tend to be high to very high quality housing units as evidenced by a mean value that is more than twice as high per unit. They also tend to be larger units, with an average square footage that is 44% larger than the Stat Class 3 and 4 group. It is this phenomenon that creates the paradoxical relationship between quality and value. As both the quality and size of the units go up, the lot size and total land price also increase, but at a much slower rate as a proportion of the total value. The percent of total value that is in the land is 21% less for all years built between Stat Class 3 and 4 and Class 5+, and 16% less for the stock built since 1995. Efficient use of urban land is often conceptualized as jobs per acre or dwelling unit densities, but another measure of efficient use of urban land is investment (or value) per acre. Stat Class 5+ single-family dwelling units represent a 19% premium from a value per square foot standpoint for year built since 1995.

The above data summary and analysis has important implications for housing need in Medford, as follows:

- Construction of new low quality single-family housing to meet lower income needs is not something the market does. Investigation into barriers preventing such may prove beneficial to meet the needs of lower incomes.
- Higher quality houses use more land per unit, but make much higher investments per square foot of land.
- Lot sizes for moderate quality homes (Stat Class 3 and 4) have trended significantly lower since 1995, at the same time, the housing sizes for this quality home have increased slightly.

HOUSING COST AND AFFORDABILITY

Housing cost, as the term is commonly used in land use planning and housing policies, is a way of expressing the gross amount a household spends on housing. Housing affordability is the cost of housing in relation to household income.

The amount households in aggregate spend on housing will tend to vary with housing prices/values described above to some degree over time, but they are not equivalent. The differences between prices and costs may vary significantly for individual households. For example, consider two identical households that each bought identical new houses in the same neighborhood in 1990 with a conventional fixed mortgage. One household received an inheritance in 2002 and paid off their mortgage. The other hypothetical household took equity out and refinanced in 2002. These two otherwise identical households have similar housing values that would be expected to fetch a similar price, but the former household has a much lower housing cost than the latter. The housing cost of ownership units are affected by factors that include property taxes, level of equity/investment in the housing relative to the price, indebtedness and interest rates to finance the housing ownership, and the condition/maintenance of the housing. Rental housing costs are determined directly by the rental price in the traditional market with gross costs offset for some renters by government subsidies.

The U.S. Census recognizes these differences, and, for that reason, provides owner costs statistics that reflect mortgage status. For a given housing size and type, gross monthly housing costs tend to be lowest for owners with high levels of equity (such as no mortgage), then, renters paying market rents, followed by owners that have a mortgage.

TABLE 22 - HOUSING COSTS, 2008
CITY OF MEDFORD

	Median Housing Costs	Percent of Occupied Households
Owner Household - No Mortgage	$427	16.5%
Rental Household	$817	45.6%
Owner Household w/Mortgage	$1,567	37.9%

Source: U.S. Census American Community Survey, 2008; Analysis by CSA Planning Ltd.

Table 22 shows that the standard relationships to housing costs for most communities in America are reflected in the Medford data. The American Community Survey does not publish more disaggregated data for housing costs, such as for housing costs that could be related to the size of the unit, number of bedrooms, or other aspect of cost which could be examined.

Table 23 shows a comparison of housing value and rent to household income for 2000 to 2008. The data show that the median value of owner-occupied units increased 100% during this eight-year period, while the median rent increased 35%. Median household income increased 10% during the period. Recent sales price and income trends suggest that the ratio of housing price to income is decreasing for ownership units.

TABLE 23 - COMPARISON OF SALES PRICE AND MONTHLY RENTS TO HOUSEHOLD INCOME, 2000-2008 CITY OF MEDFORD

Year	Median Owner Value	Average Monthly Rent	Median Household Income	Ratio of Housing Price to Income	Ratio of Annual Rent to Income
2000	$132,400	$605	$36,481	3.6	0.20
2008	$265,000	$817	$40,093	6.6	0.24
Change 2000-2008					
Value	$132,600	$212	$3,612		
Percent	100%	35%	10%		

Source: U.S. Census American Community Survey, 2008

Home values started to decrease in Medford (and nationally) in 2006, which was the beginning of a downturn in the housing market, both locally and at a national level. The number of residential foreclosures started to increase in 2007. The national foreclosure rate in 2006 was 0.46% of all mortgages and increased to 0.71% in 2007 and to 1.19% in the second quarter of 2008.[16]

In October 2008, 0.22% of mortgage holders in the U.S. had at least one foreclosure filing reported during the previous month, a 5% increase in foreclosure reports from September 2008, and a 25% increase from October 2007. Oregon's rate of mortgage holders with a foreclosure report was lower than the national rate. About 0.18% of mortgage holders in Oregon had at least one foreclosure filing reported during the previous month, a 21% increase in foreclosure reports from September 2008 and a 159% increase from October 2007. Jackson County's rate of mortgage holders with at least one foreclosure filing report was 0.41%, higher than the state average in October 2008.

In the short term, foreclosures will increase demand for rental units. They will exert downward pressures on home prices and values. They will reduce demand for construction of new units until vacancy rates decrease and the relative prices between existing and new homes can restore demand. The increased rate of foreclosures will have an impact on housing need in Medford over the next few years, but over the 20-year period, it is expected that trends will move towards their long-term equilibrium state.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Table 24 shows an analysis of affordable housing wage and rent gap for households in Medford at different percentages of median family income (MFI). The data are for a typical family of four. The results indicate that a household in 2008 must earn $14.00 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate. Households earning 50% of the MFI and less are unable to afford a two-bedroom unit at HUD's Fair Market Rent ($730 per month) without experiencing cost burden. The analysis shows that in 2008, 29% of Medford's households earned 50% or less of the MFI ($26,291 or less).

[16] "U.S. Housing Market Conditions," U.S. Department of Housing and Urban Development Office of Policy Development and Research, November 2008.

TABLE 24 - AFFORDABLE HOUSING WAGE AND RENT GAP BY HUD INCOME CATEGORIES, 2008
JACKSON COUNTY

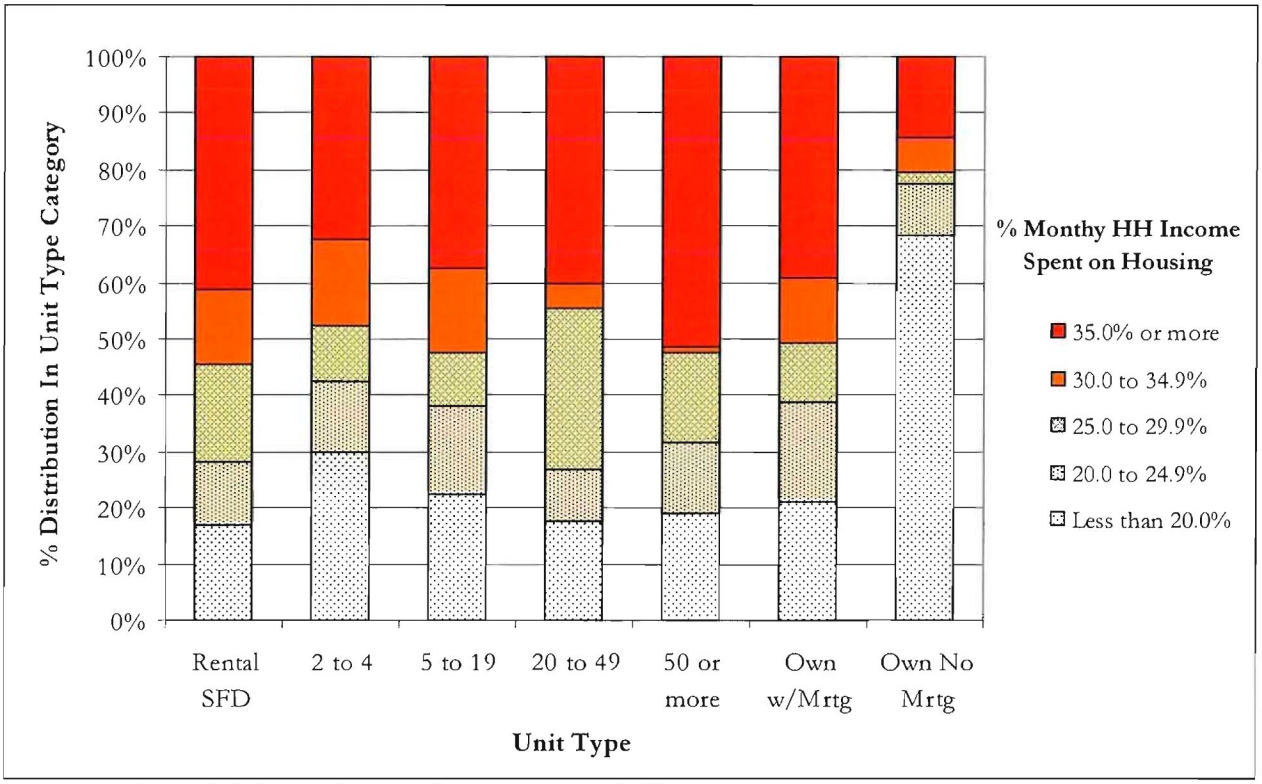
	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Derived Hourly Wage	$7.95	$7.56	$12.60	$20.17	$25.21	$30.25
Annual Wage	$16,584	$15,774	$26,291	$42,065	$52,581	$63,097
Annual Affordable Rent	$4,975	$4,732	$7,887	$12,619	$15,774	$18,929
Monthly Affordable Rent	$415	$394	$657	$1,052	$1,315	$1,577
HUD Fair Market Rent (2 Bedroom)	$730	$730	$730	$730	$730	$730
Is HUD FMR Higher Than The Monthly Affordable Rent?	yes	yes	yes	no	no	no
Rent Paid Monthly OVER 30% of Income	$315	$336	$73	na	na	na
Rent Paid Annually OVER 30% of Income	$3,785	$4,028	$873	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	23%	26%	3%	na	na	na
Total Spent on Housing	53%	56%	33%	21%	17%	14%
For this area what would the "Affordable Housing Wage" be?	$14.00	$14.00	$14.00	$14.00	$14.00	$14.00
The Affordable Housing Wage Gap IS:	***$ 6.05***	***$ 6.44***	***$ 1.39***	***na***	***na***	***na***

Source: HUD
Note: estimates are based on a family of four

HUD has defined affordability based on the premise that households should pay no more than 30% of their income on housing costs, which, for renters, includes utilities, and, for homeowners, includes interest, insurance and property taxes. A household is defined as having an excessive cost burden if their housing costs exceed 30% of their income, and a severe cost burden if housing costs exceed 50% of income.

Figure 10 presents the basis to consider housing affordability by housing type. The American Community Survey does not collect or publish data on the number of units in the structure for owner-occupied housing units, so the comparison has some limitations, but these are minor limitations in Medford because the vast majority of owner-occupied units are detached single-family dwellings. Having this data differentiation would not be expected to result in results that are meaningfully different. The transition from orange (solid fill) to green (stipple fill) indicates the point at which there may be a cost burden, because housing costs are exceeding 30% of household income.

FIGURE 10 - HOUSING AFFORDABILITY BY HOUSING TYPE, 2009
CITY OF MEDFORD



Source: U.S. Census, American Community Survey, 2008

This figure presents several interesting relationships. First, this graph depicts how affordable housing becomes when the owner's equity is 100%. These units are generally single-family dwellings, and are by far the most affordable of any of the other housing types.

Second, rental units in larger structure are not as affordable as one might expect. Buildings with more than 20 units tend to be less affordable than buildings with fewer units. There are relatively few of these buildings in Medford, but this pattern is reflected in Statewide data, so it suggests that these results are not localized and due to small observations problems. Potential explanations may be replacement of land costs per unit with higher construction costs per unit associated with larger buildings. It is also possible these buildings tend be occupied by a non-normal distribution of gross income ranges thus resulting in the percentages reported.

The figure indicates that structures with two to four units tend to be most affordable in the rental market. Fewer than 50% of those units have tenant households that are cost-burdened. This tends to include units in a highly competitive rental market, and it appears the data reflects these unit-types are relatively affordable.

Medford's households experienced cost burden with about the same frequency as County households. In 2000, 34% of households in Jackson County were cost burdened, with 47% of renters in Jackson County cost burdened and 25% of owner households cost burdened.

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 income 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 choices with households with *accumulated wealth.* As a result, the estimate of how much a household can afford to pay for housing may not reflect a household's ability to pay for housing. For example, a household with 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. They may choose to have a mortgage because the interest is tax-deductible even though they could have purchased the house outright because that arrangement has the best *bottom line* for the household's balance sheet.

Thus, cost burden has limitations as an indicator, and is only one of several indicators of affordability. Table 25 shows a rough estimate of affordable housing cost and units by income levels for Medford in 2008. Several points should be kept in mind when interpreting this data:

- Because all of the affordability guidelines are based on median family income, they provide a rough estimate of financial need and may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors, such as accumulated assets, purchasing housing as an investment, and the effect of down payments, and interest rates on housing affordability.
- Households compete for housing in the marketplace. In other words, lower cost housing units are not necessarily available to low income households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table 25 indicate that in 2008:

- Nearly 20% of Medford's households could not afford a studio apartment at HUD's estimate of $489 fair market rent.
- About 30% of Medford's households could not afford a two-bedroom apartment according to HUD's estimate of $730 fair market rent.
- About 60% of Medford's households could afford a three-bedroom apartment based on HUD's estimate of $1,062 fair market rent.
- A household earning median family income ($52,581) could afford a mortgage of about $157,743. The value of the home could be more, depending on the amount of the down payment on the house, interest rates, equity in past properties, and other factors.
- There was a deficit of 4,453 dwelling units that are affordable to households earning less than $25,000 per year.
- There was a surplus of 728 dwelling units available to households that earn between $25,000 and $35,000 per year. Nearly all of the units available at these income and price ranges are rental units. Units affordable to households in this income range are priced between $625 per month and $875 per month. Many of these surplus units are probably rented by households earning less than $25,000 because of the deficit in dwelling units affordable to households earning less than $25,000.
- There was a deficit of 3 dwellings for households that earn between $35,000 and $50,000 per year.
- There was a deficit of 1,322 dwellings for households that earn between $50,000 and $75,000 per year.

TABLE 25 - ROUGH COMPARISON OF HOUSING AFFORDABILITY AND SUPPLY OF DWELLINGS, 2008 CITY OF MEDFORD

Income Level	# of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	Notes
Less than $10,000	3,231	11%	$0 to $250	$0 to $30,000	1,048	776	(1,407)	
$10,000 to $14,999	2,424	8%	$250 to $375	$30,000 to $45,000	310	206	(1,908)	
$15,000 to $24,999	4,211	14%	$375 to $625	$45,000 to $75,000	422	2,651	(1,138)	2008 HUD FMR Studio: $489; 1 bdrm: $581
$25,000 to $34,999	3,526	12%	$625 to $875	$75,000 to $105,000	287	3,967	728	HUD FMR 2 bdrm: $730
$35,000 to $49,999	4,790	16%	$875 to $1,250	$105,000 to $150,000	529	4,258	(3)	HUD FMR 3 bdrm: $1,062; 4 bdrm: $1,094
Medford MFI, 2008:	$52,581		$1,315	$157,743				
$50,000 to $74,999	6,122	20%	$1,250 to $1,875	$150,000 to $225,000	3,496	1,305	(1,322)	
$75,000 to $99,999	2,696	9%	$1,875 to $2,450	$225,000 to $300,000	4,467	534	2,305	
$100,000 to $149,999	2,039	7%	$2,450 to $3,750	$300,000 to $450,000	3,435	340	1,736	
$150,000 or more	1,582	5%	More than $3,750	More than $450,000	2,591	0	1,009	
Total	30,621	100%			16,584	14,037		

Source: 2008 American Community Survey, U.S. Census; HUD Section 8 Income Limits, HUD Fair Market Rent.
Based on Oregon Housing & Community Services. Housing Strategies Workbook: Your Guide to Local Affordable Housing Initiatives, 1993.
Notes: FMR is Fair Market Rent

The conclusion based on the data presented in this section is that, in 2008, Medford had a deficit of nearly 4,450 housing units affordable for households earning less than $25,000, primarily rental households. Medford also had a surplus of about 980 units affordable to households earning between $35,000 and $99,000. Increases in housing prices between 2000 and 2006 contributed to the deficit of affordable housing. Housing prices decreased by about 15% between 2006 and 2008.

The analysis in Table 25 probably somewhat overestimates housing needs for households below the median family income. The distribution of households by income level does not include accumulated assets which can be used to purchase housing, particularly equity accumulated by homeowners. The US Census does not collect data on households' net worth, thus, it is impossible to evaluate how these assets would affect housing needs by income level.

SUMMARY OF HOUSING AFFORDABILITY AND INCOME ANALYSIS:

1. Income increased in Medford over the 1989 to 2007 period. During the 2008-2009 recession, incomes have fallen as unemployment has risen.
2. Medford's income is similar to Jackson County averages but below Oregon's averages. Medford's median household income in 2009 was about $10,000 (20%) lower than Oregon's median household income. Medford's median family income in 2009 was about $8,600 (14%) lower than Oregon's median family income.
3. Housing prices increased in Medford between 2001 and 2006. Average sales price increased by 68% over the eight-year period, from nearly $155,000 to more than $260,000. Sales prices peaked in 2006, at an average of about $303,000, and decreased by more than $40,000 by 2008.
4. Lot sizes for houses of similar quality built since 1995 have decreased. As single-family housing improves in quality, the percent of value in the land decreases. The relative share of high-quality single-family homes has increased since 1995 when compared to the stock as a whole.

5. The affordability of homeownership decreased over the 2000 to 2007 period, while rental affordability did not change. The median value of owner-occupied units increased 100% during this seven-year period, while the median rent increased 35%. Median household income increased 10% during the period. Prices of single-family dwellings started decreasing in the 2nd quarter of 2007, and continued to decrease through the 3rd quarter of 2008. During this period, prices decreased nearly 15%. The incidence of foreclosures over the last two years (2007 – 2008) has added pressures to rental markets, which allowed rents to increase slightly in 2008 from 2007 despite falling incomes.

6. Housing affordability is a problem for low income households. Households earning 50% or less of HUD's estimated Median Family Income in Jackson County ($52,700 in 2007) may have problems affording housing in Medford. In 2007, about 33% of Medford households were considered very low income.

7. Affordability varies by housing type. Owner-occupied housing that does not have a mortgage is by far the most affordable housing type, and these tend to be dominated by single-family dwelling types in Medford. Single-family dwellings that are rented or have a mortgage tend have comparable relative levels of affordability. The rental market's most affordable housing types tend to be in structures with four or fewer dwelling units.

8. Nationally, people aged 55 and over are wealthier than the average. Median net worth in 2000 was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families aged 75 years and older ($163,100) remains substantially higher than the average net worth for all families ($93,100). Two of the most important assets for all families are a family's primary residence and their financial assets. The value of these assets is higher for people 45 years and over when compared to the average value for all families and peaks for families aged 55 to 64 years.

9. Medford is likely to continue attracting retirees or people nearing retirement age. The State expects the number of people aged 60 years and older in Jackson County to more than double between 2000 and 2030. A large share of the growth in people 60 years and older is likely to result from in-migration, most frequently from other parts of Oregon or from California. On average, people in these age groups have greater wealth than younger people, which increases their ability to purchase higher-priced single-family dwellings.

IMPLICATIONS OF HOUSING AFFORDABILITY AND INCOME ANALYSIS ON HOUSING NEED

Housing affordability is a concern in Medford, as it is in Jackson County and most communities in Oregon. The sales price of single-family dwellings in Medford doubled over the 2000 to 2007 period. During the same period the cost of rent in Medford increased by 35% and median household income increased by 10%.

Housing affordability is most acute for lower income households, who are most likely to be renters. About 30% of Medford's households (about 10,000 households) could not afford a two-bedroom apartment according to HUD's estimate of $730 fair market rent in 2008. Low income households were also more likely to have difficulties purchasing or paying for a home, with the possible exception of low-income households with substantial assets that allowed them to purchase a house (e.g., retirees that moved to Medford with profits from selling their house in a more expensive housing market).

About 70% of Medford's households are able to afford at least a two-bedroom apartment at market rates. These households may choose to live in either affordable rental units or may to choose to purchase dwellings. Households of these types will continue to need a range of housing choices over the 2010-2029 planning period.

Housing types can be affected through land use planning, and so can sizes, to a lesser degree. Housing improvement quality per square foot is not regulated and has a significant effect on absolute prices and housing values. Land value as a percentage of the total housing unit value decreases as housing quality increases.

V. RESIDENTIAL LAND NEEDS

Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10. Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

State policies governing housing needs analyses require an estimate of the needed net density range for each land use plan designation, based on the types of structures that are allowed, and on an estimate of the density at which each structure type is likely to develop based on development trends and local policies. Allowed structure types are the same as the needed housing types identified in ORS 197.303 and include:

- Single-family detached units – includes stick-built single-family detached units and manufactured homes on individual lots and are usually in Medford's Urban Residential (UR) GLUP Map designation.
- Manufactured homes – includes manufactured or mobile homes in mobile home parks and are usually in the UR GLUP Map designation. Manufactured homes on individual lots are treated as single-family detached dwellings.
- Single-family attached units – includes condominiums, townhomes, row houses and other attached units on individual lots. Single-family attached dwellings are located in all of Medford's residential GLUP Map designations.
- Multifamily units – includes duplexes, triplexes, four-plexes, and apartment buildings with five or more units. Multifamily units are in the UM and UH GLUP Map designations, although duplexes are also allowed in the SFR-10 zone of the UR GLUP Map designation. This category of housing type also includes senior housing facilities with two or more dwelling units per structure.

These types include various market segments such as low-income households, family households, and elderly households. The density and mix analysis does not include an estimate of needed government-assisted housing. ORS 197.303 requires cities to plan for government assisted housing. Government assisted housing can be any of the types listed above. Medford allows government assisted housing in all of its residential designations. Because government assisted housing is similar in character as other housing (with the exception of government subsidies), it is not necessary to develop separate density estimates for these housing types.

ORS 197.296 defines factors to establish sufficiency of buildable lands within urban growth boundaries to meet projected growth for a 20-year period, and requires analysis and determination of residential housing patterns. It applies to cities with populations of 25,000 or more and requires cities to:

- Demonstrate that its comprehensive plan or regional plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years (ORS 197.296(2));
- Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands (ORS 197.296(3)(a)); and
- Conduct an analysis of housing need by type and density range to determine the number of units and amount of land needed for each needed housing type for the next 20 years (ORS 197.296(3)(b)).

Medford meets the population threshold for these statutory requirements.

RESIDENTIAL BUILDABLE LANDS INVENTORY

The City prepared and adopted a residential Buildable Lands Inventory (BLI) in 2007 to document the amount of buildable land in each land use plan designation, based on data from the Jackson County's Assessor's database and

City of Medford building permit data. The inventory classified all land within Medford's UGB into one of the following categories:

- **Developed land** - included land that is considered fully developed and publicly- or quasi-publicly-owned parcels, including those with the designation of Parks/Schools or Airport.
- **Potentially Redevelopable land** - included land with a ratio of real market improvement value to land value of less than or equal to 0.33, except that parcels under 0.05 acres in size were excluded. These parcels were evaluated in the Housing Element analysis on a case by case basis to estimate their site specific characteristics that may result in a strong market likelihood that any given parcel will redevelop during the 2009-2029 planning period.
- **Vacant land** - included land classified as vacant in the Assessor's database and for which no building permit data from the City of Medford has been issued. The analysis excluded parcels under 0.08 acres in size, unless the parcel was clearly part of a platted undeveloped subdivision lot awaiting future construction. Vacant land also included partially developed residential parcels 1.0 acres in size or larger. The capacity of these partially vacant parcels was one minus the calculated capacity of the acreage based upon the presence of an existing dwelling.
- **Unbuildable land** - primarily included land that had environmental constraints, such as wetlands on the Local Wetland Inventory, adopted Riparian Corridors, and floodways.

Since 2007, land has developed in Medford. This Housing Element analysis included a review of all building permit data from 2007 through 2009, and removed all newly built land from the inventory. This review also included some quality control analysis that resulted in a small number of parcels being reclassified from the 2007 BLI.

Table 26 shows buildable residential land by plan designation in Medford's UGB in 2007, and as updated to reflect construction through 2009. The City had about 2,308 acres of buildable vacant and partially vacant residential land, with 92% located in the Urban Residential plan designation. Eighty-one percent of Medford's buildable residential land is vacant.

TABLE 26 - VACANT AND PARTIALLY DEVELOPED BUILDABLE RESIDENTIAL LAND BY PLAN DESIGNATION, 2009
CITY OF MEDFORD

Plan Designation	Vacant	Partially Developed	Total Buildable	Percent of Total
Urban High Density Residential (UH)	132	14	145	6%
Urban Medium Density Residential (UM)	35	6	41	2%
Urban Residential (UR)	1,703	419	2,122	92%
Total	***1,870***	***439***	***2,308***	***100%***
Percent of Total	***81.00%***	***19.00%***	***100.00%***	

Source: City of Medford Adopted Buildable Lands Inventory, 2007

Table 27 shows buildable residential land on slopes of 15-25% and 25% or greater. About 847 of Medford's 2,308 acres of buildable land (37%) have a slope of 15%-25% and 265 acres (11%) have a slope greater than 25%. Forty percent (840 acres) of the 2,122 acres in the UR designation are on slopes of 15-25%, and 12% (265 acres) in the UR designation is on slopes of 25% or greater. The analysis of lands with slopes over 15% is significant in Medford because the City's development code has locational criteria which recognize the challenges of attaining minimum densities on steep slopes, even through thoughtful design. OAR 660-008-0005(2) considers land with slopes of 25% or greater generally unbuildable for purposes of density calculations. Lands with slopes over 25% were given development capacity for the purpose of this analysis based on current zoning.

Zone	Locational Criteria	Density Range
SFR-2	Slopes of over 15%, and/or other environmental constraints, such as soils, geology, and flooding	0.8 to 2.0 DU/gross acre
SFR-4	Slopes exceeding 5%, but less than 15%	2.5 to 4.0 DU/gross acre

TABLE 27 - ACRES AND PERCENT OF BUILDABLE RESIDENTIAL LAND ON SLOPES BY PLAN DESIGNATION, 2007
CITY OF MEDFORD

Plan Designation	Land on Slopes	Total Buildable
Slopes of 15-25%		
Urban High Density Residential (UH)	4	0.14%
Urban Medium Density Residential (UM)	3	0.11%
Urban Residential (UR)	840	32.42%
Total on 15-25% slope	**847**	**33%**
Slopes of 25% or greater		
Urban High Density Residential (UH)	0	0.00%
Urban Medium Density Residential (UM)	0	0.00%
Urban Residential (UR)	265	10.2%
Total on slopes of 25% or greater	**265**	**10%**

Source: City of Medford

Infill and Redevelopment

Infill and redevelopment strategies seek to maximize use of lands that are not fully-developed or are underutilized. Such strategies may use existing infrastructure by identifying and implementing policies that improve market opportunities, and reduce impediments to development in areas suitable for infill or redevelopment. This section evaluates three strategies the City already has in place: (1) redevelopment potential; (2) mixed-use development (e.g., residential development in commercial zones); and (3) accessory dwelling units.

- **Redevelopment potential.** Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used for the Medford Buildable Lands Inventory was an improvement to land value ratio of less than 0.33:1.00. Not all of the parcels that meet this criterion for redevelopment potential are expected to experience a strong market likelihood to support redevelopment during the 2009-2029 planning period.

TABLE 28 - POTENTIALLY REDEVELOPABLE LAND BY LOT SIZE DESIGNATION, 2007 CITY OF MEDFORD

Lot Size	Total Acres	Average % Likelihood	Number of Lots	Net Acres
0.1 - 0.99	100	29%	241	23
1.00 - 1.99	170	34%	125	60
2.00 - 2.99	90	52%	37	49
3.00 +	171	83%	20	151
Total Redevelopment				***284***

Table 28 shows land expected to redevelop during the 2009-2029 planning period by lot size. The analysis in Table 28 is based upon a site by site estimate of market likelihood to redevelop for all parcels identified in the 2007 adopted and acknowledged BLI as potentially redevelopable. Redevelopment likelihood generally increases as parcel size increases.

Table 28 shows that approximately 284 acres of land is likely to redevelop in Medford over the 2009-2029 period. The table shows that 53% of all potentially redevelopable acres are expected to experience a strong market likelihood to redevelop during the planning period. Acres by plan designation are reported in Table 30.

- **Residential development in commercial zones.** ORS 197.296(4)(a)(C) requires cities to inventory "lands that may be used for a mix of residential and employment uses under the existing planning or zoning." Medford allows multi-family housing in the Commercial and Service Commercial land use designations. Since 1996, the data date of Medford's last Periodic Review, the City permitted 316 new dwellings in the Commercial plan designations. This is equivalent to 4.6% of all new units during the period. The City's Housing Element estimates this percentage will continue and that 4.6% of all new units will be supplied in Commercial plan designations. The proposed West Main Transit-Oriented District (TOD) is an example of a primarily underutilized commercial area being planned for infill with higher density residential units to become a 'mixed-use' area. Medford also encourages construction of multi-family units along transit corridors such as Highway 99.

- **Accessory dwelling units.** The City of Medford permits accessory dwelling units ("mother-in-law units") outright in single-family residential zones. Allowing accessory units is one way to produce smaller, more affordable dwelling units that are also satisfying places to live. According to City building permit data, Medford approved 117 accessory dwelling units between 1996 and 2006, or an average of 12 units per year. The need for accessory dwelling units is likely to be driven by: (1) housing affordability; and (2) demographics.

    - The change in housing affordability is likely to continue to drive demand for accessory dwelling units. Housing affordability decreased in Medford until 2008. Since that time prices have been in decline, but this decline has been accompanied by new affordability challenges related to diminished incomes and earning potential due to a severe recession.

    - Demographic changes are likely to drive demand for accessory dwelling units. Two groups in particular have disproportionate difficulty in finding and retaining affordable housing: single person households and senior citizens. Section II described demographic changes in Medford. Twenty-seven percent of Medford's population was 60 years and older in 2008. The OEA forecasts that the number of residents 60 years and older will double between 2000 and 2030.

Assuming that the need for accessory dwelling units continues, and that development of accessory dwellings remains relatively constant over the planning period, accessory dwelling units could provide an additional 240 dwelling units, about 1.6% of the forecast housing need for the 2009-2029 period.

Residential Development Capacity

The estimate of the capacity of residential buildable land is based on vacant, partially vacant, and redevelopable land identified in the Buildable Lands Inventory. The capacity of residential land is measured in dwelling units and is dependent on densities allowed in specific plan designations. In short, land capacity is a function of buildable land and density.

Each plan designation has several zones that permit various housing types and densities. The estimate of the capacity of residential buildable land used the assumptions shown in Table 29. These assumptions are based on current zone density ranges. The density assumptions are 75-80% lower than theoretical maximum densities for each zone. This is consistent with observed densities which tend to be somewhat lower than allowable densities due to a variety of factors such as parcel configuration, topography and other natural features. Parcels with capacity for a fraction of a dwelling unit were rounded down to the nearest whole dwelling unit (e.g., the capacity for a parcel that could accommodate 3.4 dwelling units would be 3 dwelling units).

Medford has policies that require lower density zoning on slopes. Table 29 shows the range of possible densities for single-family residential zoning district and density assumptions based on Medford's development policies, taking into account slopes. For example, the SFR-2 district is applied in areas where *"density requirements and locational characteristics of this urban residential district are a function of topographic conditions, such as slopes of over 15%."* It has an allowable density range of between 0.8 and 2.0 dwellings per gross acre. Some un-zoned Urban Residential areas with slopes over 15% were expected to develop at the SFR-2 density as opposed to the average UR density applied elsewhere throughout the planning area; these areas also experience public facilities, geologic, and ownership constraints that diminish the likelihood of their ability to attain the average density in the UR designation. The density assumptions in Table 29 were used to develop the capacity estimates in Table 30. The density assumptions are based on the allowable range of densities according to Medford's policies.

TABLE 29 - ESTIMATED RESIDENTIAL DEVELOPMENT DENSITY BY ZONING DISTRICT AND PLAN DESIGNATION, 2009 CITY OF MEDFORD

Zone (Plan)	Name / Description	Density Range (du/gross ac)	Density Assumption
SFR-00	Single-Family Residential - (Placeholder , Use UR Plan Density)	1 du/lot (4.07)	4.1
SFR-2	Single-Family Residential - 2 dwelling units per gross acre	0.8 - 2.0	1.6
SFR-4	Single-Family Residential - 4 dwelling units per gross acre	2.5 - 4.0	3.3
SFR-6	Single-Family Residential - 6 dwelling units per gross acre	4.0 - 6.0	5.0
SFR-10	Single-Family Residential - 10 dwelling units per gross acre	6.0 - 10.0	6.7
MFR-15	Multiple-Family Residential - 15 dwelling units per gross acre	10.0 - 15.0	12
MFR-20	Multiple-Family Residential - 20 dwelling units per gross acre	15.0 - 20.0	14.9
MFR-30	Multiple-Family Residential - 30 dwelling units per gross acre	20.0 - 30.0	22.4
(UR)	Urban Residential		4.1
(URS)	Urban Residential - Slope >15%		1.5
(UM)	Medium Residential		12
(UH)	High Residential		15.2

Source: City of Medford

Note: Two very steep areas of the UGB zoned SFR-00 are presumed to develop at SFR-2 densities rather than the GLUP average due to significant topographic, geologic and public facilities constraints. County-zoned lands assume Plan designation densities.

The Buildable Lands Inventory indicated that Medford has 2,308 acres of vacant and partially vacant residential land. Table 28 indicates that Medford has 284 acres of residential land that is likely to redevelop over the 20-year period. Table 30 provides a general estimate of how much housing could be accommodated by vacant, partially vacant, and redevelopable lands based on current zoning. In addition to capacity on vacant, partially vacant, and

redevelopable lands, Medford has an estimated capacity for 691 new dwellings on lands designated for commercial uses, and 240 accessory dwelling units. In total, Medford has capacity for 11,424 dwelling units within the existing UGB.

TABLE 30 - ESTIMATED RESIDENTIAL DEVELOPMENT CAPACITY BY PLAN DESIGNATION, 2009 CITY OF MEDFORD

Land Status/Plan Designation	Acres	Capacity (in Dwelling Units)	Density (DU/ Gross Acre)
Vacant			
UH	132	2,061	15.7
UM	35	396	11.3
UR	1,703	5,454	3.2
Subtotal	1,870	7,911	4.2
Partially Vacant			
UH	14	200	14.6
UM	6	56	8.7
UR	419	1,050	2.5
Subtotal	439	1,306	3.0
Redevelopable land			
UH	13	174	13.8
UM	8	43	5.7
UR	263	1,059	4.0
Subtotal	284	1,276	4.5
Commercial Land (mixed use)	na	691	
Accessory Dwelling Units	na	240	
Total	***2,592***	***11,424***	

Source: City of Medford

Notes: Capacity on Commercial land is estimated as 4.6% of total need.

Capacity for accessory dwelling units is based on estimate of 12 issued permits annually--a rate approximately equal to the observed rate between 1996 and 2009. The analysis assumes that all new accessory dwellings will locate in the UR designation.

Gross densities are sometimes lower than the City's overall density range for plan designations because of lot configurations and the methodology used to estimate capacity. For example, an 8,500 square foot lot in the SFR-4 zone would have capacity of one dwelling unit because the theoretical minimum lot size would be 6,500 square feet.

NEW DWELLING UNITS NEEDED, 2009 TO 2029

Table 31 presents a housing need projection for the City of Medford for 2009 to 2029. The fact base that supports the assumptions used in Table 29 are presented in Section III Housing Inventory. The projection is based on the following assumptions:

- Population will increase by 35,591 people from 2009 to 2029, as forecast in Jackson County's adopted population forecast.

- Two percent of the new population or 712 people will locate in group quarters, based on the share of population in group quarters from the 2000 US Census, and the assumption that the share of population in group quarters will increase.
- The average household size will trend from the 2000 US Census figure of 2.47 towards long term national household size estimates of 2.41, but at a modest pace over the 20-year period, to 2.45 people per household.
- Vacancy rates for all housing types is estimated to be 5.5%. This assumption reflects changing vacancy rates. The 2008 American Community Survey estimated vacancy in Medford at 7.8%. This is high when compared to the rates in the 2000 and 1990 US Census. However, Medford's observed 1990 and 2000 rates were somewhat low when compared to Statewide averages and typical vacancy rates in metropolitan areas. It is expected that rates will trend back downward and approach an average between current rates and rates observed in 1990 and 2000, thus an average of 5.5% was used to reflect a downward trend, but not quite to reach levels observed in 1990 and 2000.
- The needed mix of housing is assumed to reflect housing types supplied since the last periodic review. During the last periodic review, Medford's Housing Element was reviewed and acknowledged to comply with statewide policies to provide a mix of housing appropriate to Medford's needs, and during that time, Medford has issued a variety of building permits for a range of housing choices for Medford residents. The Housing Element plans to continue this effort, and plan for roughly proportional housing types over the next twenty years. The needed mix is allocated based upon plan designations using the below housing need projection as the control total for dwelling units to be supplied during the planning period.

Table 31 shows that Medford will need 15,050 new dwelling units between 2009 and 2029, at an average of 753 units per year. Over the 1996 to 2009 period, Medford issued an average of 605 residential building permits annually.

TABLE 31 - HOUSING NEED PROJECTION, 2009 TO 2029
CITY OF MEDFORD UGB

Variable	Estimate of Housing Units (2009-2029)
Change in persons	35,591
minus Change in persons in group quarters	712
equals Persons in households	34,879
Average household size	2.45
New occupied DU	14,266
times Aggregate vacancy rate	5.5%
equals Vacant dwelling units	785
Total needed new dwelling units (2009-2029)	**15,050**
Totals	
equals Total new occupied dwelling units	14,266
Aggregate household size (persons/occupied DU)	2.45
plus Vacant dwelling units	785
***equals* Total new dwelling units**	**15,050**
Dwelling units needed annually	753

FORECAST OF HOUSING NEED BY COST

Table 32 presents an estimate of needed housing by income and housing type. This estimate required an approximation of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the US Census, and (2) analysis by ECONorthwest.

The housing need analysis (Table 31) indicated that Medford needs 15,050 new dwelling units for the 2009-2029 period. Table 32 shows income in relation to housing affordability. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 48% of households in Medford could be considered high or upper-middle income in 2008 and that about 48% of the housing need, primarily for new units, will derive from households in these categories. Approximately 23% of Medford's households have income less than 50% of MFI ($26,290 or less) and will have housing needs ranging from homeownership of affordable units such as manufactured homes in mobile home parks to renter units such as apartments, duplexes, and government assisted housing.

TABLE 32 - ROUGH ESTIMATE OF HOUSING AFFORDABILITY, ADDITIONAL HOUSEHOLDS, 2009-2029
CITY OF MEDFORD

				Financially Attainable Products		
Market Segment by Income	**Income Range**	**Number of households**	**Percent of Households**	**Owner-occupied**	**Renter-occupied**	
High (120% or more of MFI)	$63,098 and higher	4,751	32%	All housing types; higher prices	All housing types; higher prices	↑ Primarily New Housing
Middle & Moderate (81%-120% of MFI)	$42,066 - $63,097	2,436	16%	All housing types; lower values	All housing types; lower values	
Low (51%-80% of MFI)	$26,291 - $42,065	2,862	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	↓ Primarily Existing Housing
Very Low (31%-50% of less of MFI)	$15,774 - $26,290	2,066	14%	Manufactured in parks	Apartments; manufactured in parks; duplexes	
Extremely Low (Less than 30% of MFI)	$0 - $15,774	2,934	19%	None	Apartments; new and used government assisted housing	

Source: 2008 American Community Survey, U.S. Census; HUD Median Family Income, HUD Fair Market Rent.
Based on Oregon Housing & Community Services. Housing Strategies Workbook: Your Guide to Local Affordable Housing Initiatives, 1993.

Table 33 builds on the housing affordability information presented in Table 32 and the allocation of housing presented in Table 38. Table 33 shows an estimated distribution of housing by type of units. Higher income households (80% and greater of MFI) are most likely to choose and be able to afford to live in single-family detached dwellings. Lower income households (50% or lower of MFI) are most likely to be able to afford to live in apartments. In short, Table 33 shows how the needed housing mix meets housing needs by income levels.

TABLE 33 - NEEDED HOUSING UNITS BY INCOME AND BY HOUSING UNIT TYPE, 2009-2029
CITY OF MEDFORD

Market Segment by Income	Household Income range	Single-family detached	Manufac-tured in Parks	Single-family attached	Duplex	Multi-Unit	Total	% by Income
High (120% or more of MFI)	$62,520 or more	4,009	0	121	227	394	*4,751*	*32%*
Upper Middle (80%-120% of MFI)	$41,680 to $62,520	1,763	64	62	105	441	*2,435*	*16%*
Lower Middle (50%-80%) of MFI	$26,050 to $41,680	2,019	75	73	124	571	*2,862*	*19%*
Low (30%-50% or less of MFI)	$15,630 to $26,050	939	54	53	89	931	*2,066*	*14%*
Very Low (Less than 30% of MFI)	Less than $15,630	256	249	75	106	2,249	*2,935*	*20%*
Total		*9,034*	*395*	*384*	*651*	*4,586*	*15,049*	*100%*
Percent by Type		*60%*	*3%*	*3%*	*4%*	*30%*	*100%*	

Source: 2007 American Community Survey, U.S. Census; HUD Median Family Income

FORECAST OF HOUSING NEED BY TYPE AND TENURE

The next step in the analysis is to forecast housing need by structure type and tenure. Table 34 shows an estimate of needed housing by structure type and tenure for the 2009-2029 planning period.

Table 34 uses mix assumptions that are consistent with the allocations in Table 38, and tenure assumptions consistent with the 2000 Census observations.

- The *Housing Element* assumes that households that move to Medford in the future will have characteristics similar to those that moved to Medford in the recent past (since 1996).
- The needed tenure split is expected to be consistent with the 2000 US Census figure of 57% owner-occupied, and 43% renter-occupied housing. The City's policies encourage homeownership opportunities for Medford households.
- Between 2000 and 2006, growth in homeownership costs outpaced growth in income. Sales prices of single-family dwellings more than doubled between 2000 to 2006, while income increased by 10%. Sales prices declined nearly 15% between 2007 and 2008 and have continued to decline through all of 2009 and the first half of 2010.
- Income only accounts for a portion of a household's worth. Median net worth in the U.S. was $93,100 in 2004 and was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families aged 75 years and older ($163,100) remained substantially higher than the average net worth for all families ($93,100). See Table 43 in Section 6.
- Medford's future housing needs will be driven by in-migration. The OEA's forecast projects that growth in people aged 50 to 70 years will account for nearly one-quarter of population growth over the 2000 to 2030 period. Many of these in-migrants are likely to move to Medford from out of state, based on historic in-migration patterns. Many of these in-migrants are likely to have higher than average net worth (with a net worth that is $100,000 to $150,000 higher than average net worth) and are likely to have wealth from selling their previous home or from other accumulated assets. These residents are likely to choose to purchase a home, most frequently a single-family detached unit.
- Housing tenure is a function of both personal preference and household finances. Generally, households with higher incomes and/or accumulated wealth have the option of renting or owning, and, therefore,

their tenure choices reflect their household preference. Households with lower incomes and little accumulated wealth may not satisfy lending requirements for home ownership.

- All household types are rented and owned in Medford. Single-family detached homes are the most common form of ownership, but many single-family homes are also available to the rental market. Some multi-unit projects are condominium-ized and owned by individual owners, but most multi-family projects are consumed by renters. Manufactured homes in parks are generally operated as a hybrid where the unit itself is owned and the unit space in the park is rented out by the park operator (in the below table, unit owners are reported as owners). Single-family attached and duplex housing types are projected to exhibit a strong balance of ownership to rental arrangements.

TABLE 34 - ESTIMATE OF NEEDED DWELLING UNITS BY TYPE AND TENURE, 2009-2029
CITY OF MEDFORD

Housing Type	Owner-Occupied		Renter-Occupied		Total	
	New DU	Percent	New DU	Percent	New DU	Percent
Single-family types						
Single-family detached	6,541	76%	2,494	39%	9,034	60%
Manufactured in parks	335	4%	59	1%	395	3%
Single-family attached (in SF zones)	230	3%	153	2%	384	3%
Subtotal	7,107	83%	2,706	42%	9,812	65%
Multi-family						
Duplex	326	4%	326	5%	651	4%
Multi-Unit	1,147	13%	3,440	53%	4,586	30%
Subtotal	1,472	17%	3,765	58%	5,237	35%
Total	***8,600***	***100%***	***6,450***	***100%***	***15,050***	***100%***

Note: Percentages are calculated by column
Note: Single-family attached and condo/townhomes are the same housing type in Medford. Single-family attached units are allowed in some single-family zones, i.e., townhomes are allowed in the SFR-10 zone, and condo/townhomes are allowed in multifamily zones.

Overall, the above Table 34 functions as a reasonableness test as to whether planned housing types, based upon delivered housing since 1996, can reasonably be expected to accommodate tenure demands. There are a number of forces such as interest rates, housing prices, household wealth and income potential, commodity prices, and demographics that will ultimately determine the tenure by the type of housing mix. However, the above estimates depict a relatively robust distribution of planned housing types and one that can reasonably be expected to respond to fluctuations in ownership rates during the planning period.

FORECAST OF HOUSING NEED BY TYPE AND DENSITY

The next step of the analysis provides an estimate of needed dwelling units by housing type and density. Table 35 shows the forecast of needed housing units by type and density in Medford. The forecast meets the requirement of ORS 197.296(7) that cities determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years.

- The average density of all housing types between 1996 and 2009 was 6.8 dwellings per net residential acre. Single-family residential (UR) averaged 5.3 dwellings per net acre, there was no development in the medium-density designation (UM), and high-density residential (UH) averaged 16.9 dwellings per net acre.

- For manufactured dwellings in parks, the needed density for the 2009-2029 period forecasts a slight increase from historical densities, reflecting a density of 6.2 units per acre based upon the analysis.

- Oregon State Law requires cities first assess housing needs and residential land supplies according to actual development trends observed since the last periodic review. That analysis and the results thereto are provided in Appendix B. After careful consideration by the Medford Planning Commission during the course of the Housing Element review, the Planning Commission concluded that the City's existing housing and development policies, in the context of future development conditions and trends, are likely to result in slightly higher but fully attainable densities over the next twenty years. Based upon this policy choice, the below table depicts the future density assumptions in relation to the observed and delivered density since the last periodic review.

The City assumes the following net densities by housing type for the 2009-2029 period:[17]

TABLE 35 - NEEDED NET DENSITY BY HOUSING TYPE, 2009-2029
CITY OF MEDFORD

Housing Type	Actual Net Density (1996-2009)	Future Density (DU/Net Acre)	Effective Avg. Lot Size (SF)
Single-family types			
Single-family detached	5.0	5.8	7,485
Manufactured in parks	6.0	7.0	6,223
Single-family attached	9.9	12.5	3,485
Multi-family			
Duplex	11.2	14.0	3,111
Multi-Unit	19.0	22.5	1,936

Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.

The effective lot sizes are derived from the net density assumptions (e.g., 43,560 sq. ft. per acre divided by net density equals average lot size in sq. ft.).

- Topography, lot configurations, and other factors typically result in delivered densities being somewhat less than the maximum theoretical densities prescribed by local land use regulations. The assumed average needed densities account for these factors and make reasonable assumptions that future development may be somewhat more efficient than past development. .

- Medford has delivered an appropriate range and mix of housing types since 1996 in a reasonably efficient manner, and, therefore, future densities on a per-unit-by-type basis are expected to be relatively similar.

The forecast shows land need in net acres. Net acres is the amount of land needed for housing, not including public infrastructure (e.g., roads). Gross acres is the estimated amount of land needed for housing inclusive of public infrastructure.[18] The net to gross factor allows for conversion between net acres to gross acres. The net to gross factor is highest (23%) for single-family detached dwellings, decreasing to 10% for multi-unit projects. The

[17] The City's 1995 housing needs analysis uses *gross* densities. Consistent with guidance provided in the DLCD *Workbook*, ORS 197.296, and OAR 660-024, this analysis uses *net* densities.

[18] According to Medford's *Land Development Code*, gross acres include land to the center line of any abutting right-of-way. Gross acres exclude: reserve acreage, natural unbuildable areas, future right of way dedication, resource protection areas, common open space, and other dedication areas.

reason for using different net to gross factors for different housing types is that infrastructure for single-family detached dwellings will require more land than infrastructure for multi-family dwellings.

ORS 197.296(7) requires a comparison of actual density and mix (in this instance, the density and mix observed between 1996 and 2009) and needed density and mix. Table 36 reports the actual achieved net to gross factors for sample projects constructed from 1996 to 2009. The sample projects represent approximately 28% of all total units constructed during the analysis period. Table 36 shows that the assumptions used in the analysis for future development patterns utilize a net-to-gross factor that is slightly higher for multi-family projects than those analyzed in the sample. This is reasonably appropriate because the sample projects tend to be larger multi-family projects where more efficiency can be realized than smaller in-fill projects. The single family net-to-gross factors utilized in the analysis are somewhat lower than the observed factors in the sample analysis. Again this is reasonable because, the sample is weighted toward the larger projects. Many of these projects have utilized neo-traditional development patterns supported by Oregon Statewide Planning Goal 12, resulting in a tightly gridded street pattern which causes high ratios of streets to dwellings. Some of the future units will be infill projects that will tend to utilize existing infrastructure.

TABLE 36 - REDEVELOPMENT ASSUMPTIONS AND LAND BY LOT SIZE AND PLAN DESIGNATION, 2009-2029 CITY OF MEDFORD

GLUP	Zone	Housing Type	Number of Sample Projects	Average Measured Net to Gross Factor	Analysis Assumption	Measured - Analysis Difference
UH	MFR-30	Multi-Unit	1	***9.2%***	10.0%	***-0.8%***
UH	MFR-20	Multi-Unit	1	***8.4%***	10.0%	***-1.6%***
UR	SFR-10	Single family	8	***23.0%***	23.0%	***0.0%***
UR	SFR-6	Single family	8	***28.0%***	23.0%	***5.0%***
UR	SFR-4	Single family	9	***25.9%***	23.0%	***2.9%***
UR	SFR-2	Single family	1	***23.9%***	23.0%	***0.9%***

A comparison of data in Table 37 to data in Table 14 shows that the needed average density of 8.0 dwellings per net acre is 1.2 units per net acre more dense than the dwelling units per net acre achieved from 1996-2009.

TABLE 37 - FORECAST OF NEEDED HOUSING UNITS BY TYPE AND DENSITY, 2009-2029
CITY OF MEDFORD

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Assumption
Single-family types					
Single-family detached	9,034	60%	5.8	1,552	23%
Manufactured in parks	395	3%	7.0	56	15%
Single-family attached	384	3%	12.5	31	12%
Subtotal	9,813	65%	6.0	1,639	
Multi-family					
Duplex	651	4%	14.0	47	12%
Multi-Unit	4,586	30%	22.5	204	10%
Subtotal	5,237	35%	20.9	250	
Total	***15,050***	***100%***	***8.0***	***1,890***	

Note: Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.
A sample of net to gross factors for projects developed since 1996 showed that single-family detached housing (all plan designations) averaged about 25% net to gross (including only streets).

The final step in the housing needs analysis is to allocate housing needs by plan designation to determine the number of needed housing units and gross acres required to meet identified housing needs for the 20-year period. Table 38 provides an allocation of housing units by Medford's three residential plan designations. The acreages are based on the net density assumptions and net-to-gross factors shown in Table 37. Based on Table 38, the needed density by plan designations are:[19]

- UR – 5.9 DU/Net Acre; 4.8 DU/Gross Acre
- UM – 15.6 DU/Net Acre; 12.8 DU/Gross Acre
- UH – 18.1 DU/Net Acre; 21.3 DU/Gross Acre
- C – 25.7 DU/Net Acre; 21.9 DU/Gross Acre

The housing needs analysis suggests the following allocations of housing by plan designation and type:

- The needed housing mix is generally consistent with housing delivered since 1996 - 60% will be single-family detached; 2.6% will be single family attached and manufactured in parks. It is expected that 4.3% will be duplexes and 30.5% will be multi-unit multi-family. This mix meets needed housing types by price range as shown in Table 33. Consistent with Table 37 and the findings above, the overall needed density is 6.3 dwellings per gross acre.
- Sixty-seven percent of needed dwelling units will locate in the Urban Residential designation, which allows single-family detached, manufactured (detached and in manufactured home parks), rowhouses,

[19] The densities by plan designation identified above are for buildable acres. As discussed previously in the document, the City's development code requires lower density zoning be applied to land on steep slopes.

and duplexes at up to 10 units per gross acre. Rowhouses, duplexes, and townhomes are allowed in the SFR-10 zone.

- Seven percent of needed dwellings will locate in the Urban Medium Density Residential designation, which allows single-family attached, rowhouses, duplexes, and multi-family dwellings at 10 to 15 units per gross acre.
- Twenty-two percent of needed dwelling units will locate in the Urban High Density Residential designation, which allows rowhouses, duplexes, and multi-family dwellings at 15 to 30 units per gross acre.
- Five percent of new dwellings will locate in Commercial plan designations. All of these units will be multi-family dwellings at 20 to 30 units per gross acre.
- Manufactured dwellings on lots are allowed in all zones that allow single-family housing.
- Manufactured dwellings in parks are allowed in the Urban Residential designation.

TABLE 38 - ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION, 2009-2029
CITY OF MEDFORD

	Plan Designation									
	Urban Residential		Urban Medium Density Residential		Urban High Density Residential		Commercial		Total	
Housing Type	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family										
Single-family detached	8,828	1,970	75	17	74	17	57	0	9,034	2,003
Manufactured in parks	384	65	0	0	9	2	2	0	395	66
Single-family attached	148	13	113	10	123	11	0	0	384	35
Subtotal	9,360	2,048	188	27	206	29	59	0	9,813	2,104
Multi-family										
Duplex	278	23	338	27	22	2	13	1	651	52
Multi-Unit	398	20	467	23	3,101	153	620	31	4,586	196
Subtotal	676	42	805	50	3,123	155	633	32	5,237	279
Total	***10,036***	***2,090***	***993***	***78***	***3,329***	***184***	***692***	***32***	***15,050***	***2,383***
Percent of Acres and Units										
Single-family										
Single-family detached	58.7%	82.7%	0.5%	0.7%	0.5%	0.7%	0.4%	0.0%	60.0%	84.0%
Manufactured in parks	2.6%	2.7%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	2.6%	2.8%
Single-family attached	1.0%	0.6%	0.8%	0.4%	0.8%	0.5%	0.0%	0.0%	2.6%	1.5%
Subtotal	62.2%	85.9%	1.2%	1.1%	1.4%	1.2%	0.4%	0.0%	65.2%	88.3%
Multi-family										
Duplex	1.8%	0.9%	2.2%	1.2%	0.1%	0.1%	0.1%	0.0%	4.3%	2.2%
Multi-Unit	2.6%	0.8%	3.1%	1.0%	20.6%	6.4%	4.1%	1.3%	30.5%	8.2%
Subtotal	4.5%	1.8%	5.3%	2.1%	20.8%	6.5%	4.2%	1.3%	34.8%	11.7%
Total	***67%***	***88%***	***7%***	***3%***	***22%***	***8%***	***5%***	***1%***	***100%***	***100%***

Note: Historic density data by housing type is not available for the UM designation because none has yet been constructed. As a result, Table 38 uses average densities by plan designation and housing type to determine needed acres.

PROJECTION OF RESIDENTIAL LAND NEED: 2009 TO 2029

This section has presented the supply of buildable residential land (Table 30) and dwelling units needed by housing type and plan designation (Table 38). The estimate of residential land need is based on a comparison of the supply of buildable residential land with the need for residential land. Table 39 presents land need for residential development for the 2009-2029 period. The results of Table 39 show the following range of residential land needs:

- **Deficit in UR.** Medford has a deficit of buildable land in the Urban Residential (UR) designation of about 465 gross acres.
- **Deficit in UH.** Medford has a deficit of buildable land in the Urban High Density Residential (UH) designation of about 49 gross acres.
- **Deficit in UM.** Medford has a deficit of buildable land in the Urban Medium Density Residential (UM) designation of about 39 gross acres.
- **Housing in Commercial Designations.** Medford will experience about 691 units constructed in commercial designations, but this is treated as exogenous supply that can be commingled in mixed use projects and Planned Unit Developments within the commercial land base.

TABLE 39 - LAND NEEDED FOR NEW DWELLING UNITS, BUILDABLE ACRES, 2009-2029
CITY OF MEDFORD UGB

Plan Designation	DU Capacity	DU needed	Surplus/ (deficit)	Needed Density (DU/Net Ac)	Net Acres	Needed Density (Gross)	Needed Gross Buildable Acres
UH	2,435	3,329	(894)	21.3	42	18.1	49
UM	495	993	(498)	15.6	32	12.8	39
UR	7,803	10,036	(2,233)	5.9	381	4.8	465
Commercial (CC/CN)	691	692	(1)				
Total	***11,424***	***15,050***	***-3,626***		***455***		***553***

Note: The land need identified in Table 39 is for net buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.

OTHER RESIDENTIAL LAND NEEDS

Cities need to provide land for uses other than housing and employment. Public facilities such as schools, churches, parks, and other non-profit organizations will expand as population increases. Many communities have specific standards for parks. School districts typically develop population projections to forecast attendance and need for additional facilities. All of these uses will potentially require additional land as a city grows.

Previous sections estimated land need for housing; this section considers other uses that consume land and must be included in land need estimates. The need for these lands largely occurs independent of market forces. Many can be directly correlated to population growth.

For the purpose of estimating land needed for other uses, these lands are classified into three categories:

- *Lands needed for public operations and facilities.* This includes lands for city facilities, schools, substations, and other public facilities. Land needs are estimated using acres per 1,000 persons for all lands of these types.

- *Lands needed for parks and open space.* The estimates use a parkland standard of 4.3 acres per 1,000 persons based on the level of service standard established in the Medford *Leisure Services Plan Update.*

This estimate includes land needed for neighborhood and community parks, which usually locate in residential plan designations. It does not include land needed for natural open space and greenways, which may also be located in residential plan designations.

- *Lands needed for semi-public uses.* This includes hospitals, churches, fraternal organizations, and related semi-public uses. The analysis includes land need assumptions using acres per 1,000 persons for all lands of these types.

Table 40 shows land in public and semi-public uses by type. The data show that Medford had a total of 1,313 acres in public and semi public uses in 2007. This equates to 17.0 acres per 1,000 persons.

Table 40 shows that Medford will need about 425 acres of land for all public and semi-public uses or 11.6 acres per 1,000 people between 2009 and 2029. The information in Table 40 is based on the following assumptions:

- City park land needs are based on the level-of-service established in the City's parks plan of 4.3 acres per 1,000 persons.
- School land needs are based on the fact that Medford School District 549c expects to need to build one elementary and one middle school over the planning period, which would require 20 acres. Lands in the Phoenix School District have been planned for additional schools in the Southeast Plan area, and these schools are not yet developed.
- Land needs for other uses, including churches, fraternal organizations, and government, are based on maintaining the same ratio of acre to population as currently exists for these land uses.
- The City currently has a large privately owned public golf-course (Cedar Links Golf Course) that is approved as a planned unit development, and the residential capacity analysis assumes that this project will be built out during the planning period resulting in the loss of considerable private semi-public park/recreation land. Additionally, there is a private park held in trust and known as the Howard Sports Park in West Medford. This park is not fully built out, and, when built, will function as privately owned public recreation space. The residential development of Cedar Links Golf Course and the build-out of the Howard Sports Park will result in a net loss of approximately 43.7 acres of privately owned and operated public open/space and recreation space.
- There are approximately 19 acres of park land planned in Southeast Medford that are not currently deeded to the City, nor are they constructed. Therefore, it is expected that those 19 acres within the existing UGB will serve as supply for some portion of the 153 acres of new parkland demand estimated in Table 40.

TABLE 40 - SUMMARY OF PUBLIC AND SEMI-PUBLIC LAND NEED BY TYPE, 2009-2029
CITY OF MEDFORD UGB

Type of Use	Existing Acres	Acres / 1000 Persons	Assumed Need (Ac/1000 Persons)	Estimated Need per 1000 Persons 2009-2029	Planned Unbuilt Supply in Existing UGB
City	113	1.5	1.5	64	
City Parks	527	6.8	4.3	153	19
County	36	0.5	0.5	17	
State	47	0.6	0.6	22	
Federal	26	0.3	0.3	12	
Other public agency	43	0.6	0.6	20	
Schools	265	3.4	0.6	20	26
Church	159	2.1	2.1	73	
Fraternal	96	1.2	1.2	44	
Private Parks/Recreation					-43.7
Total	***1,313***	***17.0***	***11.6***	***425***	***1.3***
Net Needed for UGB					***426***

Source: City of Medford 2007 GIS data

RESIDENTIAL LAND NEEDS

Table 39 presented a comparison of land needed for residential development over the 2009 to 2029 period, and Table 40 shows a summary of public and semi-public land needs over the same period.

Table 41 shows:

- Need for 465 gross acres in the UR designation
- Need for 49 gross acres in the UH designation
- Need for 39 gross acres in the UM designation
- Need for 16 gross acres for development of group quarters, predominantly nursing homes[20]
- Need for 426 gross acres for public and semi-public uses
- Need for a total of 996 gross acres in residential designations

[20] The estimate of land need for group quarters is based on the estimate of people in group quarters and average household size shown in Table 31. Development of group quarters was assumed to occur in the UH designation at the same density as other multifamily housing in UH (12.2 du per gross acre).

TABLE 41 - TOTAL RESIDENTIAL LAND DEFICIT BY PLAN DESIGNATION, 2009-2029
CITY OF MEDFORD

	Needed land (Gross Ac)
Residential development	
UR	465
UM	39
UH	49
Group quarters	16
Public and semi-public lands	426
Total	***996***

Source: City of Medford GIS data

Note: The land need identified in Table 41 is for buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.

SUMMARY OF RESIDENTIAL LAND NEED

The following section provides a summary of residential land needs in Medford for the 2009-2029 period.

1. Medford has about 2,308 acres of buildable residential land, with 92% located in the Urban Residential (UR) plan designation. Eighty-one percent of Medford's buildable residential land is vacant.
2. Medford has 531 acres of potentially redevelopable land. Redevelopment will vary based on location, type of development, site size, and market demand. Approximately 284 net acres of land is likely to redevelop in Medford over the 2009-2029 period. Fifty-three percent of redevelopable acres are assumed to redevelop.
3. Five percent of Medford's residential development has located in commercial zones since 1996. Assuming this trend continues about 691 new dwelling units will locate in commercial zones in Medford over the planning period.
4. Medford approved 117 accessory dwelling units between 1996 and 2006, or an average of 12 units per year. Accessory dwelling units could provide an additional 240 dwelling units, about 1.6% of the forecast housing need for the 2009-2029 period.
5. Medford will need 15,050 new dwelling units to accommodate population growth between 2009 and 2029. The forecast shows that an average of 753 new dwelling units will be needed annually, which is higher than the average number of building permits issued (605) over the 1996 to 2009 period. The forecast assumes 65% of needed housing for 2009-2029 will be single-family housing types (single-family detached, single-family attached and manufactured homes) and 35% will be multi-family (duplexes and multi-unit buildings).
6. Medford's tenure split is expected to reflect the 2000 US Census ratio of 57% owner-occupied units and 43% renter-occupied units. Factors supporting Medford's tenure split include: (1) Medford's homeownership rate has historically been 57% of units in 1990 and 2000; and (2) the State forecasts that the fastest growing age group will be people 60 years and older, many of whom are likely to prefer homeownership of both single-family detached and attached units.
7. Needed net density for single-family types for the 2009-2029 period are: 5.8 dwellings per net acre for single-family detached units; 7.0 dwellings per net acre for manufactured units in parks; and 12.5

dwellings per net acre for single-family attached units. Needed density for multi-family units are: 19.0 dwellings per net acre.

8. Medford will need about 1,890 net buildable residential acres, or about 2,383 gross buildable residential acres to accommodate new housing between 2009 and 2029. The forecast results in an average residential density of 8.0 dwelling units per net residential acre and of 6.3 dwelling units per gross residential acre for new residential units built between 2009 and 2029. This represents a modest but achievable increase in the historic densities based on Medford's implementation of its adopted and acknowledged Housing Element reviewed and approved in Medford's last periodic review.

9. Each plan designation will experience development. About 67% of housing (10,036 units) will locate in the Urban Residential designation. The Urban Medium Density Residential designation will have 7% of residential development (993 units), the Urban High Density designation will have 22% of residential development (3,329 units), and Commercial designations will have 5% of residential development (692 units).

10. Based on existing and expected uses, Medford has a need for about 426 acres for public and semi-public uses over the 2009 to 2029 period, such as parks, schools, government uses, churches, and other public or semi-public uses.

11. Medford has a deficit of land in all plan designations for forecast residential development during the 2009 to 2029 period. Medford will need an additional 996 gross acres within its UGB to accommodate residential growth and accompanying uses in residential areas over the planning period. Medford will need 465 additional gross buildable acres in the UR designation, about 49 additional gross buildable acres in the UH designation, and additional 39 gross buildable acres in the UM designation. Medford does not have a deficit of land for housing in Commercial plan designations, and this land is treated as Goal 14 efficient land uses that will contribute 692 housing units. Medford will need about 16 gross buildable acres for development of group quarters.

VI. STRATEGIES FOR MEETING HOUSING NEEDS

Oregon land use laws require communities to provide land use policies that promote adequate housing. Each community must consider the broader housing need of the region in arriving at a fair allocation of housing types and amounts, including multiple-family, attached single-family, detached single-family, and manufactured housing. The term regional fair share usually refers to the proportion of housing by type, tenure, and price that a community would have if housing and population were distributed evenly throughout the market area. Local standards and procedures for reviewing applications must be "clear and objective," and there must be legal reasoning, supported by state and local planning regulations, to deny projects. The Oregon Administrative Rules (OARS) require cities to provide certainty in the housing development process. Approval standards, special conditions, and procedures regulating development of needed housing must be clear and objective, and must not cause unreasonable cost or delay.

As previously stated, Medford's residential land need must be accommodated by first changing the General Land Use Plan designations of buildable lands within the current urban growth boundary. This process is already underway in what is called an Internal Rezone Review. Through this process Medford anticipates designating more land within the current Urban Growth Boundary as Urban Medium Density Residential (UM).

Medford's current plan designations and zoning districts comply with the various statutory requirements for needed housing types. This section reviews some specific housing needs identified during the update process. Those specific needs include:

- **Manufactured home parks.** 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. The determined need for manufactured dwellings in parks must be based on population projections; household income levels; housing market trends of the region; and an inventory of mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development because they are more likely to close and be changed to another land use.

- **Housing needs of seniors.** This population includes households with individuals aged 55 and over. The housing needs analysis estimates the number of individuals and households in this age group, and provides a projection of the need for group quarters such as nursing homes, and residential care facilities, and retirement communities.

- **Downtown housing.** Downtown housing can take many forms which can achieve multiple community development objectives including creating a more vibrant downtown, supporting downtown businesses, and reducing transportation demands.

MANUFACTURED HOMES

Manufactured homes are and will be an important source of affordable housing within the City of Medford in the future. 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).

The City had 708 manufactured homes in 1990 and 1,115 manufactured homes in 2000, more than 90% of which were in manufactured home parks. Between 1996 and 2006, the City issued 72 permits for manufactured homes on lots and 288 permits for new manufactured homes in parks. According to Census data, 83% of the manufactured homes in the City were owner-occupied in 1990—a figure that decreased to 81% in 2000.

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 home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured home owners in parks are also subject to the land rents of the property owner. It is generally not within the means of a manufactured home owner to relocate a manufactured home to escape rent

increases. Living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

The City of Medford *Land Development Code* was amended in the 1990s to meet state requirements for allowing manufactured housing on lots and in parks. Individual manufactured homes outside parks are allowed in all single-family residential zoning districts, subject to the specific placement standards permitted by state law. The standards are intended to assure that the manufactured homes are generally consistent with other single-family dwelling units, having features such as a pitched roof and a garage.

The *Land Development Code* conforms with state requirements for the siting of manufactured home parks. State law requires that manufactured home parks be allowed in zoning districts which permit residential densities of six to 12 units per acre. The City is allowed to establish clear and objective criteria and standards for the placement and design of parks. State law restricts the establishment of new parks in areas planned for commercial or industrial use.

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. Moreover, the city is required to provide a projection of future need for manufactured home parks based on population projections, household income levels, market trends, and an inventory of existing parks in areas planned and zoned for commercial, industrial, or high density development. Table 42 presents the inventory of mobile and manufactured home parks within the Medford UGB in 2007. The results show that the Medford UGB had 1,265 spaces on 184 acres.

TABLE 42 - INVENTORY OF MOBILE/MANUFACTURED HOME PARKS, 2007 MEDFORD UGB

NAME	LOCATION	ZONE	GLUP MAP	SPACES	ACRES	DENSITY (DU/AC)
CITY						
SHIRLEEN	602 RIVERSIDE AVE.	C-C	CM	32	2.8	11.4
12TH STREET	401 EAST 12TH ST.	C-G	CM	32	2.3	13.9
IDLE WHEELS	2252 TABLE ROCK RD.	MFR-20	UH	181	26	7.0
TABLE ROCK	2385 TABLE ROCK RD.	MFR-20	UH	132	19.1	6.9
VILLAGE	2335 TABLE ROCK RD.	MFR-20	UH	60	6.5	9.2
VALLEY CENTER	3410 N. PACIFIC HWY.	C-G	CM	50	3.4	14.7
MYRA LYNN	924 CAROL AVE.	SFR-10	UR	225	33.2	6.8
J AND D	801 CENTRAL AVE.	C-G	C	22	0.6	36.7
LINDEN	833 JACKSON ST.	C-L	CM	29	1.3	22.3
WINDSTONE	2552 THORNE OAK DR.	SFR-10	UR	108	17.61	6.1
PEACHWOOD	1570 PEACH STREET	SFR-10	UR	147	18.4	8.0
SAN GEORGE ESTATES	10 SOUTH STAGE RD.	SFR-10	UR	146	27.4	5.3
KINGS HWY	211 KINGS HWY	SFR-10	UR	43	7.6	5.7
EL CAMINO	1500 KINGS HWY.	SR-2.5	UR	16	1.6	10.0
SUBTOTAL				**1,223**	**167.8**	**7.3**
UGB						
WELDON	2600 STERNS WAY	SR-2.5	UR	42	16.2	2.6
TOTAL				***1,265***	***184.0***	***6.9***

Source: City of Medford Planning Department

The housing need projection prepared for the planning period estimates a need for 395 new manufactured dwellings in parks by the year 2029, or an average additional need of about 20 per year.[21] The average number

[21] ORS 197.480(2) only requires an estimate of mobile or manufactured homes in parks. For the purpose of this analysis, manufactured homes in subdivisions or on infill lots are considered part of the single-family need.

added per year between 1996 and 2009 was 13. The additional units will require approximately 55 net acres, at an average density of 6.2 units per acre (the delivered density since 1996) and 75 gross acres.

The need projection must also include the potential displacement of homes in the parks within commercial, industrial, or high density designations. In 2007, there were five manufactured home parks with a total of 185 spaces (13% of the total spaces) in areas designated for commercial use, and 373 spaces (29% of the total spaces) in three parks designated for high density use. There is no indication at this time that they are being considered for closure. Should they all be closed, 63 acres of buildable residential land would be required to replace them, in addition to the 75 acres needed by 2029. The small parks of less than 35 spaces are generally in commercial areas, allow small trailers, and provide very low income housing.

HOUSING NEEDS OF SENIORS

The demographic composition of America is experiencing considerable change. Americans are living longer and the percentage of elderly Americans is increasing. This demographic shift coincides with the baby boom generation reaching retirement age. Many experts believe this demographic shift will have significant effects on the housing market; however, the literature is inconclusive on exactly how aging will affect housing demand and need.

According to the Oregon Office of Economic Analysis' 2004 forecast of population by age, Jackson County will have a larger share of population aged 60 and older in 2030 than in 2000. The forecast projects that the number of people aged 60 and older will more than double in Oregon and Jackson County between 2000 and 2030. It is reasonable to expect that Medford will experience similar changes in this age group of residents as the County and State.

Medford has many facilities that provide housing for the elderly. In 2000, Medford had 1,285 people living in nursing or convalescent homes and other group quarters. In addition to group quarters, there were 2,000 residents in retirement facilities in 2007. The Rogue Valley Manor is the largest retirement facility in the City, with a range of housing types and prices, including a skilled nursing facility, congregate care, assisted living, attached dwelling units, and affordable housing units. The Rogue Valley Manor had approximately 980 residents in 2007.

It is likely that the growing retired and elderly population will lead to new housing needs and preferences. Determining housing needs for retired and elderly requires examining the following trends:

- **Housing mobility.** A lot has been written about the desires of retirees and "empty nesters" to move to new homes later in life. Much of the data on this topic is anecdotal, and frequently contradictory. An AARP survey conducted in 2000 found that 69% of respondents aged 55 years and over expected to continue living in their current residence, and 30% of seniors expect to move.[22] Challenges that seniors face in continuing to live in their current home include changing healthcare needs, financial concerns, home maintenance, loss of mobility, and property taxes.

  Other studies have found that seniors are willing and likely to move to a new home. A survey of baby boomers published by Pulte Homes in 2005 suggests many baby boomers will consider moving to a new home as part of their retirement plans. The survey found that 47% of boomers planned to move at some point after retirement[23]. Younger boomers, those in the 41 to 49 age group, were more likely than older boomers to plan on buying a new home after retirement. The survey found that higher cost of living, property taxes, and sales taxes were all deterrents for baby boomers when choosing a retirement home location.

  Studies conducted by the American Associations of Homes and Services for the Aging and Assisted Living Facilities of America of seniors who relocated show that seniors prefer to live near or within their

[22] AARP, "Fixing to Stay: A National Survey of Housing and Home Modification Issued," May 2000, page 27.

[23] 2005 Pulte Homes Survey of Baby Boomers.

community and near family members. More than 50% of seniors that moved to an assisted living facility and 40% or more of seniors that moved to an independent living situation relocated 10 or fewer miles.[24]

- **Housing tenure.** Older Americans have higher homeownership rates than younger Americans. According to Census data, homeownership rates peak with about 80% of households owning their home for householders aged 55 to 84, decreasing in householders 85 years and older. Older households are less likely to be homeowners in Medford due to the large number of retirement facilities. Homeownership rates peak at 88% for householders 60 to 64 years in Medford, decreasing to 51% for householders 75 to 84 years and 18% for householders 85 years and older.

- **Housing size.** Older generations have historically down-sized their homes after retirement, selecting smaller, more affordable housing units. It is unclear whether people currently nearing retirement will follow this trend. A survey of people aged 45 to 64 years conducted by the National Association of Realtors suggests that people in this age group may be slower to downsize than previous generations. About 15% of survey respondents that plan to move indicated they plan to move to a larger home and 5% indicated they plan to move to a smaller home.[25] Anecdotal evidence suggests that baby boomers may desire larger homes. One survey suggests that the unprecedented wealth of the baby boom generation will allow them to break the trend of downsizing, and purchase larger homes.[26]

  There is evidence that some households will downsize to a smaller home after retirement. In Pulte Home's survey of baby boomers one common reason that survey respondents indicated they plan to move during retirement is to move to a smaller home. The survey found that 13% of baby boomers who planned on moving during retirement were interested in upsizing their home, 44% were interested in downsizing, 30% would like to stay in the same size home, and 12% were unsure.[27]

- **Housing affordability and wealth.** The measures of housing affordability presented earlier in the *Housing Element* are based on household income. However, housing affordability is also affected by wealth. Table 43 compares wealth by age group for the U.S. in 2004.[28] National trends show that older Americans, particularly baby boomers have higher incomes and greater wealth than younger age groups and previous generations. Nationally, households aged 45 to 54 had a median family income of $61,000 in 2004, compared to the median family income for all households of $43,200. Median family income declined to $23,700 for households 85 years and older. The combination of high household income and low number of dependents result in the large per capita income for baby boomers.[29] In addition, older Americans have lower poverty levels, with 9.8% of people aged 65 years and over in poverty in 2004, compared to 11.3% of people aged 18 to 64. Poverty rates are higher among the oldest seniors, with 12.6% of people 85 years and older in poverty.[30]

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[24] Susan B. Brecht, Analyzing Seniors' Housing Markets, 2002, Urban Land Institute.

[25] "The State of the Nation's Housing," Joint Center for Housing Studies at Harvard University, 2007.

[26] "How Changes in the Nation's Age and Household Structure Will Reshape Housing Demand in the 21st Century," Martha Farnsworth Riche, Ph.D., 2003.

[27] 2005 Pulte Homes Survey of Baby Boomers.

[28] Reliable data about accumulated assets and wealth by age group is not available at the state or city level.

[29] "How Changes in the Nation's Age and Household Structure Will Reshape Housing Demand in the 21st Century," Martha Farnsworth Riche, Ph.D., 2003.

[30] Federal Interagency Forum on Aging-Related Statistics, "Older Americans Update 2006: Key Indicators of Well-Being," May 2006.

TABLE 43 - MEASURES OF FINANCIAL WORTH BY AGE GROUP, 2004
UNITED STATES

Family by Age Group	Family Income (Median)	Net Worth (Median)	Primary Residence (Median Value)	Financial Assets (Median Value)
45 - 54	$61,100	$144,700	$170,000	$38,600
55-64	$54,400	$248,700	$200,000	$78,000
65-74	$33,300	$190,100	$150,000	$36,100
75 +	$23,700	$163,100	$125,000	$38,800
All families	***$43,200***	***$93,100***	***$160,000***	***$23,000***

Source: Federal Reserve report "Recent changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances"

Income only accounts for a portion of financial worth. Table 43 shows that in the U. S. in 2004 median net worth was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families 75 years and older ($163,100) remained substantially higher than the average net worth for all families ($93,100).

Two of the most important assets for all families are a family's primary residence and their financial assets. The value of these assets is higher for people aged 45 years and over when compared to the average value for all families, peaks for families aged 55 to 64 years, and decreases in older households, while continuing to remain above the average for all families.

The implication of the data in Table 43 is that retired people or those nearing retirement may be able to afford to purchase more expensive dwellings than younger people. The majority of older people purchasing new homes are likely to be in-migrants, rather than existing residents, most of whom are likely to continue living in their current dwelling (as discussed previously). However, in-migrants have made the choice to move, often from out-of-state. According to information in Table 43, in-migrants 55 years and older will have, on average, greater accumulated wealth and ability to afford a more expensive dwelling than younger in-migrants.

The data in Table 43 is from six years ago. Since that time the nation has entered a recession which has resulted in a decline in the financial worth of most families throughout the country. The current unfavorable economic and demographic environment may be ongoing long into the future and significantly different from the past reflected in the Table 43 above. The City will evaluate the impacts of the recession on seniors in five years from the adoption of the Housing Element.

<u>Housing alternatives for seniors</u>

- **Independent and assisted living facilities.** One housing alternative for older people are independent and assisted living facilities. These facilities include congregate facilities, which are not considered group quarters, such as small apartments. The residents of these facilities typically pay a monthly fee for services, such as housekeeping, transportation, or meals. Medford had about 2,000 such units in 2007. These facilities also include assisted living facilities, which provide a combination of housing, support services, health care, and other assistance. As Medford's population ages, the need for these facilities will grow, especially among older seniors.

- **Nursing homes.** Nursing or convalescent homes are a housing alternative for seniors who have become too ill or frail to live independently or in assisted living facilities. Nursing homes typically provide housing and health care services. As Medford's population ages, the need for these facilities will grow, especially among older seniors.

- **Subsidized housing.** This is public housing or government-provided low cost housing in multi-unit complexes that are available to low-income residents. Managed by local housing authorities, they typically require tenants to pay no more than 30% of their monthly income for rent. Currently, out of a total of 1,048 subsidized housing units in Medford, 501 subsidized housing units are for seniors. See Medford's *Consolidated Plan* for more discussion and analysis related to affordable housing for low-income residents.
- **Manufactured homes in senior parks.** As discussed in the previous section, manufactured homes are an important source of affordable housing. Medford currently has two senior parks – Idle Wheels Mobile Home Estates with 181 spaces and Table Rock Mobile Village with 132 spaces. In addition, there is one senior park inside the UGB, but outside city limits – Weldon Park with 42 spaces.
    - **Active adult retirement communities.** These are age-targeted or age-restricted active adult communities that have residential and recreational amenities that are not normally available in other types of senior citizen facilities. Amenities may include single family homes on individual lots, townhouses, and apartments; and recreation facilities such as club houses for social activities, swimming pools, golf courses, tennis courts, hiking trails and fitness gyms.

DOWNTOWN HOUSING

The zoning in a community's downtown should encourage the development of housing - both new and in existing buildings. Affordable housing, particularly for the elderly or single person households, can often be provided in downtowns with high levels of subsidy. There are several examples of buildings in Medford's downtown, such as the Medford Hotel, that have been converted to apartments. The upper floors of existing commercial buildings are ideal locations for this type of housing if the original quality of construction is adequate. Having residents in a downtown enhances the activity level, especially after normal business hours, and reduces the need for personal vehicles. In addition, large older dwelling units in the central area are often suitable for conversion to group housing for persons with special needs. The conversion of older residential areas to commercial uses can cause a decline in an existing affordable housing stock.

Medford's housing needs analysis assumes that 5% of new housing units (691 new dwellings) will locate in Commercial plan designations. This will primarily include multifamily units. Medford is actively encouraging housing in its downtown and a portion of the overall allocation to commercial lands will be met through new housing in the downtown area.

VII. AFFORDABLE HOUSING AND HOUSING ASSISTANCE PROGRAMS

AFFORDABLE HOUSING

Under Statewide Planning Goal 10, every Oregon community is required to prepare plans that accommodate housing at price ranges and rent levels commensurate with the needs of its citizens.

The City of Medford's last *Housing Element* was adopted by the City Council on September 21, 1995 and covered the planning period from 1994 to 2010. This *Housing Element* included Goals, Policies and Implementation Measures, many of which addressed housing affordability and land efficiency. Following is a list of completed implementation measures that addressed housing affordability:

- Since its inception in 2002, Medford's Housing and Community Development Commission has been exploring ways to support the preservation of existing affordable housing resources and the creation of additional affordable housing to meet the needs of its lower income citizens. The nine member Commission meets once a month and advises the City Council on housing issues and Community Development Block Grant (CDBG) expenditures.

- In 2007, in response to the HUD National Call to Action, Medford became one of four cities in Oregon to create a task force to look at regulatory barriers to affordable housing and determine strategies to deal with such barriers. The task force includes members of the Housing Commission, Planning Commission, Site Plan and Architectural Commission as well as non-profit and private developers and real estate brokers. The task force met for a year to research possible barriers and to develop recommendations supporting affordable housing. The resulting report, *Regulatory Barriers to Affordable Housing*, is being reviewed by the City Council, and was taken into consideration during the formation of this update to the *Housing Element.*

- Established in 2002, the Neighborhoods Resource Division strives to maintain stable, healthy neighborhoods and revitalize challenged neighborhoods. The Neighborhood Resource Division includes a number of different programs including Neighborhood Revitalization and Planning, Housing, CDBG, General Fund Grants, the Neighborhood Street Tree Partnership and the Neighborhood Leadership Academy. Within the Special Services Division of the Medford Police Department, both Code Enforcement and Neighborhood Watch work closely with the Neighborhood Resource Division to address code violations and neighborhood safety throughout the City.

- Amended the *Medford Land Development Code* to allow for accessory dwelling units in all single-family zones with no restrictions on tenure. An accessory dwelling unit or "mother-in-law" unit is a detached or attached dwelling unit that is additional and auxiliary to an existing single-family dwelling, and is on the same tax lot.

Following is a list of efficiency measures specific to affordable housing that the City could adopt:

- Amend the *Land Development Code* to tie inclusionary affordable housing to annexation or other means. The City of Ashland requires inclusion of affordable housing in newly annexed areas and where developers are requesting an increase in zoning. Inclusionary zoning is prohibited by the State of Oregon through ORS 197.309. The City of Ashland is able to do this because annexations are a discretionary decision made by the City Council.

- Develop an inventory of city-owned properties and identify properties to make available to non-profits and affordable housing developers.

- Develop a housing trust fund for the funding, development and preservation of affordable housing.

- The City currently has a vertical housing development zone designation in its downtown that encourages mixed-use commercial/residential development through a partial property tax exemption. The City could consider the development of this zoning designation in other areas of the city.
- Amend the General Land Use Plan Map to redesignate lands currently Urban Residential to a higher density designation such as Urban Medium or Urban High Density.
- Amend the zone change criteria in the *Land Development Code* to make it easier to qualify for higher density zoning.

HOUSING ASSISTANCE PROGRAMS

The Medford *Consolidated Plan for Housing and Community Development* has been updated for the five-year period beginning in 2010. This strategic plan outlines the City's needs, goals and strategies for assisting low- and moderate-income households and provides the basis for allocating U.S. Department of Housing and Urban Development (HUD) funds under the Community Development Block Grant Program (CDBG). The City is an entitlement community for federal CDBG funds. Medford received about $700,000 in CDBG funding in 2005. During each year of the five-year plan, the City prepares an Annual Action Plan that outlines the specific program activities to be carried out in meeting the *Medford Consolidated Plan* strategies. Activities under the CDBG program include: assistance to rehabilitate, acquire, and develop housing for low- and moderate-income households, and assistance for home buyers. Community development activities include: public facilities, public improvements and a variety of neighborhood improvements. Also eligible are economic development activities, planning activities and public services that target the needs of low- and moderate-income households. The Consolidated Plan describes housing assistance program activities in Medford in detail.

Governmental agencies and nonprofit organizations that offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home include:

- **Section 8 voucher system** allows very low-income families (including elderly and disabled) to choose where they want to live by providing rental certificates that limit tenants' rent to 30% of their monthly income. The program is administered by local housing authorities; HUD pays participating landlords the difference between market rent, as determined by HUD, and what the family is able to pay. Qualified Section 8 participants may use their vouchers to pay rent or participate in lease-to-own or homeownership programs. Medford has a significant proportion of Jackson County's vouchers. Currently there are 1,775 vouchers being utilized in Jackson County, with 62% or 1,106 vouchers being used in Medford. The waiting list for Medford residents for Section 8 vouchers was 1,136 applications, nearly three-quarters of whom were female.
- **Public housing** is government-provided low cost housing in multi-unit complexes that are available to low-income, mostly elderly or disabled, residents. Managed by local housing authorities, typically require tenants to pay no more than 30% of their monthly income for rent. Medford has a significant proportion of Jackson County's affordable housing units. Currently, there are a total of 2,137 affordable housing units in the County, and 49% or 1,048 units located in Medford.
- **HUD landlord subsidies** give funds directly to apartment owners, who lower the rents they charge low-income tenants. Some units are designed for senior citizens or people with disabilities, others for families and individuals.
- **Section 202** provides housing for low-income senior citizens and often includes services such as meals, transportation, and accommodations for the disabled. Programs are sponsored on a complex-by-complex basis by non-profit organizations or consumer cooperatives.
- **Subsidized mortgages programs** are state-sponsored programs that reduce the interest rate for homes purchased within the state to qualified low-income first-time homebuyers. Other programs that offer low interest rate loans include:

- **Veteran's Affairs loans** are home loans offered to eligible veterans, some military personnel, and certain surviving spouses. The VA can guarantee part of a loan from a private lender, and can issue loans for building, repairing, and improving homes, loans for refinancing existing loans, and special grants for retrofitting a home to accommodate a disability.

- **Other homeownership assistance** include a variety of down payment assistance programs run by states, counties, cities, business organizations, and non-profit organizations for low-income families. To be eligible the buyer must qualify for a mortgage with a lender, complete a certified home ownership education program and, in most cases, have some money from their own resources as the match for the down payment assistance.

Nonprofit organizations provide a wide variety of housing assistance to low-income households and individuals. Nonprofits provide assistance with renting or purchasing housing, as well as services (such as emergency food, low-cost medical services, or transportation assistance). The types of housing assistance that nonprofits provide vary by community and may include:

- **Homeless shelters/ temporary housing programs** that serve the temporarily or long-term homeless population and may be run by non-profit organizations, churches, or cities.

- **Rentals with services** may serve special low-income populations, such as the disabled, elderly, chronically homeless, or ex-offender populations, with housing and associated services, such as meals, assistance finding employment, and alcohol or drug treatment programs.

- **Below market rent rentals units** may be developed as part of a city or county's requirement for developers to rent a certain percentage of units in new development at below market rate prices affordable to lower income renters, and are also developed by non-profit organizations. To be eligible to rent these types of units, a household must meet specific income requirements and units rented through these programs may be subject to resale restrictions. It is important to note that by Oregon law this currently is not possible.

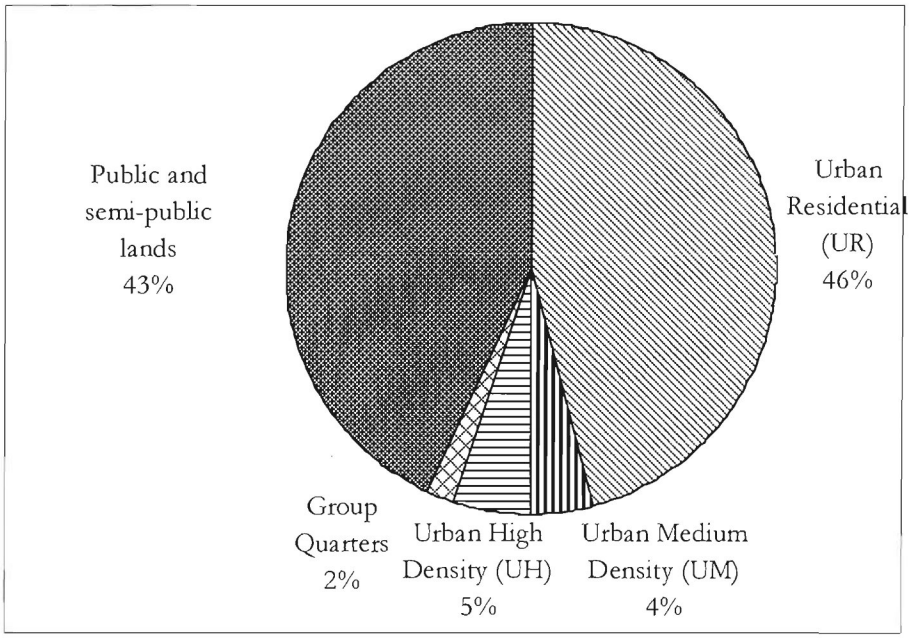
- **Lease-to-own programs** allow qualified buyers to select a home and lease it, usually from a non-profit organization, then purchase the home and assume the mortgage at the end of the lease term. These programs often lock in the purchase price when the participant begins the lease, and most only allow the participant to lease the home for a limited time.

- **Sweat equity programs** require the homebuyer's participation in the construction of the housing. The sweat equity and labor contributions by the homebuyers and volunteers significantly reduce the cost of the housing. Sweat equity programs may be run by non-profit organizations such as Habitat for Humanity International, and may be the recipient of HUD SHOP grants, which are provided to national and regional nonprofit organizations that have experience in providing self-help housing to purchase land and make improvements on infrastructure.

Nonprofit housing agencies in the Medford area include: ACCESS, Inc., Rogue Valley Community Development Corporation, Rogue Valley Habitat for Humanity, Southern Oregon Housing Resource Center, Pacific Retirement Services which provides 150 affordable senior housing units and 50 affordable family units, and On-Track Inc. which provides housing for people recovering from substance abuse. These agencies provide a wide range of services to low- and moderate-income households in the Medford area, including: subsidized rental properties, rental assistance programs, homeownership assistance programs, weatherization assistance for homeowners, and sweat equity programs. Nonprofits also provide assistance to homeless people, including homeless youth, ranging from emergency shelter and transitional housing, to permanent supportive housing. In addition to assistance available from nonprofit agencies, the City of Medford provides assistance to first-time homebuyers and an emergency repair loan program.

VIII. CONCLUSIONS

1. **The adopted forecast of population growth for 2009 to 2029 anticipates that Medford's population will grow by 35,591 people.** The fastest growing segments of the population are people nearing retirement and families with children.
2. The Oregon Office of Economic Analysis's forecast projects that the number of people aged 60 and older will more than double in Oregon and Jackson County between 2000 and 2030. **Based on the forecast, Medford is likely to need additional housing for retirees, such as: multi-family units, congregate care units, single-family units, manufactured homes, and active retirement communities.**
3. **As of January 2009, within its urban growth boundary, the development capacity of Medford's residential buildable land is 11,424 dwelling units.** About 69% of the City's residential development capacity (7,911 units) is on vacant land, with 11% on partially vacant land (1,306 units). About 11% of development capacity is on redevelopable land (1,276 units), and the remaining residential capacity is in future residential development in commercial zones and in future accessory dwelling units.
4. **To accommodate projected population growth between 2009 and 2029, Medford will need approximately 15,050 new dwelling units**. The forecast shows that an average of 753 new dwelling units will be needed annually, which is higher than the average yearly number of building permits issued (605) over the 1996 to 2009 period.
5. **Given its 2009 capacity and projected need, Medford does not have the capacity within its existing UGB for the additional 3,626 dwelling units needed to accommodate growth between 2009 and 2029.**
6. **Medford will need 1,890 net residential acres, or 2,383gross residential acres, to accommodate new housing between 2009 and 2029.** Not all of this can be accommodated within the current urban growth boundary. Therefore, Medford has a deficit of 996 gross acres in the following designations:



7. **The need for additional housing to meet the forecasted population growth includes all housing types.** From a plan designation perspective, deficits are present and are roughly proportional across all residential plan designations, which suggest that Medford's plan ratios for its various housing types have

been appropriate and plan designations have been consumed at roughly proportionate rates. The analysis finds that new development must be 65% single-family housing types and 35% multifamily to meet the forecasted need, and the overall expected housing mix (including existing development) in 2029. The forecast finds a need for the continued ratios of 60% single family detached, 2.6% manufactured dwellings in parks, 2.6% single-family attached, 4.3% duplexes and 30.5% multi-unit.

8. **Public and semi-public uses such as parks, schools, and churches generally occur in residential designations, and are expected to continue to be located in such designations.** Based on existing development patterns, as well as park and school plans, Medford has a need for about 426 acres for public and semi-public uses over the 2009 to 2029 period.

9. **Housing affordability is a problem, particularly for low income households.** In 2009, about 33% of Medford households were considered low income.

10. **The affordability of homeownership and rentals decreased over the 2000 to 2008 period.** During this period, the median household income increased 10%, and median rent increased by 35%. Average sales prices increased by 68%. Sales prices have since been decreasing due to the current economic recession, but affordability is not expected to improve until the job market strengthens and earning potentials begin to increase.

11. **Medford's proportion of owner-occupied and renter-occupied dwellings will remain steady** between 2009 and 2029 with 57% owner-occupied and 43% renter occupied units, which was the same proportion in 2000. Increases in home sale prices and share of low-income residents suggest that Medford's homeownership rates are not expected to change substantially over the planning period.

12. **The housing needs analysis determined the need for an average residential density of 8.0 dwelling units per net acre or 6.3 dwelling units per gross acre for all lands and 6.5 per gross acre for the UGB deficits.** Average net density for residential development occurring in Medford between 1996 and 2009 was 6.8 dwelling units per net acre. For the 2009 to 2029 planning period, the needed average net density is: 5.8 dwellings per net acre for single-family detached units; 7.0 dwellings per net acre for manufactured homes in parks; and 12.5 dwellings per net acre for single-family attached units. Average net density for multi-family units is 22.5 units per acre for multi-family.

13. **Each residential plan designation in Medford will experience development in the 2009 to 2029 planning period.** Allocations largely reflect historical distributions across plan designations. However, the 20-year planning period has added and balanced allocations for the Urban Medium Density Residential plan designation.

IX. GOALS, POLICIES, & IMPLEMENTATION STRATEGIES

HOUSING GOAL

To provide for the housing needs of citizens of Medford.

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Medford households and allow for flexibility of housing location, type and density.

HOUSING POLICES AND IMPLEMENTATION STRATEGIES

Policy 1: The City of Medford shall assess the housing needs of current and prospective residents, including the elderly, disabled, active retirees, and other groups with special housing needs, to determine development priorities and to formulate specific strategies and activities to meet those needs.

Implementation 1-A: When considering changes to the Medford *Comprehensive Plan* or *Land Development Code*, base such changes on the Housing Element adopted on December 2, 2010, particularly:

Housing Need Projection in Table 31
Forecast of Needed Housing Units in Table 37
Buildable Land Needed for New Dwelling Units in Table 39
Residential Land Deficit by Plan Designation in Table 41

Implementation 1-B: Assess compliance with Housing Element goals and policies and progress in meeting density goals. Consider actions such as:

a) Producing an annual residential development report;
b) Preparing a Housing Needs Analysis and Buildable Land Inventory at least every five years and utilizing it to assess housing policies and priorities;
c) Identifying areas suitable for manufactured home parks.

Implementation 1-C: Assess policies, regulations, and standards affecting residential development and pursue amendments as needed to meet Policy 1. Assess factors such as:

a) Residential development standards;
b) State and federal laws regarding residential care/treatment/training facilities;
c) Standards applicable to group and modified housing units;
d) Standards applicable to retirement facilities and manufactured home parks;
e) Assuring a mix of income levels and dwelling types, including multi-family, group, affordable, and assisted housing, throughout the City.

Policy 2: The City of Medford shall designate areas for residential development that are or will be conveniently located close to pedestrian, bicycle, and transit or high capacity transportation routes, community facilities and services, and employment to ensure that the benefits of public investment in those facilities are available to as many households as possible.

Implementation 2-A: Pursue amendments as needed to achieve transit-supportive density near current and future transit streets, especially where parks or schools are present.

Implementation 2-B: Assess and remove unnecessary local regulatory impediments to downtown housing.

Policy 3: In planning for needed housing, the City of Medford shall strive to provide a compact urban form that allows efficient use of public facilities and protects adjacent resource lands.

Implementation 3-A: Assess policies, regulations, and standards affecting residential development and pursue amendments as needed to meet Policy 3. Consider actions such as:

a) Upzoning buildable land to medium and high density residential;
b) Allowing neighborhood commercial activities within residential designations;
c) Developing special area plans that support high-density and mixed-use projects;
d) Requiring redevelopment to be at the same or higher density as the previous development;
e) Assuring zone change locational criteria encourage a compact urban form;
f) Assuring land division design standards and approval criteria encourage efficient use of public facilities.

Policy 4: The City of Medford shall cooperate in the development of regional urban land use policy and public investment strategies regarding provision of housing for anticipated population growth.

Policy 5: The City of Medford shall provide opportunities for alternative housing types and patterns, such as planned unit developments, mixed-uses, and other techniques that reduce development costs, increase density, and achieve projects that are flexible and responsive to the site and surroundings, including the conservation and enhancement of areas having special scenic, historic, architectural, or cultural value.

Implementation 5-A: Maintain an inventory of areas suitable for preservation as open space.

Policy 6: The City of Medford shall plan for multi-family residential development encouraging that which is innovative in design and aesthetically appealing to both the residents and the community.

Implementation 6-A: Assess policies, regulations and standards affecting residential development and pursue amendments as needed to meet Policy 6. Assess for factors such as:

a) Not inhibiting innovative residential design;
b) Requiring adequate aesthetics and amenities in residential development;
c) Requiring trees to be installed in residential development;
d) Providing open space in residential development;
e) Assuring land division design standards and approval criteria encourage thoughtful neighborhood design.

Implementation 6-B: Periodically update residential design guidelines for the Site Plan and Architectural Commission review process.

Policy 7: The City of Medford shall promote preservation of the existing housing stock and existing neighborhoods through continued support of programs related to housing rehabilitation and neighborhood revitalization.

Implementation 7-A: Conduct a neighborhood planning program, which includes activities such as:

a) Arranging the UGB into neighborhood planning areas;
b) Promoting development of neighborhood identities;
c) Formulating neighborhood plans.

Implementation 7-B: Monitor housing conditions and enforce housing codes.

Policy 8: The City of Medford shall assist regional housing agencies, nonprofit organizations, private developers, and other entities in their efforts to provide affordable housing, opportunities for minorities, low- and moderate income people, and people in protected classes to gain access to housing.

Implementation 8-A: Evaluate and support affordable housing programs, such as:

a) A fair housing program that includes enforcement procedures and promotional activities;
b) Preservation and\or rehabilitation of special needs and affordable housing;
c) Identifying public land suitable for affordable housing and land banking;
d) Inclusionary housing required as a condition of approval for authorizations such as annexations, density bonuses, and zone changes.

Implementation 8-B: Cooperate with the Housing Authority of Jackson County and other agencies to preserve and increase their portfolio of assisted housing.

APPENDIX A: NATIONAL HOUSING TRENDS

A key step in a housing needs assessment is to identify relevant national, state, and local demographic and economic trends and factors that affect local housing markets. This Appendix summarizes trends in national housing markets.

The evaluation of housing trends that follows is based on previous research conducted by ECONorthwest as well as new research to update the evaluation of trends that may affect housing mix and density in Medford.

OVERVIEW

The overview national, state, and local housing trends builds from previous work by ECONorthwest and conclusions from The *State of the Nation's Housing, 2007* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook for the next decade as follows:

> "After setting records for home sales, single-family starts, and house price appreciation in 2005, housing markets abruptly reversed last year. In 2006, total home sales fell 10 percent, starts tumbled 13 percent, and nominal house price appreciation slowed to just a few percentage points. Suddenly, it was inventories of unsold vacant homes that set records and homes in foreclosure that were making the news.
>
> The length and depth of the current correction will depend on the course of employment growth and interest rates, as well as the speed with which builders pare down excess supply. But the longer term outlook for housing is more upbeat. Thanks in large part to recent immigrants and their native-born children, household growth between 2005 and 2015 should exceed the strong 12.6 million net increase in 1995–2005 by some 2.0 million. Together with the enormous increase in household wealth over the past 20 years, healthy income growth will help propel residential spending to new heights.
>
> But housing affordability remains a pervasive problem. In just one year, the number of households with housing cost burdens in excess of 30 percent of income climbed by 2.3 million, hitting a record 37.3 million in 2005. Making real headway against this disturbing trend requires an unlikely combination of structural and public policy shifts—that state and local governments ease development regulations that drive up production costs, the federal government adds meaningfully to already significant expenditures aimed at relieving heavy housing cost burdens, and economic growth dramatically lifts the real incomes and wealth of the bottom quarter of households."

This evaluation presents a mixed outlook for housing markets and for homeownership, and points to the significant difficulties low- and moderate-income households face in finding affordable housing. The following sections describe specific national trends in more detail.

LONG-TERM TRENDS IN HOME OWNERSHIP AND DEMAND

Last year (2006) was a significant departure from the recent housing boom that had lasted for 13 consecutive years (1992-2005). While strength in early 2005 pushed most national housing indicators into record territory, the market began to soften and sales slowed in many areas in the latter half of 2005. By 2006, higher prices and rising interest rates had a negative impact on market demand. Investor demand, home sales and single-family starts dropped sharply. Growth in national sales prices also slowed. After 12 successive years of increases, the national homeownership rate slipped in 2005 and again in 2006 to 68.8%.

The Joint Center for Housing Studies concludes that the cooling housing market in 2006 had an immediate impact on homeownership. Increasing interest rates and decreasing housing affordability contributed to the recent market correction. Homebuilders could not react quickly enough to changing market conditions, resulting in an oversupply of housing and a rising inventory of unsold homes. The Joint Center for Housing Studies predicts the

current market correction will cause housing prices to weaken. This should help reduce the oversupply of homes for sale and lead to the next market expansion. The long-term market outlook shows that homeownership is still the preferred tenure. Over the next decade, 88% of net household growth is expected to come from gains in the number of homeowners. While further homeownership gains are likely during this decade, they are not assured. Additional increases depend, in part, on finding ways to ease the difficulties faced by low and moderate income households in purchasing a home. It also rests on whether the conditions that have led to homeownership growth can be sustained.

From 2000 to 2005 housing starts and manufactured home placements appeared to have been roughly in line with household demand. In 2005, with sales slowing, but building activity steady despite widespread pullbacks, the inventory of both new and existing homes was much higher than in recent years. The supply of unsold homes on the market increased in 2006, surpassing a seven month supply.

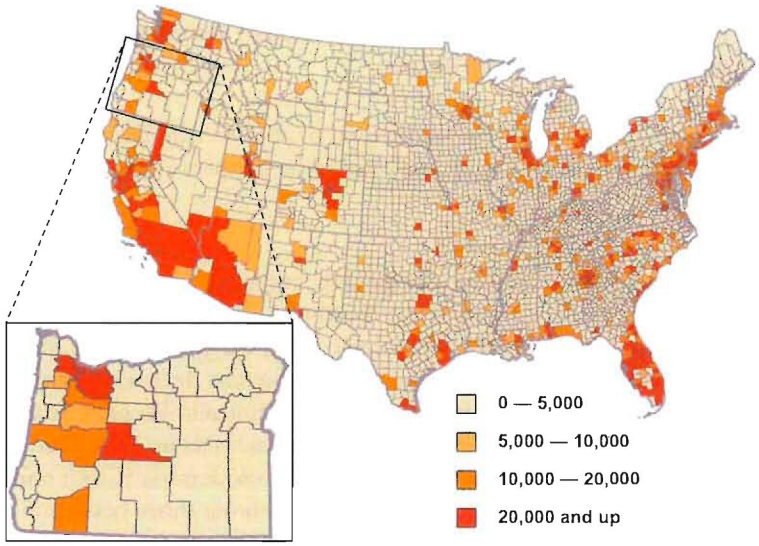
The Joint Center for Housing Studies indicates that demand for new homes could total as many as 19 million units nationally between 2005 and 2015. Nationally, the vast majority of these homes will be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from central business districts (CBDs) for more than a century: the number of the country's largest metropolitan areas with more than half of their households living at least 10 miles from the CBD has more than tripled from 13 in 1970 to 46 in 2000; in six metropolitan areas more than a fifth of households live at least 30 miles out. While people older than 45 years are generally continuing to move away from CBDs, younger people have begun to move nearer to CBDs.

The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, townhomes, and manufactured homes. Supply-side considerations, however, outweigh these demographic forces.

RECENT TRENDS IN HOME OWNERSHIP AND DEMAND

Conditions that had previously bolstered the housing market and promoted homeownership weakened in 2005 and eroded further in 2006. Increasing interest rates and weakening housing prices combined to slow the housing market. New home sales were down 18% from the record 2005 level, and existing home sales were down 8%. Regionally, using housing permits issued as a proxy for new home ownership, Jackson County is a relatively robust housing market in Oregon, issuing between 10,000 and 20,000 building permits over the 1994-2003 period (see Figure 7).

FIGURE 11 - HOUSING PERMITS ISSUED BY COUNTY, 1994-2003 UNITED STATES



Source: Census Bureau, Construction Statistics, Building Permits by County. As cited in The State of The Nation's Housing, 2005, The Joint Center for Housing Studies of Harvard University, p. 9

DEMOGRAPHIC TRENDS IN HOME OWNERSHIP

According to the Joint Center for Housing Studies, immigration will play a key role in accelerating household growth over the next 10 years. Between 2000 and 2005, immigrants contributed to over 40% of net household formations. Minorities will account for 68% of the 14.6 million projected growth in households for the 2005 to 2015 period. Immigrants now comprise a growing share of young adults and children in the United States. Twenty percent of Americans ages 25-34 are foreign born, and an additional 9% are second generation Americans. Members of this generation will probably earn more than their parents, becoming an even greater source of housing demand in the coming decades.

The Joint Center for Housing Studies suggests that an aging population, and of baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years. A recent survey of baby boomers showed that more than a quarter plan to relocate into larger homes and 5% plan to move to smaller homes. Second home demand among upper-income homebuyers of all ages also continues to grow. Households aged 50 to 69 are expected to account for the purchase of nearly half a million second homes between 2005 and 2015.

People prefer to remain in their community as they age.[31] The challenges that seniors face in continuing to live in their community as they age include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[32] Not all of these issues can be addressed through housing or land-use policies. Communities can address some of these issues through adopting policies that:

- Diversify housing stock to allow development of smaller, comparatively easily maintained houses in single-family zones, such as single story townhouses, condominiums, and apartments.

- Allow commercial uses in residential zones, such as neighborhood markets.

[31] 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.

[32] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

- Allow a mixture of housing densities and structure types in single-family zones, such as single-family detached, single-family attached, condominiums, and apartments.

- Promote the development of group housing for seniors that are unable or choose not to continue living in a private house. These facilities could include retirement communities for active seniors, assisted living facilities, or nursing homes.

- Design public facilities so that they can be used by seniors with limited mobility. For example, design and maintain sidewalks so that they can be used by people in wheel chairs or using walkers.

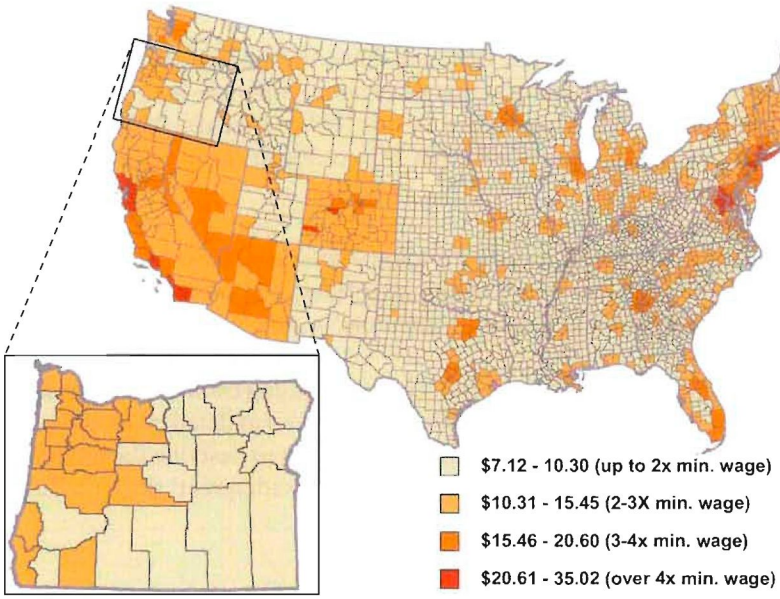
HOME RENTAL TRENDS

Nationally, the rental market continues to experience growth, adding 1.2 million rental households from 2004 to 2006. Demand strengthened in every region except the Northeast. Vacancy rates in the West continue to decline, leading to strong increases in rental rates. Over the longer term, the Joint Center for Housing studies expects rental housing demand to grow by 1.8 million households over the next decade. Minorities will be responsible for nearly all of this increased demand. The minority share of renter households grew from 37% in 1995 to 43% in 2005. The minority share is forecast to exceed 50% of renter households in 2015. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because echo boomers will reach their mid-20s after 2010. Meanwhile growth among those between the ages of 45 and 64 will lift demand for higher-end rentals. Given current trends in home prices and interest rates, conditions will become increasingly favorable for rental markets in the coming years.

Despite only modest increases in rents in recent years, growing shares of low- and moderate-wage workers, as well as seniors with fixed incomes, can no longer afford to rent even a modest two-bedroom apartment anywhere in the country. In 2006, one in three American households spent more than 30% of income on housing, and more than one in seven spent upwards of 50%. The national trend towards increased rent to income ratios is mirrored regionally in that a salary of two to three times the Federal minimum wage is needed to afford rents in Jackson County (see Figure 8).

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude the 2.5 million households that live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work. Among households in the lowest expenditure quartile, those living in affordable housing spend an average of $100 more on transportation per month than those who are severely housing cost-burdened. With total average monthly outlays of only $1,000, these extra travel costs amount to 10 percent of the entire household budget.

FIGURE 12 - HOURLY WAGES NEEDED TO AFFORD RENT BY COUNTY, 2004 UNITED STATES



Source: HUD's Fair Market Rents for 2004, based on methodology developed by the National Low Income Housing Coalition. As cited in The State of The Nation's Housing, 2005, The Joint Center for Housing Studies of Harvard University, p. 4

Notes: Federal minimum wage in 2004 was $5.15 per hour. Hourly wage needed to afford the Fair Market Rent on a modest 2-bedroom unit assumes paying 30% of income on housing and working 40 hours a week for 52 weeks a year.

TRENDS IN HOUSING AFFORDABILITY

The Joint Center for Housing Studies concluded, "Affordability problems remain the nation's fastest growing and most pervasive housing challenge." Higher short-term interest rates made it more difficult for first-time buyers to break into the market. Sub-prime loans may help many low-income buyers access credit, but their special terms and higher rates put some of the buyers at risk of foreclosure. The concentration of sub-prime loans in low-income minority neighborhoods puts some of these communities at risk of widespread foreclosure.

With low-wage jobs increasing and wages for those jobs stagnating, affordability problems will persist even as strong fundamentals lift the trajectory of residential investment. The number of severely cost-burdened households increased by 3.2 million households between 2001 to 2005, to a total of 17 million households in 2005. One in seven households is severely housing cost burdened, and 78% of severely housing cost burdened households are in the bottom quartile of income distribution. The Joint Center for Housing Studies points to widening income disparities and decreasing federal assistance as two factors exacerbating the lack of affordable housing. While the Harvard report presents a relatively optimistic outlook for housing markets and for homeownership, it points to the significant difficulties low- and moderate-income households face in finding affordable housing, and preserving the affordable units that do exist.

TRENDS IN HOUSING CHARACTERISTICS

The U.S Bureau of Census Characteristics of New Housing Report presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several trends in the characteristics of housing are evident from the New Housing Report:

- Larger single-family units on smaller lots. Between 1994 and 2006 the median size of new single-family dwellings increased 18%, from 1900 sq. ft. to 2,248 sq. ft. nationally and 24% in the western region from 1810 sq. ft. to 2,275 sq. ft. Moreover, the percentage of units under 1,200 sq. ft. nationally decreased from 5% in 1999 to 4% in 2006. The percentage of units greater than 3,000 sq.

ft. increased from 16% in 1999 to 24% of new one-family homes sold in 2006. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1994 and 2006 the percentage of lots under 7,000 sq. ft. increased by 6% from 29% of lots to 35% of lots. A corresponding 5% decrease in lots over 11,000 sq. ft. is seen.

- Larger multifamily units. Between 1994 and 2006, the median size of new multiple family dwelling units increased. The percentage of multifamily units with more than 1,200 sq. ft. increased from 11% to 43% in the western region and from 11% to 47% nationally. Moreover, the percentage of units with less than 600 sq. ft. decreased from 6% to 2% in the western region and from 4% to 1% nationally.

- More household amenities. Between 1994 and 2006 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multiple family units.

A clear linkage exists between demographic characteristics and housing choice. This is more typically referred to as the linkage between life-cycle and housing choice and is documented in detail in several publications. Analysis of data from the Public Use Micro-sample (PUMS) in the 2000 Census to describe the relationship between selected demographic characteristics and housing choice. Key relationships identified through this data include:

- Homeownership rates increase as income increases;

- Homeownership rates increase as age increases;

- Choice of single-family detached housing types increases as income increases;

- Renters are much more likely to choose multiple family housing types than single-family; and

- Income is a stronger determinate of tenure and housing type choice for all age categories.

SUMMARY OF NATIONAL, STATE, AND REGIONAL TRENDS

The following section provides a summary of national, state, and regional housing trends.

1. Housing development will continue, especially in suburban areas. The Joint Center for Housing Studies indicates that demand for new homes could total as many as 14.6 million units nationally between 2005 and 2015. The vast majority of these homes will be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from central business districts (CBDs) for more than a century: the number of the country's largest metropolitan areas with more than half of their households living at least 10 miles from the CBD has more than tripled from 13 in 1970 to 46 in 2000; in six metropolitan areas more than a fifth of households live at least 30 miles out. While people older than 45 years are generally continuing to move away from CBDs, younger people have begun to move nearer to CBDs.
2. Immigration will continue to impact demand for housing. The Joint Center for Housing Studies suggests that immigration will play a key role in accelerating household growth over the next 10 years. Between 2000 and 2005, immigrants contributed to over 40% of net household formations. Minorities will account for 68% of the 14.6 million projected growth in households for the 2005 to 2015 period. The children of immigrants who arrived in the 1980s and 1990s now account for 21 percent of children between the ages of 1 and 10, and 15 percent of those between the ages of 11 and 20. Members of this generation will probably earn more than their parents becoming an even greater source of housing demand in the coming decades.

3. The lack of affordable housing will continue to be a problem for low-income households. According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work.

4. Demand for affordable higher density housing will increase. The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

5. Nationally, the market for rental housing will increase in the near-term. Minorities will be responsible for nearly all of this increased demand. The minority share of renter households grew from 37% in 1995 to 43% in 2005. The minority share is forecast to exceed 50% of renter households in 2015. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because echo boomers will reach their mid-20s after 2010. Meanwhile growth among those between the ages of 45 and 64 will lift demand for higher-end rentals.

6. Larger single-family units on smaller lots. Between 1995 and 2006 the median size of new single-family dwellings increased 17%, from 1920 sq. ft. to 2248 sq. ft. nationally and 24% in the western region from 1835 sq. ft. to 2275 sq. ft. Moreover, the percentage of units under 1,200 sq. ft. nationally decreased from 10% in 1995 to 4% in 2006. The percentage of units greater than 3,000 sq. ft. increased from 13% in 1995 to 24% of new one-family homes sold in 2006. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1995 and 2006 the median lot size of new single-family dwellings decreased 9% from 9,508 sq. ft. to 8,621 sq. ft. nationally and 4% in the western region from 7,000 sq. ft. to 6,697 sq. ft.

7. Multifamily units are increasing in size. Between 1994 and 2006, the median size of new multiple family dwelling units increased. The percentage of multifamily units with more than 1,200 sq. ft. increased from 11% to 43% in the western region and from 11% to 47% nationally. Moreover, the percentage of units with less than 600 sq. ft. decreased from 6% to 2% in the western region and from 4% to 1% nationally.

8. Houses are being built with more amenities. Between 1995 and 2006 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multiple family units.

IMPLICATIONS OF NATIONAL HOUSING TRENDS

National housing and demographic trends will affect demand for housing in Medford as a result of local and statewide demographic and economic trends.

- **Demand for housing will increase with population growth.** As population increases nationally, as well as locally, population growth will drive demand for housing. Medford's population nearly doubled during the 1980 to 2006 period. Over the 2009-2029 period, Medford's population is expected to increase by nearly 50%—more than 36,500 residents. Historically, in-migration has accounted for nearly 90% of Jackson County's growth, a trend that is expected to continue.

- **Housing needs will change with the aging population.** Like the nation, Medford has an aging population. Between 1990 to 2006, the number of people age 45 to 64 in Medford doubled. People in this age group have grown faster in Medford than the county or state averages. The results of this demographic shift for Medford are likely to be similar to national housing trends for this age group: in the immediate future this group is not downsizing but as more baby boomers reach retirement age (beginning after 2010) they are likely to begin down sizing to smaller houses or multifamily units. It may take a number of years to see the effects of the downsizing of the baby boomers. As the baby boomers age further, demand will increase for active retirement facilities, assisted living facilities, and nursing homes.

- **Growth in minority population is likely to support demand for rental units.** Demand for rental units in Medford is likely to remain strong as a result of increased ethnic diversity in Medford. Nationally, minorities are expected to account for most of the increase in rental demand and account for more than half of renters by 2015. Hispanic people are the fastest growing minority nationally, as well as in Oregon and Jackson County. Hispanic population increased from 4% of Oregon's population in 1990 to 10% in 2006. Jackson County experienced an increase in Hispanic population from 4% in 1990 to 8% in 2006. Between 1990 and 2000, Hispanic population grew from 5.1% to 9.4% of Medford's population. Although information about the number of Hispanic people living in Medford was not available for 2006, it is reasonable to assume that the Hispanic population has continued to grow. However, Hispanic households tend to be larger than average and they seek home ownership at younger ages so this trend may run counter to typical trends in terms of housing type.

- **Demand for multifamily housing types is likely to remain strong.** Changes in demographics, including the aging of the baby boomers and growth in Hispanic population, as well as housing affordability issues, are likely to result in increased demand for multifamily housing types in Medford. Demand from the baby boomers is likely to be for high-end, high-amenity, large multifamily units. Some middle-income households, especially young households, may have demand for multifamily units for ownership, such as single-family attached units as starter houses.

- **Demand for large single-family detached units on small lots is likely to continue**. The national and state trends in housing have been for larger single-family detached units on smaller lots. High homeownership costs in Medford and the surrounding region are likely to result in continued demand for large single-family detached units on smaller lots in Medford.

APPENDIX B: HOUSING NEED PROJECTION UNDER DEVELOPMENT TRENDS OBSERVED SINCE THE LAST PERIODIC REVIEW

FORECAST OF HOUSING NEED BY TYPE AND DENSITY

The forecast contained in this appendix meets the requirement of ORS 197.296 that cities determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years based upon trends since the last periodic review. The analysis in this Appendix presents the results of such needs if the City did not make the policy choices and assumptions about changes to density in the future made in the element above.

- The average density of all housing types between 1996 and 2009 was 6.8 dwellings per net residential acre. Low-density residential (UR) averaged 5.3 dwellings per net acre, there was no development in the medium-density designation (UM), and high-density residential (UH) averaged 16.9 dwellings per net acre.
- For manufactured dwellings in parks, the needed density for the 2009-2029 period forecasts a slight increase of historical densities reflecting a density of 6.2 units per acre based upon the analysis.

If the City assumed the future will be exactly like trends ince the last periodic review the following net densities by housing type for the 2009-2029 period would be projected:[33]

TABLE 44 - NEEDED NET DENSITY BY HOUSING TYPE, 2009-2029 CITY OF MEDFORD

Housing Type	Actual Net Density (1996-2009)	Future Density (DU/Net Acre)	Effective Avg. Lot Size (SF)
Single-family types			
Single-family detached	5.0	5.0	8,766
Manufactured in parks	6.0	6.2	7,026
Single-family attached	9.9	9.9	4,391
Multi-family			
Duplex	11.2	11.2	3,878
Multi-Unit	19.0	19.0	2,293

Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.

The forecast shows land need in net acres. Net acres is the amount of land needed for housing, not including public infrastructure (e.g., roads). Gross acres is the estimated amount of land needed for housing inclusive of public infrastructure.[34] The net to gross factor allows for conversion between net acres to gross acres. The net to gross factor is highest (23%) for single-family detached dwellings, decreasing to 10% for multi-unit projects. The

[33] The City's 1995 housing needs analysis uses *gross* densities. Consistent with guidance provided in the DLCD *Workbook*, ORS 197.296, and OAR 660-024, this analysis uses *net* densities.

[34] According to Medford's *Land Development Code*, gross acres include land to the center line of any abutting right-of-way. Gross acres exclude: reserve acreage, natural unbuildable areas, future right of way dedication, resource protection areas, common open space, and other dedication areas.

reason for using different net to gross factors for different housing types is that infrastructure for single-family detached dwellings will require more land than infrastructure for multifamily dwellings.

ORS 197.296(7) requires a comparison of actual density and mix (in this instance, the density and mix observed between 1996 and 2009) and needed density and mix. The below Table 36 reports the actual achieved net to gross factors for sample projects constructed from 1996 to 2009. The sample projects represent approximately 28% of all total units constructed during the analysis period. Table 36 shows that the assumptions used in the analysis for future development patterns utilize a net-to-gross factor that is slightly higher for multi-family projects than those analyzed in the sample. This is reasonably appropriate because the sample projects tend to be larger multi-family projects where more efficiency can be realized than smaller in-fill projects. The single family net-to-gross factors utilized in the analysis are somewhat lower than the observed factors in the sample analysis. Again this is reasonable because, the sample is weighted toward the larger projects. Many of these projects have utilized neotraditional development patterns supported by Oregon Statewide Planning Goal 12 resulting in a tightly gridded street pattern which causes high ratios of streets to dwellings. Some of the future units will be infill projects that will tend to utilize existing infrastructure.

TABLE 45 - REDEVELOPMENT ASSUMPTIONS AND LAND BY LOT SIZE AND PLAN DESIGNATION, 2009-2029 CITY OF MEDFORD

GLUP	Zone	Housing Type	Number of Sample Projects	Average Measured Net to Gross Factor	Analysis Assumption	Measured - Analysis Difference
UH	MFR-30	Multi-Unit	1	***9.2%***	10.0%	***-0.8%***
UH	MFR-20	Multi-Unit	1	***8.4%***	10.0%	***-1.6%***
UR	SFR-10	Single family	8	***23.0%***	23.0%	***0.0%***
UR	SFR-6	Single family	8	***28.0%***	23.0%	***5.0%***
UR	SFR-4	Single family	9	***25.9%***	23.0%	***2.9%***
UR	SFR-2	Single family	1	***23.9%***	23.0%	***0.9%***

A comparison of data in Table 37 to data in Table 14 shows that the projections in this analysis rely on the actual density of 6.8 dwelling units per net acre achieved from 1996-2009.

TABLE 46 - FORECAST OF NEEDED HOUSING UNITS BY TYPE AND DENSITY, 2009-2029
CITY OF MEDFORD

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Assumption
Single-family types					
Single-family detached	9,034	60%	5.0	1,818	23%
Manufactured in parks	395	3%	6.2	64	15%
Single-family attached	384	3%	9.9	39	12%
Subtotal	9,813	65%	5.1	1,920	
Multi-family					
Duplex	651	4%	11.2	58	12%
Multi-Unit	4,586	30%	19.0	241	10%
Subtotal	5,237	35%	17.5	299	
Total	***15,050***	***100%***	***6.8***	***2,220***	

Note: Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.
A sample of net to gross factors for projects developed since 1996 showed that single-family detached housing (all plan designations) averaged about 25% net to gross (including only streets).

The final step in the housing needs under a baseline scenario assuming future trends are substantially the same as delivered housing trends since the last periodic review is to allocate housing needs by plan designation to determine the number of needed housing units and gross acres required to meet identified housing needs for the 20-year period. Table 38 provides an allocation of housing units by Medford's three residential plan designations. The acreages are based on the net density assumptions and net-to-gross factors shown in Table 37. Based on Table 38, the needed density by plan designations are:[35]

- UR – 5.0 DU/Net Acre; 4.1 DU/Gross Acre
- UM – 12.9 DU/Net Acre; 10.6 DU/Gross Acre
- UH – 17.9 DU/Net Acre; 15.2 DU/Gross Acre
- C – 21.7 DU/Net Acre; 18.4 DU/Gross Acre

This analysis assumes the following allocations of housing by plan designation and type:

- The needed housing mix is generally consistent with housing delivered since 1996. 60% will be single-family detached. 2.6% will be single family attached and manufactured in parks. It is expected that 4.3% will be duplexes and 30.5% will be multi-unit multifamily. This mix meets needed housing types by price range as shown in Table 33. Consistent with Table 37 and the findings above, the overall needed density is 5.4 dwellings per gross acre.
- Sixty-seven percent of needed dwelling units will locate in the Urban Residential designation, which allows single-family detached, manufactured (detached and in manufactured home parks), row houses, and duplexes at up to 10 units per gross acre. Row houses, duplexes, and townhomes are allowed in the SFR-10 zone.

[35] The densities by plan designation identified above are for buildable acres. As discussed previously in the document, the City's development code requires lower density zoning be applied to land on steep slopes.

- Seven percent of needed dwellings will locate in the Urban Medium Residential designation, which allows single-family attached, row houses, duplexes, and multifamily dwellings at 10 to 15 units per gross acre.
- Twenty-two percent of needed dwelling units will locate in the Urban High Density Residential designation, which allows row houses, duplexes, and multifamily dwellings at 15 to 30 units per gross acre.
- Five percent of new dwellings will locate in Commercial plan designations. All of these units will be multifamily dwellings at 20 to 30 units per gross acre.
- Manufactured dwellings on lots are allowed in all zones that allow single-family housing.
- Manufactured dwellings in parks are allowed in the Urban Residential designation.

TABLE 47 - ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION, 2009-2029 CITY OF MEDFORD

	Plan Designation									
	Urban Residential		Urban Medium Density Residential		Urban High Density Residential		Commercial		Total	
Housing Type	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family										
Single-family detached	8,828	2,307	75	20	74	19	57	0	9,034	2,346
Manufactured in parks	384	73	0	0	9	2	2	0	395	75
Single-family attached	148	17	113	13	123	14	0	0	384	44
Subtotal	9,360	2,397	188	33	206	35	59	0	9,813	2,465
Multi-family										
Duplex	278	28	338	34	22	2	13	1	651	65
Multi-Unit	398	23	467	27	3,101	181	620	36	4,586	232
Subtotal	676	51	805	62	3,123	184	633	38	5,237	334
Total	***10,036***	***2,448***	***993***	***94***	***3,329***	***219***	***692***	***38***	***15,050***	***2,799***
Percent of Acres and Units										
Single-family										
Single-family detached	58.7%	82.4%	0.5%	0.7%	0.5%	0.7%	0.4%	0.0%	60.0%	83.8%
Manufactured in parks	2.6%	2.6%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	2.6%	2.7%
Single-family attached	1.0%	0.6%	0.8%	0.5%	0.8%	0.5%	0.0%	0.0%	2.6%	1.6%
Subtotal	62.2%	85.6%	1.2%	1.2%	1.4%	1.3%	0.4%	0.0%	65.2%	88.1%
Multi-family										
Duplex	1.8%	1.0%	2.2%	1.2%	0.1%	0.1%	0.1%	0.0%	4.3%	2.3%
Multi-Unit	2.6%	0.8%	3.1%	1.0%	20.6%	6.5%	4.1%	1.3%	30.5%	8.3%
Subtotal	4.5%	1.8%	5.3%	2.2%	20.8%	6.6%	4.2%	1.3%	34.8%	11.9%
Total	***67%***	***87%***	***7%***	***3%***	***22%***	***8%***	***5%***	***1%***	***100%***	***100%***

Note: Historic density data by housing type is not available for the UM designation because none has yet been constructed. As a result, Table 38 uses average densities by plan designation and housing type to determine needed acres.

PROJECTION OF RESIDENTIAL LAND NEEDED UNDER PAST TRENDS: 2009 TO 2029

This section has presented the supply of buildable residential land (Table 30) and dwelling units needed by housing type and plan designation (Table 38). The estimate of residential land need is based on a comparison of the supply of buildable residential land with the need for residential land. Table 39 presents land need for residential development for the 2009-2029 period. The results of Table 39 show the following range of residential land needs if the City had chosen to assume future development trends will precisely mirror trends since the last periodic review:

- **Deficit in UR.** Medford has a deficit of buildable land in the Urban Residential (UR) designation of about 545 gross acres.
- **Deficit in UH.** Medford has a deficit of buildable land in the Urban High Density Residential (UH) designation of about 59 gross acres.
- **Deficit in UM.** Medford has a deficit of buildable land in the Urban Medium Density Residential (UM) designation of about 47 gross acres.
- **Housing in Commercial Designations.** Medford will experience about 691 units constructed in commercial designations, but this is treated as exogenous supply that can be comingled in mixed use projects and Planned Unit Developments within the commercial land base.

TABLE 48 - LAND NEEDED FOR NEW DWELLING UNITS, BUILDABLE ACRES, 2009-2029
CITY OF MEDFORD UGB

Plan Designation	DU Capacity	DU needed	Surplus/ (deficit)	Needed Density (DU/Net Ac)	Net Acres	Needed Density (Gross)	Needed Gross Buildable Acres
UH	2,435	3,329	(894)	17.9	50	15.2	59
UM	495	993	(498)	12.9	39	10.6	47
UR	7,803	10,036	(2,233)	5.0	447	4.1	545
Commercial (CC/CN)	691	692	(1)				
Total	***11,424***	***15,050***	***-3,626***		***535***		***651***

Note: The land need identified in Table 39 is for net buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.

From: John Renz [John.Renz@state.or.us]
Sent: Wednesday, June 04, 2008 11:01 AM
To: Daniel R. Moore
Cc: Gloria Gardiner; Rob Hallyburton; Darren Nichols; Richard Whitman
Subject: Brief Summary of DLCD's concerns with Medford's HousingElement
Dan:

We have completed a review of the city's draft Housing Element and are prepared to make detailed comments, however it is not likely we will be able to get them out by your June 9 work session with the Planning Commission. So I thought put some of our major concerns in this e-mail.

1. The document does a very good job of documenting a severe housing affordability problem and has many policies that are meant to address this problem. These policies are not new, but carrry overs from the previous Housing Element. However, very few of the policies have been implemented. This makes us concerned about whether the city has the political will to actually do something about this issue as required by GoaL 10.

2. We do not think that the assumption that the 68/32 historical housing will be the appropriate housing mix for the next 20 years is a valid assumption. We do not see the peroid from 2000 to 2007 as typical. Rather this period is an anomaly in housing trends that has exacerbated the affordability issue, lead to a national housing crisis and possibly a ressession. To assume this historical trend will continue simply does not make sense. We would like to review the original trending information developed by ECONorthwest. A housing need analysis is not supposed to address the economic needs of the housing development industry or chamber of commerce, but the real housing needs of the city's citizens.

3. An average residential density of 5.2 dwelling units per gross acre does not comply with the city's density committments in the regional plan. In the plan the city has committed to a density of 6.5 to 7.87 dwelling units per gross acre for all future UGB expansions. Even this committment is likely low given future peak oil impacts on transportation. 5.2 du/ac is also lower that the city's present average density of 5.5 du/ac.

4. As presently drafted we do not believe the Housing Element complies with Goal 10 because it does not address the city's well documented and real housing needs.

5. It is our understanding that the city intends to proceed with adoption of the housing element and other studies as PAPAs instead of complying with the court's direction in the McMinville case (see our May 1 letter to the city on this). Grants Pass has just tried this (on the advice of the same consultant) with the result that DLCD returned thier product as an incomplete task under periodic review. Should the city proceed in defiance of the case law their product will simply be remanded by the director and not acknowledged. Any appeal of that action would first be to LCDC and then to the court of appeals. These matters do not go to LUBA. I encourage the city not to proceed in defiance of the case law.

CITY OF MEDFORD
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File # CP-08-055

Oregon
Theodore R. Kulongoski, Governor

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July 18, 2008

Mayor Gary Wheeler and
Medford City Council
411 West 8th Street
Medford, Oregon 97501

Subject: Comments on Medford's draft Housing Element

Dear Mayor Wheeler and City Councilors:

After meeting with city management and with the Mayor and Council President on July 1, 2008, and after meeting with city planning staff on July 9, 2008, the Department of Land Conservation and Development has chosen to address the city's urban growth boundary (UGB) review and draft Housing Element in three letters.

One letter will address the city's planning staff with detailed comments and questions regarding the draft Housing Element; this letter addresses the department's general comments regarding the draft Housing Element; and a third letter will address the UGB review process and its relation to the Bear Creek Valley regional planning project.

The Draft Housing Element

The following comments are intended to highlight areas of the proposal that we believe can be improved in order to better plan for the housing needs of the city and to assist the city in preparing a comprehensive plan amendment that complies with relevant statutes and administrative rules.

1. The draft does a good job of documenting Medford's severe housing affordability problem (*e.g.*, 47 percent of the city's residents are cost burdened for housing), and includes policies that are intended to address the problem. These policies are carried over from the previous Housing Element, but few of them appear to be fully or successfully implemented.

At our July 1 meeting, Jim Kuntz indicated that the city has a number of programs to address affordable housing. These programs should be documented in the Housing Element so that the city's efforts to address the problem are apparent. In addition to existing non-regulatory programs, the city can and should use its land use plan as a tool

CITY OF MEDFORD
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to respond to the problem. This is customarily accomplished by amending the comprehensive plan and implementing ordinances in order to shift the future housing mix to meet the housing needs of the community. Strategies would likely include more multi-family development; allow increased opportunities for infill development; and, in general, accommodate more housing units per acre. The draft Housing Element, however, provides few opportunities to manage housing affordability through land use changes.

2. We suggest that the council more fully consider whether the historical housing mix of 68 percent single-family and 32 percent multi-family is the most appropriate ratio to address Medford's evolving needs over the next 20 years. The period from 2000 to 2007, on which the proposed mix is based, does not reflect a typical trend. This period is an anomaly in housing trends and one that exacerbates the affordability issue. Based on projected demographic trends, increased costs of living, and rising fuel prices future housing needs are likely to be significantly different. The narrative portion of the draft Housing Element did a sound job of outlining these shifts; the policy portions of the plan should accurately reflect them as well.

The RPS regional plan anticipates a region-wide housing mix of 65/35 (single family/multi-family), including several smaller communities that are not reasonably expected to experience the same demand for multi-family development as the region's job center. The consultant's original recommendation of a 60/40 mix is more responsive to Medford's documented housing needs than the current 68/32 proposal, although even more appropriate, in our opinion, is a 55/45 mix. As the regional center in Southern Oregon, it is only natural to look to Medford as the leader in addressing housing affordability issues for the future.

3. An average residential density of 5.2 dwelling units per gross acre is lower than the city's commitment in the RPS regional planning project of 6.5 to 7.87 dwelling units per gross acre for all future UGB expansions. Even this committed range is likely to be low in the coming decades, given expected impacts on transportation preferences caused by rising fuel prices and continual increases in the cost of living.

4. Two global trends are expected to have an overwhelming impact on our cities now and into the future: peak oil and climate change. While it is too early to know the full effects of these trends, it is not too early for Oregon's cities to begin considering how their land use patterns will be affected, and to plan for these future demands. The state has already adopted targets for reduction of greenhouse gas emissions, and recognized transit-, pedestrian-, and bicycle-friendly development as a vital step in a viable strategy to meet emission targets.

For public transportation to work well, most cities must significantly increase the efficiency of residential land development in key locations[1] and encourage mixed-use development wherever feasible. More efficient development is also cost-effective for developers and for the city because it requires far less infrastructure investment per

[1] National literature indicates that at least 10 housing units per acre are needed along transit routes to provide adequate ridership to support a service interval that is attractive to prospective riders.

dwelling. We recognize that Medford is already committed to transit-oriented development in some locations; planning for more development and redevelopment in these areas is necessary for an effective response to peak oil and climate change.

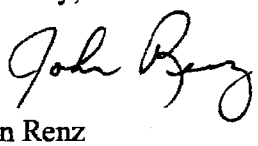
5. A significant portion of the Housing Element is devoted to describing a special need for "active adult retirement communities." The department has advised the city that we believe that housing for retired and elderly people falls within the typical needs for urban single-family and multi-family housing types. In other words, it is not necessary to define a separate type of housing to meet these needs in the community. Nonetheless, while we discourage the definition of housing for retired and elderly as a separate housing type in the draft, we encourage you to use your projection of higher retirement populations to strengthen a greater commitment to more multi-family housing in general.

Conclusion

Department staff believes that the draft Housing Element needs further refinement because it does not adequately address the city's well-documented housing needs now or into the future. We recommend that the city revise the draft Housing Element along the lines suggested in this letter.

Thanks again for this opportunity to offer guidance and please let me know how the department can assist the City of Medford with its continuing efforts to plan for the future of the community.

Sincerely,



John Renz
Southern Oregon Regional Representative

cc: Bill Hoke
Susan Lee, Jackson County Planning Director
Jackson County Board of Commissioners
Gloria Gardiner, Darren Nichols, Rob Hallyburton and Richard Whitman - DLCD

Oregon
Theodore R. Kulongoski, Governor

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July 23, 2008

Bill Hoke
Interim Planning Director
200 S. Ivy Street
Medford, Oregon 97501

Subject: **Detailed Comments on Medford's 4-24-08 Draft Housing Element**

Dear Mr. Hoke:

The Department of land Conservation and Development (DLCD) appreciates this opportunity to comment on the proposed draft Housing Element early in the process prior to 45 day notice. The comments below were prepared by DLCD's Southern Oregon Regional Representative and the department's Urban Specialist. Comments on the document that are more of a policy nature are being sent to the City Council in a separate letter. These comments are addressed to you rather than the City Council following the advice of the city's planning staff. We hope you will find them useful when completing the city's revised Housing Element.

1. The submittal appears to not comply with the McMinnville decision by trying to acknowledge the Housing Element piece before the entire ORS 197.296 analysis is completed.

2. Table S-1, p. 2
   a. The needed densities for the next 20 years for the UH (16.9 net/14.4 gross) and UM (14.9 net/12.1 gross) zones are too similar, and both are within a medium density range.
   b. The needed densities for the next 20 years for UR (5.0 net/4.1 gross) should be higher for a fast-growing city of Medford's size.

3. Figure 4, p. 17 & Table 20, p. 24: Trend in residential permits is down after 2003, and housing sales declined after 2004, and housing prices declined after 2006. How is this taken into account in the residential land need analysis for the period 2008-2028?

4. Planned & built housing densities, Table 14, p. 18: It is good that the city has both minimum and maximum residential densities, however …

CITY OF MEDFORD
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a. Because the UR range of 2-10 du/net acre is producing an average of only 4.8, the city should increase efficiency in the UR zone by increasing the minimum density for the UR zone or some other measure.
b. Because the UH range of 15-30 du/net acre is producing an average of only 15.1, the bottom of the range, the city should take measures to significantly increase this average.
c. Why is there no data for UM?
d. The above-recommended measures should increase the future average residential density above the historical 6.2 du/net acre. (See 1.b.)

5. Table 16, p. 19: Why is the density for single-family attached so much greater in UH (15.3) than in UR (6.3)? Are they not the same housing type?

6. Infill and redevelopment, Table 27 & 28, p. 29-31: What is the basis for assuming the stated percentages of qualifying parcels that will infill or redevelop during the planning period?

7. Vacant land (which includes portions of developed lots available for infill), p. 29: If the minimum size is 1 acre or more, and you subtract .25 acre for a house, then the remainder will always be at least .75 acre, not .25 acre as in the text. Is this an inadvertent error?

8. Buildable land on slopes, p. 29: If it's true that almost 1/3 of buildable land has slopes 15-25 percent, then the city should make up its density in flatter areas and with infill and redevelopment.

9. ADUs, p. 32: The analysis is internally inconsistent. If "demographic changes are likely to drive demand for ADUs," and the demand for ADUs ***increases***, why would you assume that the future number of ADUs developed would ***remain constant*** at the historic rate of 12 units/year?

10. Table 29, p. 33: "The density assumptions are based on the allowable range of densities in Medford's policies." Because that range, for SFR zones, is low (0.8 – 10 du/***gross*** acre), and development has been at the low end, the city needs to take additional measures to increase the efficiency of residential development within the existing UGB and complete the ORS 197.296 analysis. The city should not ask the department to acknowledge the capacity of the existing UGB at existing planned and built densities (see #1).

11. Table 30, p. 34: How did you determine that the capacity of housing units in commercial zones is 7 percent?

12. Land developed since January 2007, p. 34: Can't the city get this info from building permits?

13. Table 31, p; 35: Are the densities here gross or net acres?

14. Needed mix, p. 35: "The housing needs analysis assumes that future development will continue to respond to market pressures, resulting in a continuation of the historic housing split." The city uses the historic housing mix of 68 SF/32 MF for the next 20 years, even though the cited facts about demographic trends and housing needs indicate that this mix should change and the city should take measures that will effect this change. The city also incorrectly assumes that the market is the sole factor, and that government policy has no effect.

15. Future in-migration, p. 36: What is the basis for assuming that "many" will be wealthy retirees likely to buy a single-family detached home? What number or percentage is "many"?

16. Assumptions pp. 38-40:
    a. We do not see substantial evidence that "households that move to Medford in the future will have characteristics similar to this [sic] that moved to Medford in the recent past (since 1996)."
    b. The 5th, 6th & 9th bulleted items suggest that the market has not been responsive to local housing needs, especially "The City has provided the opportunity for development of more dense, affordable housing than occurred over the 1996-2006 period. Despite increases in home value (and corresponding decreases in housing affordability), the market continued producing [the historical mix]." And the city goes even farther to conclude, without substantial evidence that "the housing needs analysis assumes that future development will continue to respond to market pressures, resulting in a continuation of then historic housing split." Again, the city inappropriately assumes that public policy can and will have no impact on what is built.
    c. The assumptions focus on wealthy retired or semi-retired in-migrants but does not address the less-affluent people who are needed to provide goods and services for them and should be able to find affordable housing in Medford. The city needs to address the needs of its citizens as a higher priority than those alleged needs of in-migrants.
    d. Using the same, we believe, unsound justification as for housing mix, the city decides on future needed densities (*e.g.*, average 6.3 net / 4.1 gross) that are the same as the historical densities (average 6.2 net) – which means Medford would overproduce single-family detached and under-produce other housing types.
    e. It is legitimate to calculate densities on steep slopes that are lower than on flatter areas, because this is in the city's code; however, the city appears to use this as an excuse to maintain a low average density in the city for the next 20 years, instead of seeing what measures it can take to increase density is areas unaffected by steep slopes.
    f. The city observes that there was no MDR development for 1996-2006 but does not discuss why and does not propose to do something about it.

17. Table 36, p. 41: Why does the net to gross factor percentage vary for different housing types? We have not seen that before.

18. Table 38, p. 43: The city projects a needed density for HDR that is barely higher than the needed density for MDR. This suggests a problem with the city's planned densities.

19. Manufactured home parks, pp. 47-48: The analysis mentions that parks close, but doesn't address the increasingly common trend toward conversion, which leaves people without affordable housing.

20. Housing needs of seniors, pp. 48-52:Other recent residential land needs analyses, including by the same consulting firm, have assumed a continuing trend of seniors downsizing. Here, Medford uses the following mixed evidence, none of it related to Oregon or the Medford area, to conclude that Medford will need to provide large single-family detached homes for its future senior population:
    a. "Older generations have historically down-sized their homes after retirement, selecting smaller, more affordable housing units."
    b. Anecdotal evidence suggests that baby boomers ***may*** desire ***larger*** homes." (emphasis added)
    c. A Pulte Homes' survey found that "13% of baby boomers who planned on moving during retirement were interested in upsizing their home." The other 87% wanted to downsize (44%), keep the same home (30%), or weren't sure (12%).
    d. The value of their residence and their financial assets decrease for households over 64 years of age (Table 42). However, the city prefers to focus on the greater wealth of people in the 55-64 age group.
    e. "The ***implication*** of the data in Table 42 is that retired people or those nearing retirement ***may*** be able to ***afford to purchase*** more expensive dwellings than younger people." (emphasis added)[1]
    f. Two pages (pp. 51-52) are devoted to establishing a future need for "age-qualified active adult communities," which range from 300 to 1,500 units and "typically require a large amount of land (at least 100 acres, but typically larger) because they often include large recreational facilities, such as a golf course." Medford estimates that 10-23% of households 55-74 will *need* AARCs, even though "There is no study that definitively describes the propensity of different households to move into an AARC." A note to Table 43 (p. 52) cites Rogue Valley Manor as a source of data. We know that Rogue Valley Manor has wanted to add a large amount of land to Medford's UGB for expansion through a quasi-judicial application. We are not surprised that the Rogue Manor would reach such self serving conclusions, but we are surprised that the city would just accept their conclusions rather than do their own analysis. It looks like the city is

[1] This speculation is repeated in the Housing Affordability and Income portion of the Conclusions section on p. 57: "32. On average, people in these age groups [60 years and older] have greater wealth than younger people, which increases their ability to purchase higher-priced single-family dwellings."

trying to accommodate them in their legislative UGB evaluation. As we noted in our letter of April 16, 2008 to Gregory Hathaway (copied to Rob Scott) ..."the "need" proposed by your client [Pacific Retirement Services] is a subset of one of the residential land needs that Medford must supply under Goal 10 and related statutes and rules. It is not a separate and distinct housing type and therefore may not be considered separately by the city."

g. In contrast, only 3 short paragraphs on p. 50 mention the need for independent and assisted living facilities and nursing homes, even though the city admits that "as Medford's population ages, the need for these facilities will grow, especially among older seniors."

21. Conclusions, pp. 55-60

a. "Medford is likely to need additional housing for active retirees, such as high-amenity multifamily housing and active retirement communities." There is no mention in this list of Medford's need for other types of housing for seniors.

b. Medford assumes a higher tenure split (owner to renter-occupied) for the future based on (1) the historic rate for the period 1990-2000 (ignoring the intervening period of 2000 to date), and (2) the speculation that "the State forecasts that the fastest growing age group will be people 60 years and older, many of whom are ***likely*** to be wealthy in-migrants ***with the ability to purchase*** homes." (emphasis added)

22. Goals, policies & implementation measures

a. Goal 1, p. 62: Depending on how it is implemented, proposed additional policy 1 ("Protection and maintenance of neighborhood characteristics in existing residential areas shall be utilized as decisional criteria in land use decisions.") could run afoul of the needed housing statutes because it is not clear and objective.

b. Goal 3, Implementation 3-A(2): We are concerned about the language of this one: "Cooperate in the development of a regional strategy which focuses land use policy and public investment to manage growth, including housing density and mix standards and public facility funding policies that meet urban goals." It sounds like the RPS project, where we are advising Jacksonville that Goal 10 can not be implemented on a region-wide basis. Local housing policies should not go beyond OAR 660-008-0030 Regional Coordination, which requires a ***city*** to ***consider*** the region's needs when it allocates housing types and densities, and ***requires*** the ***county*** to ensure that needed housing is provided "on a regional basis through coordinated comprehensive plans."

c. Goal 5

i. Implementation 5-A(1): "Establish a system for reviewing all residential projects for compliance with the Housing Element goals and policies, including achievement of ***maximum*** permitted densities." (emphasis added) Shouldn't it say "minimum" instead of "maximum"?
ii. Implementation 5-C(3): "Investigate methods" does not go far enough. The city should add "and implement these methods in the development code" at the end.
iii. Proposed additional policy #1: Change "should" to "shall": "Residential development should consider and accommodate to the maximum extent possible the future needs of senior citizens."

d. Policy 6-A: Revise to: "The City of Medford shall assure that adequate buildable land for all housing types and **all** price **and rent** ranges is available in the [city] **UGB**..."

Should you have any questions regarding these comments please do not hesitate to contact our me at (541) 858-3189 or by e-mail at john.renz@state.or.us.

Sincerely,

John Renz
Southern Oregon Regional Representative

cc: Medford City Council
Gloria Gardiner, Darren Nichols, and Rob Hallybuirton – DLCD
Susan Lee – Jackson County

Oregon
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July 31, 2008

The Honorable Gary Wheeler and Medford City Council
411 W. 8th Street
Medford, Oregon 97501

Subject: The Process for Urban Growth Boundary Review

Dear Mayor Wheeler and City Councilors:

We offer these comments as assistance to the city in performing its UGB review and assessing its land needs. With this letter we are providing the city with a general description of the goals, rules and statutes regulating UGB expansions.

REQUIREMENTS FOR UGB REVIEW

A UGB amendment is guided by Statewide Planning Goal 14, (Urbanization),[1] which incorporates the requirements of ORS 197.298, Priority of Land to be Included within an Urban Growth Boundary. Generally, the justification for a UGB expansion answers these questions:

1. Is any additional land needed for one or more urban uses, and if so how much?
2. If additional land is needed, how much can be accommodated within the current UGB?
3. If additional land is needed outside the UGB, where is the best place to expand the boundary?
4. What other amendments are needed to comply with the statewide planning goals?

1. Land Need

Goal 14 includes two "Land Need Factors," which state:

> "Establishment and change of urban growth boundaries shall be based on the following:
>
> (1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments; and
>
> (2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2)."

A need must be established under both of these criteria before a UGB can be expanded. The goal goes on to state:

> "In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

[1] Goal 14 was amended on April 28, 2005. These amendments took effect on April 28, 2006. This letter is based on the amended goal.

CITY OF MEDFORD
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Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary."

A. Population Growth

The basis of much of the analysis of a UGB depends upon the population forecast for the city. Land Need Factor 1 requires that need be based on a 20-year population forecast "coordinated with affected local governments." ORS 195.036 requires counties to prepare and maintain population forecasts for all the jurisdictions within their boundaries. For the purposes of Goal 14, Land Need Factor 1, a population forecast must be coordinated with at least the county, and, depending on local circumstances, other cities may also be "affected local governments."[2]

B. Needed Housing

Demonstrating need for residential land to address Land Need Factor 2 is based on an analysis of housing needs for the city. A housing needs analysis is governed by Statewide Planning Goal 10 (Housing), ORS 197.295–197.314 (Needed Housing in Urban Growth Areas), and OAR 660, Division 8 (Interpretation of Goal 10 Housing). ORS 197.296 (Factors to Establish Sufficiency of Buildable Lands within Urban Growth Boundary) includes requirements for addressing residential land need. This statute is mandatory for cities over 25,000, so it applies to Medford The statute provides a specific process and criteria for establishing residential land need.

Statewide Planning Goal 10, applicable statutes, and OAR 660, Division 8, require an analysis of needed housing in the community over the planning period. Goal 10 and ORS 197.303 define "needed housing."[3] The housing needs analysis includes examination of the appropriate housing mix and the number of units of each type of housing needed to accommodate future demand, based on the population forecast, household size, and other demographics.

This analysis is translated into the number of acres of land required to accommodate future residential growth. Anticipated future demographic characteristics that are part of the analysis should be based on reliable data and explained. Projected housing density must be based on the housing needs analysis, because lot size and housing type are such important factors in housing affordability.

It should also be noted that ORS 197.475–197.490 (Siting of Mobile Home and Manufactured Dwelling Parks) applies to all cities. These statutes require Medford to:

(1) Provide for mobile home or manufactured dwelling parks as an allowed use in all areas with residential densities of 6-12 units per acre, in the city's comp plan and in its zoning ordinance (ORS 197.480(1));

(2) Project the city's future need for these parks through the methodology in ORS 197.480(2) - (4);

(3) Not regulate placement of homes in parks by age of unit (ORS 197.485); and

(4) Not allow mobile home parks on commercially or industrially designated land (ORS 197.490).

---

[2] OAR 660, Division 24 and ORS 195.034 (2007) include safe harbors that may be used when there is no coordinated county forecast per ORS 195.036, or the most recent coordinated forecast doesn't cover the full 20-year planning period (see OAR 660-024-0030(3) and (4) and ORS 195.034).

[3] "* * * 'needed housing' means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. * * *" Additional requirements apply to cities larger than 2,500 population.

C. Need for Employment Opportunities

The procedure and criteria for demonstrating a need for industrial and other employment lands are governed by Statewide Planning Goal 9 (Economic Development), ORS 197.712, and OAR 660, Division 9. Division 9 provides guidance and standards for achieving the requirements of Goal 9 and ORS 197.712. The process for assessing the need for industrial and other employment land is called an Economic Opportunities Analysis and is described in Division 9. When conducting an Economic Opportunities Analysis and projecting land needs for the 20-year planning period, cities must estimate the number of sites needed by land type. Land type is based on the site characteristics typical of expected uses for the planning area. As part of the 20-year land supply, cities over 2,500 and within a Metropolitan Planning Organization must have some portion of their inventory ready for development opportunities in the short-term (over the next three to five years).[4]

D. Other Goal 14 Need Considerations

Goal 14 states that only after demonstrating that part or all of the housing, economic development, or other land need cannot reasonably be met within the existing UGB can Medford look at lands outside the UGB to meet its need. ORS 197.296 provides valuable guidance for Medford to determine whether and how it can accommodate needed land for housing within the current UGB. Generally, the city needs to inventory vacant, underdeveloped, and redevelopable land to determine the number of housing units and jobs the existing UGB can "reasonably accommodate." This inquiry should also address whether other changes to the plan, such as increasing allowed density or other efficiency measures, can reduce the number of acres required in a boundary expansion, or eliminate the need for expansion entirely.

2. Boundary Location

A. Requirements

Once a need to add land to the UGB is established, the city must evaluate the available parcels around the existing UGB to select the best location or locations to add land to satisfy the unmet need. The city makes findings on each potential parcel or group of parcels under the four Boundary Location Factors in Goal 14. This section of Goal 14 states:

> "The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors:
>
> 1. Efficient accommodation of identified land needs;
> 2. Orderly and economic provision of public facilities and services;
> 3. Comparative environmental, energy, economic and social consequences; and
> 4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB."

ORS 197.298 establishes the following priorities for including lands in the UGB:

1. First priority is land that is designated urban reserve land (Medford currently has no urban reserves, so this would not apply to its current UGB analysis);
2. Second priority is land adjacent to an urban growth boundary that is identified as an exception area or non-resource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland (there are no non-resource lands adjacent to Medford, but there are exception areas);
3. Third priority is land designated as marginal land pursuant to ORS 197.247 (Jackson County has not designated any marginal lands, so this would not apply to Medford's UGB analysis); and

[4] Note that division 9 was amended by LCDC on December 1, 2005, and the amendments became mandatory on January 1, 2007.

4. Last priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system (for farm lands) or by cubic foot site class (for forest lands), whichever is appropriate for the current use.

If lower priority lands are selected for inclusion in the UGB when higher priority lands are available, the city's findings must justify why higher priority lands were rejected, based on one or more of the criteria in ORS 197.298(3):

"1. Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;
2. Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or
3. Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion of lower priority lands in order to include or to provide services to higher priority lands."

B. Methodology

The general steps taken by the city, as set out in OAR 660-024-0060, include applying the statutory priorities to available parcels, starting with the highest priority that applies to Medford.

First, determine which parcels are the highest priority lands. In Medford's case, these will be designated urban reserves (assuming the city adopts the Regional Plan)[5]. Determine which of these parcels satisfy the identified land need by analyzing each parcel according to specific characteristics regarding the suitability of the parcel for the intended use (*i.e.*, residential, commercial or industrial), if such specific characteristics were identified in the need process. If the resulting list of suitable highest priority parcels provides more land than needed, apply the four Boundary Location Factors in Goal 14 to each such parcel. (Note that the city does not need to make a finding that a proposed expansion area satisfies each individual location factor better than all other alternatives. Rather, the considerations embodied in the factors should be applied to each alternative expansion area, and the area or areas that, on balance, best satisfy the goal should be selected.) This provides a tentative list of suitable parcels in the highest priority to add to the UGB.

If the highest priority lands do not accommodate all of the demonstrated land need, then the city should examine the next lower priority lands which, for Medford, are exception areas, most likely currently zoned rural residential. The steps described for highest priority land would then be applied to each available parcel of lower-capability farm and forest land, providing a tentative list of suitable parcels in this priority to add to the UGB.

Only if the previous analyses do not identify sufficient land to meet all of the identified needs should the city's analysis consider lower priority lands (*i.e.*, higher capability farm and forest lands), providing a tentative list of suitable parcels in this final priority to add to the UGB.

If the city determines that one or more of parcels in any priority category should be rejected in favor of land in a lower priority, then findings explaining why must be made according to the criteria in ORS 197.298(3).

3. Plan Amendments

Once a need to expand the UGB has been established, and the most suitable parcels have been selected in compliance with the above goal, statute, and regulations, the city must amend its comprehensive plan with the results of the studies and possibly with amended goals and policies. This usually involves amendments to the population, housing and land use elements of the local plan, and possibly to the economic development chapter, public facilities chapter, or both.

[5] If the Regional Plan for urban reserves has not been adopted and implemented by the time Medford amends its UGB first priority will be exception areas, most likely currently zoned rural residential.

Statewide Planning Goal 2 requires that all comprehensive plans include "ultimate policy choices" and "implementing measures consistent with and adequate to carry out the plans." It is not sufficient to simply adopt a new line on the map. During the needs analysis, the city is likely to have identified opportunities to utilize land within the existing UGB or the expansion area more efficiently than the existing plan permits. Or the city may discover that it needs to adjust its housing mix or densities during the planning period in order to accommodate the housing needs of the community. The plan will need to reflect these policy choices, and the implementing land use regulations may need to be updated to ensure these policies can be utilized.

Other statewide planning goal issues may also need to be examined during a UGB analysis. For example, if significant natural resource sites exist in an expansion area, Goal 5 will apply. Public facility availability plays a part in deciding where the expansion should go, but, in addition, existing water, sewer, and transportation plans may need to be updated to address the changed boundary.

Goal 14 also addresses lands inside the UGB that are not yet ready to be urbanized (*i.e.*, not yet annexed). The goal states:

> "Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Comprehensive plans and implementing measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned."

The city should examine existing plan provisions to ensure compliance with this provision of Goal 14, and if existing regulations for development inside the UGB are not adequate to allow future development of these "urbanizable" parcels at urban densities with efficient public utility and transportation systems, then the city must work with the county to develop plans for the newly added areas to ensure an orderly transition to urban use.

PROCEDURES FOR UGB REVIEW

The current UGB was adopted by both the city and the county, and amending it requires adoption by both as well. The process for review and appeal after the city and county have adopted a UGB amendment depends on the population inside the UGB and the size of the expansion.

ORS 197.626 provides:

> "...a city with a population of 2,500 or more within its urban growth boundary that amends the urban growth boundary to include more than 50 acres...shall submit the amendment or designation to the Land Conservation and Development Commission in the manner provided for periodic review..."

We note the latest population estimate for the city of Medford is 75,675 (PSU, July 1, 2007). If the population within the existing UGB exceeds 2,500, *and* the UGB expansion is greater than 50 acres, then ORS 197.626 applies.

If this is the case, upon adoption by the city and county, the city should submit the amendments to this department (*see* OAR 660-025-0130 and 0140). The city must provide written notice of the decision and an explanation of procedural rights to those who requested notice during the local hearings process. Those who participated in the local process have the right to "object" to the submittal within 21 days after it is submitted to DLCD. The department will then consider objections, if any, and its own analysis of the amendments, and either approve, remand, or refer the matter to the Land Conservation and Development Commission (LCDC) within 120 days of the city's submittal. Any appeal of a department decision would go to LCDC.

If the urban area has fewer than 2,500 people, or the expansion is smaller than 50 acres, or both, then the UGB amendment is subject to the post-acknowledgment plan amendment procedures in ORS 197.610–

197.625 and OAR 660, Division 18. The procedural requirements include written notice (with copies of all draft documents) to DLCD at least 45 days prior to the first evidentiary hearing (usually before the planning commission). The county provides this notice, too, if it holds separate hearings. DLCD does not have a direct role in approving the UGB expansion in this case but has the right to participate in local proceedings. An appeal of a post-acknowledgment plan amendment by any party would go to the Land Use Board of Appeals.

A UGB expansion is effective only after local and county adoption and exhaustion of appeals.

Adoption of the Greater Bear Creek Valley Regional Plan

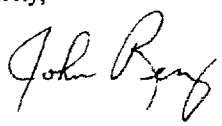
As a precursor to expansion of the UGB, our opinion is that the city would best be served by adopting the applicable portions of the Regional Plan. Only the adoption of the Regional Plan will provide the city, and the region, with almost a half-century of predictability in the direction of future growth, Not only will this mean multiple dividends for Medford over the decades in improved land use and transportation planning, economic development, political stability, and provision of city services, but it will also provide some stability and certainty to both the development and agricultural industries, allowing both sectors to make better long-term investments.

In addition, adoption of the urban reserves – the first priority lands for any UGB expansion – will make UGB expansion less costly, time consuming, and complicated, as the urban reserve lands adjacent to the existing UGB can be the first ones added to the UGB for urbanization, even if they have high-value soils. Without adoption of the Regional Plan and its urban reserves, the city will be required to expand as a first priority into exception lands, and any expansion into high value agricultural land will require extraordinary findings.

Therefore, we strongly recommend the city make its first priority adoption of the agreed upon urban reserves prior to attempting any UGB expansion. Should Medford wish to expedite an expansion of its UGB, we would then recommend that it proceed with the necessary work for the expansion, but that it do so on a parallel track with the adoption of the Regional Plan, and with the assumption that it will be expanding into urban reserve lands.

We hope the city finds the above explanation of the UGB review process of assistance. Should you have any questions about the process, please do not hesitate to contact the department.

Sincerely,



John Renz
Southern Oregon Regional Representative

cc: Darren Nichols, DLCD Community Services Division Manager
Gloria Gardiner, DLCD Urban Planning Specialist
Jackson County Board of Commissioners
Susan Lee
Regional Problem Solving policy Committee
Bill Hoke

Oregon
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AUG 07 2008
CITY OF MED.

August 6, 2008

Bill Hoke
Interim Planning Director
200 S. Ivy Street
Medford, Oregon 97501

Subject: **Detailed comments on Medford's 4-24-08 draft Housing Element**

Dear Mr. Hoke:

The Department of Land Conservation and Development (DLCD) appreciates this opportunity to comment on the proposed draft Housing Element early in the process. These comments include suggestions for improving the product and ensuring compliance with relevant goals and rules. Comments on the document that are more of a policy nature are being sent to the City Council in a separate letter. These comments are addressed to you rather than the City Council following the advice of the city's planning staff.

Some points below are comments on the latest draft of the Housing Element, and some are questions regarding sections that appear incomplete or are unclear. We hope you will find these useful when completing the city's revised Housing Element. We have not attempted to identify the goal, rule or statute that forms the basis for each comment in this letter. We will be happy to continue to work with the city to answer any questions you may have regarding compliance issues.

We have a couple general comments to provide context for the specific comments and questions that follow. First, Goal 14 (Urbanization) states, in part: "Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary." While "reasonably" is not defined in the goal, it does suggest that assuming there will be a continuation of past trends may not be adequate. We understand the city is not expanding its UGB at this time, but that the Housing Element will be one part of the plan used to justify a future capacity analysis.

Second, Goal 10 (Housing) states, in part, "Needed Housing Units means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." This requires consideration of housing needs for all residents of the city, now and in the future.

CITY OF MEDFORD
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Finally, the data employed for the various trend analyses used in determining housing and residential land needs should use the same time period. We also suggest using as current information as possible.

Specific Comments

1. Table S-1, p. 2
   a. The needed densities for the next 20 years for the UH (16.9 dwellings per net acre /14.4 gross) and UM (14.9 net/12.1 gross) designations are very similar, and both are within a typical medium density range.
   b. The needed densities for the next 20 years for UR (5.0 net/4.1 gross) should be higher for a city of Medford's size. We suggest 8.1net/6.5 gross as an average density in areas of UGB expansion. This is based on the city's high land need density commitments in the Greater Bear Creek Valley Regional Plan. If this is used in the expansion area it more likely your consultants' recommendation of an overall average of 7.2 units per net acre to the Housing Stakeholder Committee on February 1 of this year could be the overall average for the city.[1] This average may more realistically be achieved by increasing the density of single-family detached housing[2], which has been predominant in Medford and is expected to continue to be predominant, than by expecting a relatively small percentage of housing units in UM and UH to make up the slack. An average of 7.2 net is a reasonable expectation for Medford, considering that major employment centers on regional transportation corridors with populations over 50,000 in the Portland Metro area are expected to achieve an overall minimum of 10 dwellings per net acre.

2. Figure 4, p. 17 & Table 20, p. 24: The trend in residential permits is down after 2003, housing sales declined after 2004, and housing prices declined after 2006. How is this taken into account in the residential land need analysis for the period 2008-2028?

3. Planned & built housing densities, Table 14, p. 18: It is good that the city has both minimum and maximum residential densities, however:
   a. Because the UR range of 2-10 du/net acre is producing an average of only 4.8, the city should plan to increase efficiency in the UR zone by increasing the minimum density for the UR zone or some other measure.

[1] A discussion is about to ensue at the August 5, 2008 RPS Policy Committee about encouraging cities to meet the density targets by increasing the density in urban cores and along transportation corridors instead of pushing all the density increases to the expanded UGB.

[2] Such as through higher minimum densities, smaller minimum lot sizes, average lot sizes, clustering to achieve planned densities on steeper slopes, and the land use efficiency measures in ORS 197.296 and in the consultants' Housing Needs Analysis. An overwhelming majority of Medford residents surveyed think that the city should adopt a minimum density for the LDR zone, adopt maximum lot sizes, increase allowable densities, expand the use of cluster development, expand the use of smaller lots, encourage more infill and redevelopment, encourage more transit-oriented design, and expand the housing types allowed in single-family zones. See the Housing Needs Analysis presented to the Housing Stakeholder Committee on February 1, 2008.

b. Because the UH range of 15-30 du/net acre is producing an average of only 15.1, the bottom of the range, the city should take measures to significantly increase this average.
c. There are no data for the UM designation.
d. The above-recommended measures should increase the future average residential density above the historical 6.2 du/net acre. (See 1.b.)

4. Table 16, p. 19: Why is the density for single-family attached so much greater in UH (15.3) than in UR (6.3)? Are they not the same housing type?

5. Infill and redevelopment, Table 27 & 28, p. 29–31: What is the basis for assuming the stated percentages of qualifying parcels that will infill or redevelop during the planning period?

6. Vacant land (which includes portions of developed lots available for infill), p. 29: If the minimum size is one acre or more, and you subtract 0.25 acre for a house, then the remainder will always be at least 0.75 acre, not 0.25 acre as in the text.

7. Accessory dwelling units, p. 32: If "demographic changes are likely to drive demand for ADUs," and the demand for ADUs increases, the Housing Element should not assume that the future number of ADUs developed would remain constant at the historic rate of 12 units/year.

8. Table 29, p. 33: "The density assumptions are based on the allowable range of densities in Medford's policies." Because that range for SFR zones is low (0.8–10 du/*gross* acre), and development has been at the low end of the range, the city needs to take additional measures to increase the efficiency of residential development within the existing UGB and complete the ORS 197.296 analysis. The plan should not assume that the capacity of the existing UGB will remain at existing planned and built densities.

9. Table 30, p. 34: How was it determined that the capacity of housing units in commercial zones is seven percent?

10. Land developed since January 2007, p. 34: Can the city get this information from building permits?

11. Table 31, p; 35: The densities are not identified as gross or net acres.

12. Needed mix, p. 35: "The housing needs analysis assumes that future development will continue to respond to market pressures, resulting in a continuation of the historic housing split." The plan uses the historic housing mix of 68 SF/32 MF for the next 20 years, even though the cited facts about demographic trends and housing needs indicate that this mix should change and the city should take measures that will effect this change. The plan also incorrectly assumes that the market is the sole factor, and that public policy has no effect.

13. Future in-migration, p. 36: The Housing Element should explain the basis for assuming that "many" new residents will be wealthy retirees likely to buy a single-family detached home? What number or percentage is "many"? The city should also expect relatively poor immigrants from rural areas due to the price of fuel discouraging commuting from rural areas.

14. Assumptions pp. 38-40:
    a. We do not see substantial evidence that "households that move to Medford in the future will have characteristics similar to this [*sic*] that moved to Medford in the recent past (since 1996)."
    b. The fifth, sixth and ninth bulleted items suggest that the market has not been responsive to local housing needs: "The City has provided the opportunity for development of more dense, affordable housing than occurred over the 1996-2006 period. Despite increases in home value (and corresponding decreases in housing affordability), the market continued producing [the historical mix]." The report then states, "the housing needs analysis assumes that future development will continue to respond to market pressures, resulting in a continuation of the historic housing split." Again, the draft plan assumes that public policy will have no impact on what is built.
    c. The assumptions focus on wealthy retired or semi-retired in-migrants but do not address the less-affluent people who also must be able to find affordable housing in Medford. The plan needs to better address the needs of the full range of the city's citizens.
    d. Using the same justification as for housing mix, the plan shows future needed densities (*e.g.*, average 6.3 net/4.1 gross) that are virtually the same as the historical densities (average 6.2 net), which means Medford's plan would overestimate the need for single-family detached housing and underestimate other housing types. This appears to be inconsistent with the findings in the Housing Affordability and Income Analysis section of the draft Housing Element.[3]

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[3] For example, see pages 22-27:
- Housing in Medford has become less affordable since the last Housing Element update in 1995. "A comparison of sales price to household income highlights the increasing affordability gap."
- Between 2000 and 2006, home sales prices far outpaced income growth in Medford. Between 2000 and 2007, the average sales price in Medford increased by 90%, "suggesting that housing prices increased for most housing units, rather than concentrating in price increases in high-end housing."
- Medford households and families have lower income on average than the state average.
- Households earning 50% median family income are unable to afford a 2 bedroom apartment "without experiencing cost burden" HUD defines cost burden as, paying more than 30% of monthly income on housing.
- Medford households have experienced cost burden more frequently than Jackson County households.
- Because households compete for housing in the marketplace, "affordable units are not necessarily available to low income households."
- There is a deficit of 2,674 dwelling units, primarily rentals, affordable to households earning less than $15,000 per year.

e. It is not unusual to calculate densities on steep slopes that are lower than on flatter areas, because this is in the city's code; however, the draft plan appears to use this as a rationale to maintain a low average density in the city for the next 20 years, instead of exploring what measures can be taken to increase density in areas unaffected by steep slopes. A good practice used by some Oregon cities is to require that houses be clustered in smaller lots on the subdivision site in order to achieve the planned densities, instead of decreasing them.

f. The plan observes that there was no MDR development for 1996-2006 but does not discuss why and does not propose any policies to reverse this trend.

15. Table 36, p. 41: Why does the net-to-gross factor vary for different housing types? We have not seen that before.

16. Table 38, p. 43: The plan projects a needed density for HDR that is barely higher than the needed density for MDR. This suggests a problem with planned densities.

17. Manufactured home parks, pp. 47-48: The analysis mentions that parks close, but doesn't address the increasingly common trend toward conversion, which leaves people without affordable housing. We know that Pacific Retirement Services (PRS) closed the Crest Park mobile home park displacing some 51 dwellings. PRS assisted these residents in finding new dwellings. Is there evidence of other parks closing and if so what provisions were made to find these people new dwellings?

18. Housing needs of seniors, pp. 48-52: Residential land needs analyses typically assume a trend of seniors downsizing. The draft Housing Element uses mixed evidence, none of it from Oregon or the Medford area, to conclude that Medford will need to provide large single-family detached homes for its future senior population. The plan needs to better explain expected trends for Medford and plan for them.

19. Conclusions, pp. 55-60:
    a. "Medford is likely to need additional housing for active retirees, such as high-amenity multifamily housing and active retirement communities." There is no mention in this list of Medford's need for other types of housing for seniors.
    b. Medford assumes a higher tenure split (owner to renter-occupied) for the future based on the historic rate for the period 1990-2000 without addressing the intervening period of 2000 to date.

20. Goals, policies & implementation measures:
    a. Goal 1, p. 62: Depending on how it is implemented, proposed additional policy 1 ("Protection and maintenance of neighborhood characteristics in existing residential areas shall be utilized as decisional criteria in land use decisions") could run afoul of the needed housing statutes if the implementation is not clear and objective.

- There is a surplus of rental housing for middle-income residents. (The needs of this group for ownership housing are not addressed.)

b. Goal 5, Implementation 5-A(1): "Establish a system for reviewing all residential projects for compliance with the Housing Element goals and policies, including achievement of *maximum* permitted densities" (emphasis added). Shouldn't it say "minimum" instead of "maximum"?
c. Implementation 5-C(3): "Investigate methods" does not go far enough. The city should add "and implement these methods in the development code."
d. Goal 5, proposed additional policy 1: It should be revised as follows: "Residential development [~~should~~] **shall** consider and accommodate to the maximum extent possible the future needs of senior citizens."
e. Policy 6-A: Revise to: "The City of Medford shall assure that adequate buildable land for all housing types and **all** price **and rent** ranges is available in the city…"

Procedural Consideration

The Housing Element should not be adopted before the entire analysis required by ORS 197.296 is complete. This statute requires that housing need and residential land need analyses be completed in coordination with each other.

Should you have any questions regarding these comments please do not hesitate to contact me by phone at (541) 858-3189 or by e-mail at john.renz@state.or.us.

Sincerely,

John Renz
Southern Oregon Regional Representative

cc: Medford City Council
Gloria Gardiner, Darren Nichols, and Rob Hallyburton – DLCD
Susan Lee – Jackson County Planning Director

Oregon
Theodore R. Kulongoski, Governor

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RECEIVED
MAY 08 2009
Planning Dept.

May 7, 2009

Ms. Praline McCormack
200 S Ivy Street
Medford, Oregon 97501

Subject: April 10, 2009 Draft Housing Element and April 24, 2008 Draft Housing Element local file CP-08-55, DLCD file 008-09

Dear Ms. McCormack:

Because the department is unsure whether our comments on the April 24, 2008 draft Housing Element were entered into the record, and because we believe that much of those comments will pertain to the April 2009 draft Housing Element we are attaching those prior comments to this letter.

Please place this letter and the attached comments in the record for the April 10, 2009 draft Housing element.

Sincerely,

John Renz
Southern Oregon Regional Representative

cc: Gloria Gardiner

attachment: Letter dated August 6, 2008

CITY OF MEDFORD
EXHIBIT # C- 6 of 11
File # CP-08-055

Oregon
Theodore R. Kulongoski, Governor

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RECEIVED
MAY 08 2009
Planning Dept.

May 7, 2009

Ms. Praline McCormack
200 S. Ivy Street
Medford, Oregon 97501

Subject: April 10, 2009 Draft Housing Element, Local File CP-08-55, DLCD file 008-09

Dear Ms. McCormack:

The Department of Land Conservation and Development appreciates the opportunity to comment on the city's April 10, 2009 Draft Housing Element. The department made extensive comments on an early draft of the city's housing element and the DLCD Director; Richard Whitman gave direction to city management and council on how to revise that document in a manner that would garner our support. While we have not yet had time to develop detailed comments on the current draft we note that the city did not follow our direction of revising the conclusions to correlate with the data on housing need. Therefore we believe we will have extensive and similar concerns with the present document.

We attended a Planning Commission workshop on the draft document at which several planning commissioners expressed their concerns with the document. We share their concerns.

Please place these preliminary comments in the record for this post-acknowledgment-plan amendment. We will follow with detailed comments when we complete our review.

Sincerely,

John Renz
Southern Oregon Regional Representative

cc: Gloria Gardiner
Darren Nichols

CITY OF MEDFORD
EXHIBIT # C-7 of 11
File # CP-08-055

Oregon
Theodore R. Kulongoski, Governor

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May 28, 2009

RECEIVED
MAY 29 2009
PLANNING DEPT.

Ms. Praline McCormack
Medford Planning Department
200 S. Ivy Street
Medford, Oregon 97501

Subject: April 10, 2009 Draft Revised Housing Element, local file CP-08-55, DLCD file 008-09

Dear Ms. McCormack:

The Department of Land Conservation and Development appreciates this opportunity to comment on the April 10, 2009 draft Housing Element.

"Medford will need to provide housing in a range of types and prices to meet the varying needs of its citizens – both present and future" (Executive Summary). We believe that the revised plan housing element does not adequately prepare the city to accomplish this admirable and Goal-10 consistent objective.

Specific comments

1. The city adopted a new MDR zone in 1995, but no MDR permits were issued. There is no explanation why, and no proposed strategy to remedy the situation. The density range of this zone (10-15 units/acre) includes a number of affordable housing types, such as attached single family, apartments, and multifamily townhouses.

2. How have the other efficiency measures adopted since 1995 performed? How much affordable housing (small lot single- family detached, single family attached, condos, duplexes, apartments) has been built?

3. The findings state that minimum densities have been established, but the UR designation appears to continue without a minimum density, which means that its effective density range is 0 to 10 units per acre. For the period 1996-2006, the average density of new UR housing, which was 66% of all new housing, was 4.8 units per net acre (Table 14). Medford should adopt a minimum density for UR that will increase the average UR density and thereby the overall residential density in the UGB.

4. The following actions listed as such are not efficiency measures:

    a. Revising SFR-10 standards to make development compatible with older single family neighborhoods.

CITY OF MEDFORD
EXHIBIT # C-8 of 11
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b. Annexation of older rural residential neighborhoods in the UGB. (If and when significant infill development to urban densities occurs in these neighborhoods, this will add to urban efficiency.)

5. Goal 10 addresses "need," not "demand" or "preference." Numerous findings in the revised housing element do not comply with Goal 10 to the extent that they rely on or take into account housing demand and preference.

6. It is misleading to present the Housing Unit Growth findings as a consistent average annual percentage increase for the period 1980-2006. Figure 3 clearly shows a significant decline in residential building permits from 2003 to 2006. Updating the data to 2008 or 2009 would show an even greater decline.

7. It's not clear whether Figure 4 and Table 13 include single family attached housing in the single family category. If not, the analysis and results may be inaccurate, since the city permits attached single family housing. Tables 15 & 16 and later findings do explicitly include single family attached housing.

8. There are a number of confusing entries in Table 16:

   a. A net density of 6.3 units/acre for single family attached in UR appears to be an error; this housing is typically built at 10-20 units/acre. At lower densities, a developer will choose to make more money by building single family detached instead. There is no explanation why the density for this housing type is 6.3 in UR but 15.3 in UH.

   b. The net density of 6.0 units/acre for manufactured homes in parks also appears low. MH park densities are higher than single family densities. Are Medford's MH park developers providing very large undeveloped areas such as open space on park sites?

   c. It is puzzling that multifamily housing in UR is 9.6 units/net acre, but is 21.4 in UH. The discrepancy is large, and multifamily housing wouldn't be built at 9.6.

9. We previously advised the city that it has not established a Goal 10 need for "age-qualified active adult retirement communities" for younger seniors who want lots of amenities and access to a variety of recreational opportunities such as golf courses, pools, tennis courts, clubhouses, billiard rooms, and social areas. Our opinion has not changed:

   a. The findings in several places state that Americans 55 and older are wealthier than average, that many of Medford's new residents are likely to

be retired or semi-retired people moving to Medford from out of state, are likely to have wealth from selling their previous home or from other accumulated assets, and are likely to choose to purchase a higher-priced single family home. The data presented are varied and could support more than one conclusion. The findings are vague, are not based on substantial evidence, rely on alleged preferences, and do not establish a need for AAARCs, and particularly a specific number of units and acres (see Table 45).

b. One finding relied on is that "AAARCs are likely to locate near urban areas" (p. 62). This sounds more like destination resorts on rural land than urban residential developments inside UGBs.

c. A note for Table 45 states: "The existing supply of AARC housing is based on the Rogue Valley Manor's estimate f AARC housing at the present Rogue Valley Manor campus in 2029. No other facility currently offers AARCs in Medford." Added to the other findings presented to support the need for AAARCs, this fact suggests that the city's alleged need for this housing is driven by Rogue Valley Manor.

d. Why is the city focusing on providing housing for wealthy out-of-state retirees when:

    i. In 2006, 5.4% of its elderly residents had incomes below the poverty level, 36.5% of its children lived in households with incomes below the poverty level, the Medford average household income was lower than average income for the state, and Medford had a lower share of households with incomes over $100,000 than the state.

    ii. In 2000, 35% of all Medford households paid more than 30% of their income on housing, including 48% of the renters and 25% of the homeowners.

    iii. In 2007, 30% of Medford households couldn't afford to rent a two-bedroom apartment. There was a deficit of 4,188 units affordable to households earning less than $25,000 per year, which is "about 13% of total dwelling units needed during the 20-year period."

    iv. The findings define a housing deficit for "high-end income households" as housing for households earning between $35,000 and $75,000 per year. In 21st century Oregon, including Southern Oregon, these are low- to middle-income households, not wealthy households.(See Tables 19, 23, 24 & 25 and Figure 6.)

v. If "lower cost housing units are not necessarily available to low income households" (p. 32), the solution is to provide more lower-cost housing that these households can afford, not more high- cost housing with amenities preferred by wealthy households.

e. Assuming that the city does establish a need for AAARCs as a separate housing need, it's not clear whether the amount of land for this use has been included in the total amount of residential land need.

10. The city's definition of "vacant land" excludes the remainder after partitioning off 0.25 acre from an over-sized developed parcel for the dwelling, if the remainder is smaller than 0.25 acre, or 10,890 square feet. The threshold for non-oversized parcels for inclusion in the BLI is 0.08 acre, or 3,485 square feet. A 10,890-square foot remainder after partitioning off the existing dwelling from an over-sized developed lot, could accommodate up to 3 additional parcels at a minimum size of 3,485 square feet. This definition therefore inappropriately excludes buildable residential land from the city's inventory and inflates the 20-year residential land need that cannot be met under current zoning in the existing UGB.

11. City code mandates a density of 0.8 to 2 dwellings per care (lot sizes between 21,780 and 34,800 square feet) for *all* residential sites with slopes greater than 15% (p. 36), even though the city distinguishes between slopes 15-25% and slopes over 25%. Because 40% of UR land (the greatest amount of designated residential land and the residential designation with the lowest densities), 10% of UM, and 3% of UH land has slopes over 15%, (see Table 27), this involves a significant amount of potentially developable residential land. A preferable standard that is used in other Oregon cities, and which more efficiently uses urban land and better protects hazardous slopes and sensitive natural resource areas, is to require a professional scientific analysis of the site that delineates areas to protect from development (if not already delineated – not generally located as a "blob" -- as Goal 5 and 7 resource areas on the city's plan and zoning maps) and a recommendation of dwelling unit capacity. Combined with requiring a PUD for these sites, including criteria for clustering housing units, this method allows greater residential density and better protection of sensitive areas than mandating uniform large lots that ignore the topography, vegetation, and other features of the land. The city should revise its slope development standards to better utilize these areas and demonstrate compliance with Goal 14 before considering a UGB amendment based on the Housing Element.

12. We don't see the factual basis for the redevelopment percentage assumptions (*i.e.*, the proportion of total lots defined as redevelopable that are estimated to actually redevelop), which total 67% for all potentially redevelopable residential land (Tables 28 & 29).

13. If housing affordability and demographic changes are likely to drive demand for accessory dwelling units, why is the city projecting the historic number of units developed per year (12) for the next 20 years (p. 39)?

14. The analysis appears to duplicate or triplicate a density discount to account for under-build by first removing 25 to 75% of redevelopable residential parcels from the BLI and reducing density on slopes over 15%, then subtracting 20-25% from the maximum residential zone densities (see Tables 27, 29 & 30), and then discount future needed densities for "typical land use efficiencies" such as "topography, lot configurations, and other factors" (Table 37).

15. The "Infill and Redevelopment" section appears to consider mixed-use zones and accessory dwelling units (ADUs) as infill, which they are not. Infill is creating parcels for new housing units on under-developed land through land division. An ADU is a small housing unit added to an existing dwelling or its parcel. Mixed-use development is a mix of new residential and one or more non-residential uses in the same building or development on the same site. Medford's estimate for infill land appears to be represented as "partially vacant" in Table 31. If the numbers include land for mixed-use developments and ADUs, they should be recalculated.

16. It makes more sense – and is more accurate – to estimate the number of new housing units from January 2007 to July 2008 by using building permits data than by extrapolating from population estimates.

17. We don't see substantial evidence supporting the assumption that the future needed housing mix will be the same as the current 68% single family and 32% multifamily. The data and findings presented do not, in our opinion, support that conclusion. It is not consistent with Goal 10 to "assume that future development will continue to respond to the market, resulting in a continuation of the historic housing split." The market (demand, preference) is not a factor in determining Goal 10 needs, and relying exclusively on the market ignores the important role of public policy in providing for needed housing. Finding that a community can't and won't provide the housing its residents need because of the market does not satisfy its Goal 10 obligations.

    a. The fact that during the period 1996-2006, the market produced built densities lower than the maximum zone densities and a housing mix of 68/32 indicates that Medford needs to strengthen its housing policy and development regulations so that needed housing types and densities are more likely to develop.

    b. As stated in the proposed new Housing Element, in 2007, 30% of Medford households couldn't afford to rent a two-bedroom apartment, and there was a deficit of 4,188 units affordable to households earning less than $25,000 per year. 13% of the affordable housing need for the next 20

years is already spoken for by *current* residents. The logical conclusion from the data is that Medford needs more affordable medium- and high-density housing – more in terms of total number *and* share of the housing mix.

c. Using the single family detached, low-density-weighted historic housing mix leads the city to conclude that it needs a larger amount of residential land, since medium- and high-density housing types use less land per unit than low density detached housing.

18. The housing need analysis doesn't include the projected housing mix by tenure that is required by OAR 660-008-0040.

19. Table 34 separates housing types into "primarily new:" and "primarily existing" categories, but the analysis does not proceed to determine which housing types and how many of each type will meet future housing needs through existing housing vs. through new housing.

20. Projecting only "a slight increase of historical densities based on continued need for single-family housing," from the current overall average 6.2 units per net acre to 6.5 for the next 20 years, isn't consistent with Goal 10, Goal 14, and ORS 197.296, for the same reasons that continuing the historic mix of housing types is not adequate.

21. The treatment of single family attached housing is confusing. For example, Table 36 shows this housing type (in SF zones) in the single family category, and condos/townhomes (in MF zones) in the Multi-Family category, but a note for Tables 36 and 37 states that "single family attached and condo/townhomes are the same housing type in Medford."

22. The residential land need for non-residential uses permitted in residential zones; *e.g.*, public facilities, schools, parks, religious uses, non-profit organizations, and fraternal organizations, is overstated.

    a. Medford's code permits these uses in commercial and industrial zones as well as residential zones. (In fact, most if not all, government uses are located in the downtown commercial zone.) Calculating the total UGB-wide amount of land need for these uses in the residential zones is inaccurate.

    b. None of Medford's residential zones permit fraternal organizations.

23. "Strategies for Meeting Housing Needs" (section VI.) mentions only one regulatory efficiency measure in its list of 4 options: tying approval of annexation to the provision of affordable housing. This is one of a number of good tools that have been used in other Oregon communities, but it is not enough. The other

regulatory efficiency measures mentioned in our comment should not only be mentioned here as options, but should be adopted, in order for Medford to comply with Goals 10 and 14 in providing for its current and future residents' housing needs.

24. We don't see substantial evidence that supports projecting the development of fewer manufactured homes per year than in the past (see p. 58).

25. Section IX. Housing Element Goals, Policies and Implementation Strategies: There are a number of policies and implementations that call for "assessments" and "studies" and "reports." There is no indication whether any or all of them have been done yet. The Housing Element has plenty of data and findings to inform which specific actions the city should take, including regulatory changes, to meet housing needs. The time to study is past; the time to act is now.

Conclusion

Based on the above comments the department does not believe the draft Housing Element is compliant with statewide Goals 10 and 14, and with ORS 197.296. The city's document appears to us to look to the past for its housing mix and density rather than to respond the demonstrated housing need with a plan to address these needs in the future.

Please place these comments in the record for this item. Should you have questions regarding these comments please do not hesitate to contact me at (541) 858-3189 or by e-mail at john.renz@state.or.us. For more detailed questions the city might contact the department's Urban Specialist, Gloria Gardiner at (503) 373-0050 extension 282.

Sincerely,

John Renz

John Renz
Southern Oregon Regional Representative

cc: Gloria Gardiner, Rob Hallyburton, Darren Nichols, Richard Whitman (e-mail)

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July 16, 2010

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JUL 19 2010
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Praline McCormack
City of Medford Planning Department
200 S. Ivy Street, Room 240
Medford, OR 97501

Subject: Post Acknowledgment Plan Amendment to adopt Revised Housing Element for the 2009-2029 planning period, DLCD File No 008-09; Local File No. CP-08-055

Dear Ms. McCormack:

Thank you for giving the department the opportunity to review revisions to this plan amendment, which updates the housing and residential land needs analyses for the City of Medford. The revised Housing Element was previously submitted to the department in 2009.

The proposal is very well presented and thorough in analyzing demographic trends and housing needs. We congratulate the city for the measures it has taken thus far to ensure that the housing needs of all residents are met. We do have some concerns, and some recommendations that we believe will allow Medford to better serve the needs of its residents consistent with legal requirements. Our comments are organized in the following manner: Demographic and Housing Trends, Buildable Land Inventory, Housing Density and Mix, Residential Land Needs, and Department Recommendations.

Demographic and Housing Trends

The revised Housing Element documents Medford's severe housing affordability problem and includes policies that are intended to address the problem. However, most of the data and findings in the revised Housing Element do not support the city's conclusion that the future will be similar to the past in terms of housing densities, housing type mix, and housing tenure mix; for example:

- During the period 2000-2006, home prices increased by 68% while income increased by only 24%.
- During the period 1996-2009, new development density increased more than predicted in 1995.
- Medford is attracting more retirees and people close to retirement. State and national trends suggest that the median age and percentage of population over 60 will continue to increase, and the demographic group to increase most in numbers will be people over 60.
- Long-term state and county trends are for a smaller number of persons per household.
- The predominant housing needs are for married couples (2 people) and singles (1 person).

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File # CP-08-055

- A large number and proportion of households consist of a single-parent, a single elderly woman, and other single persons.
- Housing needs change through cycles of life.
- An increasing proportion of Hispanic residents, who have significantly lower per capita income than white residents.
- A decline in building permits since 2003.
- The owner-occupant share of the housing tenure mix was stable for the period 1990-2000 but then decreased (and renter occupancy increased) during the period 2000-2008.
- Lot sizes have been declining since the 1960s, particularly since 1996; *i.e.,* density has been increasing.
- Housing has become less affordable in Medford since 1995.
- It's unknown when and how much of the area's economy and housing market will recover from the current recession.
- 78 % of households fall within the low to moderate income level according to HUD standards.
- A significant portion of Medford's households are considered cost-burdened according to HUD standards: 55% who rent single-family detached homes, 50% who own homes with mortgages, and 44-52% who rent multi-family housing.
- Medford is currently short 1,322 dwellings affordable to middle-income households, as well as short 4,453 dwellings affordable to low-income households.

Buildable Land Inventory (BLI)

Publicly-owned and quasi-publicly-owned land should not be included in the definition of "developed land" because they are not automatically excluded fro the BLI. The city should ask the owner of residentially-zoned public land about the expected use of that land over the next 20 years. This land should be included in the BLI if it is likely to be developed for residential use during the planning period, either by the public owner or through sale. Land zoned to allow "quasi-public" uses, such as those developed by religious and fraternal organizations, may redevelop or experience additional development during the planning period. Therefore, they are treated for BLI purposes like any other privately-owned land.

Medford's definition of "vacant land" excludes underdeveloped lots smaller than 1 acre that have infill potential. The city should include parcels 2 times the minimum lot size for the zone and larger, for consistency with Goals 10 and 14.

The estimate of 53% infill potential for under-built lots that are likely to redevelop or infill at higher density, which is presented in Table 28 (p.48-49), appears arbitrary because of inadequate supporting data and findings. Instead, Medford should look at recent history of infill and redevelopment in the city to determine the factors that make redevelopment and infill likely in the future, and then apply those factors to under-developed residential parcels.

Housing Density and Mix

The average residential density for new development in the City of Medford was 6.8 dwelling units per net acre during the period 1996-2009, which was higher than the average density of 5.8

new dwelling units projected in the 1995 housing element.1 Average densities have been at about the middle of the density range for each residential plan designation, with a fairly low amount of under-build. These are a significant accomplishment, but they may not be the exclusive factor for projecting future densities under ORS 197.296. Medford's current housing needs analysis proposes 6.8 dwelling units per net acre for the 2009-2029 planning period, basing it only on past trends without taking into consideration the identified future trends and needs that are so well documented in the city's housing need findings. The fact that development capacity is close to zoning capacity strongly indicates that Medford can achieve greater densities and greater numbers of affordable housing types in the future, in contrast with its current assumption that the future will be the same as the past.

Implementation Measure No. 12 in the 1995 Housing Element established the city's commitment to provide for a minimum overall housing density of 8 dwelling units per net acre. This policy has been implemented for the Southeast Plan Area, and planning is underway to implement it in the W. Main TOD (transit oriented development), and city-wide through an Internal Rezone Review. The proposed *average* 6.8 units per net acre for *new* housing development for 2009-2029, and the proposed 2009-2029 *overall average* density of 5.4 units per net acre for *new* housing in the revised Housing Element, are not consistent with the 1995 policy already in place to achieve an *overall minimum* residential density of 8 units per net acre. The current plan amendment is the perfect opportunity for Medford to recommit to achieving greater residential density and make the comprehensive plan internally consistent, by designating 8 units per acre the minimum density target, and recalculating the overall average density target of 6.8 to the correct number higher than 8.

Housing for seniors. As the city's findings state, Medford is attracting more retirees and people close to retirement. The aging and retirement of the baby boomers "likely will lead to new housing needs and preferences." The example of Rogue Valley Manor demonstrates the trend of more need for skilled nursing, congregate care, assisted living, and attached dwelling opportunities for this growing portion of the population. However, data and findings in the revised Housing Element do not support the conclusion that most elderly residents in Medford over the next 20 years will be affluent and buy single-family detached homes (see p. 33). The findings relied on are merely speculative; for example: "The implication of Table 44 is that retired people or those nearing retirement may be able to afford to purchase more expensive dwellings than younger people." These speculative findings and conclusions are used to justify planning for a large number of "active adult retirement communities," despite the city's admission that it cannot predict how many households of people over 55 will choose this form of housing over other types of housing that they can afford. Even the city itself describes the numbers in Table 44 as speculative. Therefore, there is no basis for assuming that Medford needs between 1,215 and 3,671 AARC units – or even any such units -- during the planning period.2

As with the assumption about the future density of conventional housing, the assumption that manufactured homes in parks will develop at 6.2 units per acre in the future is not adequately substantiated. Table 42 shows a couple manufactured home parks that developed at less than 7 units an acre, but many parks are in the 10 to 36 unit-per-acre range. Please provide the data and

1 These data are for new development only. The overall average built density for all housing in Medford for the period 1996-2009 was 5.1 dwellings per acre, same as the projected 5.1 in the 1995 Housing Element.
2 Please also note that all projections must be single point numbers and not ranges.

findings that demonstrate that future development of this housing type will be at lower densities than in the past, and revise upward the projected overall density.

Since its last periodic review in 1995, Medford has appropriately designated TODs (compact, mixed-use centers on transit lines or around transit stations). Therefore, the city should plan for a greater amount of residential development on commercial land than the historic 4.6%.

The housing affordability problem indicates that Medford will need more accessory dwelling units than in the past, which means increasing the projected rate of 12 accessory dwelling units per year for the planning period, which is based on past development.

Table 35 identifies needed future densities to "account for land use inefficiencies," without providing assumptions, data, and calculations in support. What exactly are these inefficiencies? Please either provide the legal basis for excluding land based on inefficiencies that are not included in the OAR 660-007-0005 definition of "buildable land," or exclude any such inefficiencies that were or should have been accounted for when the BLI was developed.

ORS 197.296(7) requires a comparison of "overall average density and overall mix of housing types" for actual development and for future housing needs. However, the city's analysis compares gross-to-net factors for housing types in different zones based on sample projects (see Table 36). Please provide the statutory analysis.

If the city revises its housing density and mix projections pursuant to these comments, Medford will need to provide data, calculations, and findings showing how the city will achieve the additional density and greater share of medium and high density housing types during the next 20 years.

Residential Land Needs

The UM medium density residential designation was established in 1995 to meet an important need for housing in the range of 10 to 15 dwellings per acre. No UM development has occurred in the last 15 years (see Table 14). Please explain how Medford will provide sufficient land for this need for the future 20 year planning period.

The city concludes that under current zoning, it is short by 545 acres in the Urban Residential zone (UR), 47 acres in the Medium Residential Zone (UM), and 59 acres in the High Density Residential Zone (UH). These numbers are likely to change if the city revisits the aspects of it analysis recommended in this letter.

The city's analysis indicates that there is a need for 1,096 total acres of land for 20-year residential land needs. The urban growth boundary (UGB) can accommodate 76% (11,424) of 15,050 needed housing units. The need to add 1,096 acres for the deficit of 3,626 units computes to approximately 3.3 dwellings per gross acre or 4 dwellings per net acre, neither of which matches the projected 6.8 new dwellings per net acre or the overall average 5.4 dwellings per net acre stated to be the city's 2029 target. This could be a mathematical error.

Department Recommendations

The potential efficiency measures provided in the report are all good ones, and we highly recommend that the city adopt them.

Land in commercial zones generally must be preserved for needed commercial uses for compliance with Goal 9. During the period 1996-2009, 20% of single-family detached, 17% of duplexes, and 22% of multi-family (39% multi-family if duplexes are included) were developed in three commercial zones (Table 14, p. 26). One of those zones, CC – Community Commercial, is a typical general commercial zone permitting a wide range of service and retail uses, such as department stores, grocery stores, auto, boat and RV dealers, furniture stores, clothing stores, medical offices and labs, appliance stores, liquor stores, hotels, funeral homes, repair shops, colleges, social services, museums, zoos, banks, and libraries. Normally, this would not be an appropriate zone in which to permit housing. However, Medford appropriately permits dwellings only if they are attached to a commercial building (Medford Municipal Code sections 10.328, 10.337, 10.837.) The other two commercial zones listed in Table 14, CM and SC, however, are not in the city's land development code, and so the department cannot determine whether permitted housing development in these zones is appropriate. If this is an error, please correct the table and include findings regarding how residential development is restricted in those zones, if at all. If housing in those two zones is not subject to any limitations, the city code should be amended. Generally, it would be helpful to readers and users of the Housing Element to add findings regarding the restrictions on residential development in all three of the specified commercial zones.

During the period 1996-2009, 128 single-family detached homes developed in UH, the high density residential plan designation (Table 14). For consistency with Goal 10 and related statutes and rules, the land supply in that designation should be reserved for needed high density housing types. We highly recommend amending the UH designation and its implementing HDR zone to prohibit single-family detached housing, including small-lot single-family detached.

The average densities in the SFR-2, SFR-4, and SFR-6 very low density zones, which together allow a range of 0.8 to 2 units per gross acre, have been slightly exceeding the high ends of their individual density ranges. This is a positive trend on which the city can build. In order to make it easier to achieve more needed housing units and greater urban land efficiency, Medford should eliminate the SR-2 and SR-4 zones for new development and provide incentives for more PUDs in the SR-6 and SR-10 zones. This will make it easier for the city to achieve its goal of an overall minimum of 8 units per acre.

While recognizing that the city must meet the housing needs of all its residents, we strongly urge the city to focus first on meeting the housing needs of low-income and middle-income residents, including the elderly, and then considering the desires of wealthier residents.

The department supports successful housing projects that will sustain communities in the future. We recommend taking into consideration the market realities for housing development, especially since the City has an identified multi-family housing need. According to the *Emerging Trends in Real Estate 2010* report released by the Urban Land Institute (ULI) and

PricewaterhouseCoopers LLP, multi-family housing is the only place with a hint of hope, because of demographic demand. Next-generation projects will focus on infill development, urbanizing suburbs, and transit-oriented development. Smaller housing units close to work and 24-hour amenities will be preferred over large houses on big lots at the suburban edge. People will continue to seek greater convenience, reduced energy bills, and shorter commutes. We support the City of Medford's efforts to plan for a future of complete, convenient, livable, and affordable neighborhoods.

Please include this letter in the City's record of proceedings on this matter, and please call me to discuss any questions or concerns that you may have.

Sincerely,

Gloria Gardiner, Urban Planning Specialist
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503-373-0050, extension 282

cc: Ed Moore, Regional Representative
Angela Lazarean, Urban Planner

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SEP 21 2010
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September 21, 2010

Praline McCormack
City of Medford Planning Department
200 S Ivy Street, Room 240
Medford, OR 97501

RE: Post Acknowledgment Plan Amendment to adopt a Revised Housing Element for 2009-2029 planning period, DLCD File No 008-09; Local File No CP-08-055

Dear Ms. McCormack:

Thank you for giving the department the opportunity to review the latest revisions to this plan amendment, dated August 25th, 2010, which updates the housing and residential land needs analyses for the City of Medford as originally submitted to the department in April 2009.

The changes to the draft Housing Element as represented in this latest version have responded to two of the major concerns of the department as represented in our July 16, 2010 letter. We applaud the City's efforts to incorporate adopted housing density targets in the future housing needs analysis and modify the discussion of Active Adult Retirement Communities. In reviewing the revised pages of the Housing Element we continue to have the following questions/concerns:

1. The revised Housing Element still does not adequately address future housing affordability in Medford based on the demographic and other trends set-forth in the Housing Element data and findings. A significant portion of the resident population is considered "cost burdened" based on HUD standards, and this is not expected to change. As one example, the record does not demonstrate that projecting forward the historic housing mix will achieve Medford's housing policies and objectives to meet the housing needs of this segment of the population. The city should revisit its housing mix and density assumptions.
2. The section of the Housing Element "Forecast of Housing need by Type and Density" as revised still does not meet the statutory requirements of ORS 197.296(7). ORS 197.296(7) requires a comparison of "overall average density and overall mix of housing types" for actual development and for future housing needs. Please provide the statutory analysis.
3. The Housing Element appears internally inconsistent regarding the future density target in gross acreage. For example, on page vi, the text states that for purposes of the housing needs analysis the proposed density for the period 2009 – 2029 is 8 units per net acre or 6.3 dwellings per gross acre, and that the residential density for land

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added to the UGB to meet the City's need would average 6.5 dwellings per gross acre. So, is the needed housing density 6.3 or 6.5 dwelling unit per gross acre? Please determine the correct figure for gross residential density and then use that number consistently throughout the Housing Element.

4. Page 77, Conclusion #2: "Active adult retirement community" ("AARC") is a development type and not a specific housing need under Goal 10, and therefore it should not be included in the list of needed housing types. To comply with Goal, 10, the city identifies the housing types needed by senior residents according to their incomes and other factors (e.g., single-family detached, single-family attached, multi-family, etc.). We understand that these housing types include the housing types typically developed in AARCs.

5. Page 78, Conclusion #13: It states: "The 20 year planning period has added and balanced allocations for the Urban Medium density plan designation," but we did not find the evidence in support of this statement other than past designation of part of the Southeast Plan Area for this range of housing density. The City's own analysis shows that since this plan/zoning designation was created, no medium density housing types have been built in the designated area. What will Medford do to try to prevent this from continuing to happen? The Housing Element must identify additional measures intended to meet Medford's medium density needed housing requirement, and demonstrate how those measures will achieve the needed number and types of dwellings in this density range within the 20-year planning period.

Final Thoughts –

In the department's July 16th letter, we raised a number of lesser issues with regard to the draft Housing Element which still need to be addressed. We also made several recommendations that we think are worth repeating here:

6. UH – High Density: For consistency with Goal 10 and related statutes and rules, the land supply in that designation should be reserved for needed high density housing types. We highly recommend that Medford amend the UH designation and its implementing HDR zone to prohibit single-family detached housing, including small-lot single-family detached. Otherwise, this land could be converted to single-family housing.

7. In order to make it easier to achieve more needed housing units and greater urban land efficiency, Medford should eliminate the SR-2 and SR-4 zones for new development and provide incentives for more PUDs in the SR -6 and SR -10 zones. This will make it easier for the city to achieve its goal of an overall minimum of 8 units per net acre.

Respectfully,

Ed Moore, AICP
Regional Representative

c. Gloria Gardiner, Urban Planning Specialist
Darren Nichols, Community Services Manager
File

Praline M. McCormack

RECEIVED
SEP 22 2010
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From: Moore, Ed W [ed.w.moore@state.or.us]
Sent: Wednesday, September 22, 2010 9:55 AM
To: ed.w.moore@state.or.us; Hathaway, Greg
Cc: angela.lazarean@state.or.us; Nichols, Darren; Fulps, Dawn; Gardiner, Gloria; Kevin McLoughlin; Praline M. McCormack; richard.whitman@state.or.us
Subject: RE: City of Medford Housing Element-AARC's
Attachments: 2010-09-21 Medford PAPA 008-09 Comment Letter.pdf

Greg,

Attached is a copy of my letter to the city regarding their latest draft of Medford's Housing Element. As you will see in the letter the department is generally satisfied with the latest draft as it relates to the discussion of housing types/options for the elderly population and AARC's. Unfortunately, because the discussion of AARC's was removed from the draft Housing Element, I did not feel it was necessary or appropriate to discuss in the context of the Department's comment letter.

However, I would like to say that based on the background you and Kevin provided regarding AARC's developments in general and "The Centennial", an AARC proposed by Rogue Valley Manor, we understand that how our July 16th letter characterized AARC's (based on the information provided in the draft Medford Housing Element) did not reflect what Rogue Valley Manor intends to develop in its AARC. From what you described about "The Centennial", we understand that the housing types (not just single-family homes for the wealthy) that are proposed for inclusion will be at different price points, including some affordable housing units which will appeal to a range of senior incomes.

We are all in agreement that the issue of AARC's in the context of meeting Medford's "needed housing" requirement under ORS 197.296, should be deferred until processing of a UGB expansion, either by the city generally or Rogue Valley Manor specifically.

We are encouraged to hear that your client is not opposed to the proposed revisions to the Housing Element. Having conveyed this to the City will hopefully help get the Housing Element closer to being finalized.

Ed

Ed Moore, AICP | Regional Representative
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From: Hathaway, Greg [greghathaway@dwt.com]
Sent: Tuesday, September 21, 2010 14:32
To: ed.w.moore@state.or.us
Cc: richard.whitman@state.or.us; angela.lazarean@state.or.us; Kevin McLoughlin; Fulps, Dawn
Subject: City of Medford Housing Element-AARC's

Hi Ed,
Thanks for your voice mail messages regarding DLCD's revised letter to the City as

CITY OF MEDFORD
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File # CP-08-055

it pertains to AARC's.
You indicated that DLCD is satisfied with the City's revisions to the proposed Housing Element as it pertains to AARC's, including the deletion of Table 44 entitled "Need for Active Adult Retirement Community Housing". As you recall, at our meeting last month, Kevin McLoughlin of Rogue Valley Manor and I agreed with you, Richard and Angela that the issue of need for AARC's can be deferred until the processing of the Manor's UGB application. We have indicated to City staff that the Manor does not oppose the revised language, as the Housing Element still recognizes AARC's as a housing option for the aging population in Medford.
At our meeting last month, we expressed concern that the DLCD letter dated July 16, 2010 did not properly characterize AARC's, and the AARC ("The Centennial') proposed by Rogue Valley Manor. The DLCD letter characterizes AARC's as only for affluent and wealthy seniors. The AARC's recognized in the City's Housing Element and the AARC contemplated by the Manor, will include different housing types at different price points, including some affordable housing, that will appeal to a range of senior incomes.
We respectfully request that the revised DLCD letter acknowledge AARC's as a legitimate housing option for the aging population, as we discussed at our meeting, and that AARC's are not limited to single family homes for the wealthy, but provide different housing types for a diverse segment of the aging population.
It is my understanding that the City Council intends to conduct its public hearing on the Housing Element on October 7th. I assume the DLCD revised letter will be sent prior to this meeting, and will include items beyond AARC's. I would like to request a copy of the revised letter when it is sent.
Thanks to you, Richard and Angela for listening to us. Please let me know if you have any questions.
Greg

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Motion to amend the main motion: To remove the requirement for the flag.

Moved by: Commissioner Nelson Seconded by: Commissioner McFadden

Voice Vote: 6 -1; Commissioner Locke voted "no"

Commissioner Shean clarified that he based his motion on Section 10.248 criteria 2. Commissioner Jackle stated that he agreed with Mr. Maize. He feels it is not an appropriate place for a flagpole. Commissioner Locke commented that they need to be sure it is still a flagpole design; that they don't put in a monopole instead.

Ms. Johnson noted that under discretionary condition 1, it clarified that the tree protection plan is to be implemented prior to approval of the grading permit. She noted that the grading plans do not come to the Planning Department, so this requirement is important.

Mr. Connors agreed to extend the 120 days to allow the final order be adopted at the next meeting.

Commissioner Hokanson agrees with the neighbors and will vote "no".

Main Motion: Direct staff to prepare the Final Order for approval of CUP-09-030 per the Staff Report dated May 21, 2009, including Exhibits A through AA, with a revised Exhibit P-1 replacing Exhibit P, and revision to the condition 5a to indicate the new date of the Public Works Report of June 11, 2009.

Moved by: Commissioner Shean Seconded by: Commissioner Nelson

Roll Call Vote: Motion passed 5 - 2; Commissioners Jackle and Hokanson voted "no"

* 50.5 CP-08-055 Consideration of a Class 'A' Major Legislative Comprehensive Plan Amendment proposal to replace the current Housing Element, with an updated Housing Element, including Housing Needs Analysis, that covers the planning period 2009 to 2029. City of Medford, Applicant.

Praline McCormack, Planner II, gave a Staff Report. Staff recommends approval. Ms. McCormack noted that a letter was received from Davis Wright Tremaine on behalf of the Rogue Valley Manor. Since it was just received this evening, staff had not had time to review it.

Commissioner Shean asked how staff can forward a recommendation without fully reviewing the comments from DLCD. Ms. McCormack felt that any changes that will be made because of the meeting with DLCD, would only apply to the City Council because they are the approving authority. Ms. McCormack noted that the Planning Commission could forward the recommendation with conditions and comments.

The public hearing was opened and no testimony was given.

The public hearing was closed.

CITY OF MEDFORD
EXHIBIT # D-1 of 3
File # CP-08-055

Motion: Direct staff to forward CP-08-055 to the City Council with an unfavorable recommendation.

Moved by: Commissioner Nelson Seconded by: Commissioner Shean

Discussion:

Commissioner McFadden noted that so much of what Medford is doing and hopes to do in the future is tied together, so to move ahead with the County and the other cities in the RPS process, Medford will need a DLCD-approved Housing Element.

Commissioner Nelson referenced a letter from DLCD dated May 28, 2009. He felt that the Commission is faced with a draft element that is still full of issues that have yet to be answered. If City Council moves ahead with it as written, they will have a conflict with DLCD. He felt there is a need to communicate to the City Council that they agree with DLCD's concerns. He noted that the Commission previously sent a memorandum to the City Council but did not get any response. He noted that the concerns they outlined in those letters dated June 27, 2008, and July 14, 2008, that largely parallel the issues in the DLCD letter of May 28, 2009. The latest letter of DLCD does address age-qualified active adult retirement as a new issue.

Commissioner Nelson stated that he has problem with the *Medford Comprehensive Plan* addressing needs of single landowner. Commissioner Nelson feels that the words contained in Exhibit B are aimed exclusively at the Rogue Valley Manor and he strongly objects to that inclusion.

Commissioner Jackle stated that he cannot support the motion. He is disturbed by the DLCD letter. He felt that there is no legal analysis in the letter, and does not merit a response. Commissioner Jackle stated that he would pass on a favorable recommendation.

Commissioner Shean commented that he would support the motion. He noted that the Commission addressed this last July and had a problem with the housing mix and proposed density. He felt that some of the numbers are unrealistic; they are not following Goal 10 or the RPS strategies.

Commissioner Locke agrees with both sides. He referenced Mayor Wheeler's letter of response to DLCD in 2008; he supports the Mayor's position, but cannot reconcile the new letter from DLCD with Mayor Wheeler's letter. He wondered if it is another draft of what was previously sent, or does it contain new information. He felt that it would be difficult to recommend where DLCD does not believe it is compliant.

Commissioner Potter supports the motion and agrees with Commissioner Nelson. He felt there were too many issues raised in the DLCD to pass on a favorable recommendation.

Commissioner McFadden felt that most of the Commissioners felt the same way but did not agree on the words to use. He felt the DLCD, with their expertise, finding so many issues, made it hard for him to make a favorable recommendation.

Commissioner Nelson pointed out that the latest letter from DLCD was in response to Mayor Wheeler's letter. He stated that the reason for the motion he made, was that these are outstanding issues that need to be resolved. He felt that otherwise the Commission is telling the City Council that we are approving it. Commissioner Nelson noted that staff is acting on the City Council's direction. He also felt that the Commission should not hear any further discussions of the draft until the issues are resolved.

Commissioner Locke stated that they do not want to pass a favorable or unfavorable recommendation, but feels that they do not have enough information to make any recommendation. Commissioner McFadden agreed. Commissioner Locke indicated that he would like to see the motion changed to recommend the City Council needs solve the issues before the Planning Commission can make a recommendation. He does not like using the word "unfavorable recommendation". Commissioner McFadden agreed.

Commissioner McFadden asked staff to draft a letter summarizing the Planning Commission's comments to the City Council explaining their position. There was further discussion about the motion's wording. Commissioner Nelson agreed to revise the motion to Commissioner Shean's statement.

Ms. Myers confirmed that the Planning Commission would want to review the draft element again for action. Commissioner McFadden stated that he would leave that up to the City Council to decide if they wanted the Planning Commission's recommendation.

> Motion: Recommend to City Council that they do not adopt CP-08-055 due to issues raised by the DLCD that have not yet been addressed by the City; that the issues be addressed by the City Council with DLCD before the Planning Commission is able to make a recommendation of approval.
>
> Moved by: Commissioner Nelson Seconded by: Commissioner Shean
>
> Roll Call Vote: Motion passed 7 - 1; Commissioner Jackle voted "no"

60. Report of Citizens Planning Advisory Committee.

60.1 Commissioners Potter and McFadden attended the last meeting. They reported that items discussed included the proposal for changing the notice requirements. CPAC was disappointed that the neighborhood meeting was not being considered by the City Council. CPAC is looking at presenting it as an amendment to the code. Other issues discussed included Fred Meyer signs, hillside ordinance, sign code. They also discussed community meetings for developers.

70. Report of the Site Plan and Architectural Commission.

70.1 Commissioner Entenmann reported that two applications were approved; an 84-unit apartment complex with the applicant agreeing to some extensive riparian repair, and a 3780-square foot addition for Crater Lake Electrical Joint Apprenticeship and Training Trust Fund.

80. Report of the Joint Transportation Subcommittee. None

90. Report of the Planning Department.

90.1 Kelly Akin, Senior Planner thanked the Planning Commission for adopting the final orders tonight.

90.2 Ms. Akin reported that LUBA remanded the Walmart decision back to the City. City Council discussed it at their last noon meeting and will be making a decision next week how to proceed.

Old Business

50.2 DCA-10-007 Consideration of a proposed Class "A" (Major) legislative amendment of the Medford Land Development Code to revise Sections 10.031, 10.102, and 10.297 relating to the processing of property line adjustments. City of Medford, Applicant

Sarah Sousa, Planner III, presented a staff report. She noted an additional Exhibit H, a letter from Cory Neathamer. Staff recommended forwarding a favorable recommendation to the City Council.

The public hearing was opened and the following testimony was given:

a) Bob Neathamer, Neathamer Surveying, 3126 State Street, Suite 100, Medford, OR 97504. Mr. Neathamer indicated that he is in support of the amendment and encouraged the Planning Commission to forward a favorable recommendation to the City Council. He thanked members of the Planning and Engineering staff for their work on the amendment.

Commissioner Nelson asked if staff had contacted Jim Maize about his previously submitted comments. Ms. Sousa responded that she will contact him and inform him what changes were made to the amendment.

The public hearing was closed.

Motion: Forward a favorable recommendation to the City Council for approval of DCA-10-007 per the Revised Staff Report dated August 5, 2010, including Exhibits A through H.

Moved by: Commissioner Shean Seconded by: Commissioner Locke

Roll Call Vote: Motion passed, 8 - 0

Commissioner McFadden asked that staff send a letter to thank the surveyors that helped in crafting the amendment.

New Business

50.3 CP-08-055 Consideration of a Class 'A' Major Legislative Comprehensive Plan Amendment proposal to replace the current Housing Element, with an updated Housing Element, including Housing Needs Analysis, that covers the planning period 2009 to 2029. City of Medford, Applicant

Praline McCormack, Planner II, presented a staff report. Suzanne Myers, Prinicipal Planner, presented policy recommendations which were: 1) Change the projected density target for new construction to 8 dwellings per net acre (6.6 dwellings per gross acre); 2) Revise Section 6 per the changes in Exhibit K, relating to Active Adult Retirement Communities; 3) Remove Appendix B entirely from the document because it is duplicative; and 4) Revise the Policies and Implementation Strategies per the changes in Exhibit L. Staff recommended forwarding a favorable recommendation to the City Council.

Commissioner Nelson asked if Active Adult Retirement Communities (AARC) is an official term. He was concerned that it seemed to try to elevate one type of housing above other types of housing. Ms. Myers noted that it is a term used elsewhere, including the footnotes. She noted there were other types of senior housing listed as well.

The public hearing was opened and no testimony was given.

Discussion:

Commissioner Tull also expressed concern about the term "Active Adult Retirement Community". He indicated that he would be more comfortable if on first reference, there were a caveat that indicated this is a type of retirement community referred to as AARC by those who proposed it. Commissioner Tull commented that he

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recalled that letters from DLCD that said there is nothing in the state's housing policies that support the use of that term. Ms. Myers noted that on the bottom of Exhibit K was a footnote citing a document by the Urban Land Institute, implying that it is more of a common term. Commissioner Nelson and Commissioner Tull agreed that a more generic term was needed. Commissioner Locke asked if the term should be included in the definition section of the Comprehensive Plan. Ms. Myers responded that it does not have a definition section at this time.

The public hearing was closed.

There was further discussion on the term or acronym AARC and removing it from the document.

Motion: Direct staff to prepare a Final Order to forward a favorable recommendation to the City Council for approval of CP-08-055 per the Staff Report dated August 3, 2010, including Exhibits A through L with the following changes to the July 1, 2010, version of the Housing Element:

1. Change the projected density target for new construction to 8 dwellings per net acre (6.6 dwellings per gross acre); 2. Revise Section 6 per the changes in Exhibit K; 3. Remove Appendix B entirely from the document; 4. Revise the Implementation Strategies per the changes in Exhibit L; and 5. Incorporate the numerous friendly amendments.

Moved by: Commissioner Locke Seconded by: Commissioner Tull

Commissioner Tull suggested a friendly amendment that was later rescinded: To request that staff amend their recommendation to indicate that the term Active Adult Retirement Community is a type of retirement community proposed to the City and referred to by its proponents as AARC. He explained that he would like the City to avoid language that suggests it has a category of housing for active adults. The City needs to plan for a broad spectrum of housing for all of its senior residents. Commissioner Shean suggested changing the term to a more generic term like "active senior housing".

Friendly amendments by Commissioner Locke:
Change the term "Active Adult Retirement Communities" by putting it in lower case letters and not use parentheses or an acronym. It becomes more descriptive and is then not an official term.

Friendly amendments by Commissioner Nelson:
On page 204, under Housing needs of seniors. Delete the words "facilities, including active adult retirement communities." The paragraph would be changed to read "... and retirement communities."

On page 208 – delete the word "traditional" from the title "Traditional housing alternatives for seniors." Delete the first paragraph starting with the words "Although the majority...".

Page 209, the paragraph on subsidized housing needs more definition of what it is.

On page 209, replace paragraph for Active adult retirement communities with the following: These are age-targeted or age-restricted active adult communities that have residential and recreational amenities that are not normally available in other types of senior citizen facilities. Amenities may include single-family homes on individual lots, townhouses, and apartments; and recreation facilities such as club houses for social activities, swimming pools, golf courses, tennis courts, hiking trails, and fitness gyms.

Page 207 was discussed. It was first suggested to delete the bullet point titled Housing affordability and wealth. After it was discussed, the Commissioners decided to leave the paragraph in the document.

There was further discussion on needing a more generic term instead of "adult active retirement communities". Commissioner Potter suggested on page 209 doing away with the words "active adult' and leaving it just as "retirement communities". Commissioner Nelson responded that the problem is all on that list are types of retirement housing.

Friendly Amendment by Commission Nelson: On page 209, delete the sentence "other housing alternatives for seniors include:"

Friendly Amendment from Commissioner Locke: On page 204, under Housing needs of seniors, strike out the word "facilities" and leave in communities, so it reads "including retirement communities.

Commissioner Tull, referring to Table 43 on page 208, indicated that the data needs to be updated to reflect the impact of the economy from the last few years. Ms. Myers indicated that the consultant can update it with more current data.

Friendly amendment from Commissioner Locke:
Add the following sentence after the last paragraph on page 208 under Table 43: "The current unfavorable economic and demographic environment may be ongoing long into the future and significantly different from the past reflected in the data above."

Commissioner Shean suggested adding that the City will evaluate the impacts of the recession on seniors in 5 years from the adoption of the element. Ms. Myers noted that there is an implementation strategy directing staff to address the housing needs every 5 years.

There was discussion on possibly holding a joint study session with the City Council. Mr. Huber suggested that the Commission can direct staff to prepare the Final Order for the meeting of September 9, 2010.

Friendly amendment from Commissioner Tull:
On page 208 there needs to be mention made of a need for a periodic reevaluation due to the long term impact of the current economic situation.

Roll Call Vote: Motion passed, 8 – 0

Commissioner Tull indicated a consensus of the Commissioners for appreciation of staff for their work on the Housing Element. He commended Jay Harland for a fine job on writing findings and facts to support this document. He appreciated how they listened to the Planning Commission and worked with staff.

60. Report of Citizens Planning Advisory Committee.

60.1 Commissioner McFadden reported that CPAC met on August 9, 2010, and a presentation was given by Mark VonHolle, president of Southern Oregon Regional Economic Development, Inc., on the effort to make this a sustainable valley. Commissioner McFadden also invited area residents to attend the meetings.

70. Report of the Site Plan and Architectural Commission.

70.1 Commissioner Entenmann reported that two applications were considered: A 10 pad-lot townhome development, and phasing of a subdivision on Ross Lane and Sweet Road.

80. Report of the Joint Transportation Subcommittee. None

90. Report of the Southeast Plan Implementation Advisory Committee.

90.1 Commissioner Tull reported that the committee met with those preparing a master plan for the commercial center of the Southeast project. They discussed the revision to what was previously proposed. The Committee will meet again to deliberate on what was proposed.

MINUTES
Planning Commission Meeting
September 9, 2010

The regular meeting of the Medford Planning Commission was called to order at 5:30 p.m. in the Council Chambers on the above date with the following members and staff in attendance:

Commissioners		Staff
Norman Nelson, Chair	Allen Potter	Jim Huber, Planning Director
Tim Jackle, Vice Chair	Jerry Shean	Lori Cooper, Senior Assistant City Attorney
Brita Entenmann	Robert Tull	Larry Beskow, City Engineer
Jared Hokanson		Kristy Grieve, Recording Secretary
Walt Locke		Bianca Petrou, Assistant Planning Director
David McFadden		Praline McCormack, Planner II
		John Adam, Planner IV
		Pete Young, Parks & Recreation Department

10. Roll Call

20. Consent Calendar/Written Communications.

20.2 ZC-10-047 Final Order of approval for a zone change from I-H/AR (Heavy Industrial/ Airport Radar Overlay) to I-L/AR (Light Industrial/Airport Radar Overlay) on approximately 2.96 acres located at the southwest corner of Crater Lake Highway and Kingsley Drive. Adelia Coffman, Applicant (Scott Sinner Consulting, Agent)

Motion: Approve Consent Calendar Item 20.2

Moved by: Commissioner McFadden Seconded by: Commissioner Jackle

Voice Vote: Motion passed, 9 – 0

The following item was pulled off for discussion:

20.1 CP-08-055 Final Order for a favorable recommendation to City Council for approval of the Housing Element for the planning period 2009 to 2029. City of Medford, Applicant

Commission Tull asked that the following clarifications be made:
1) On page 17, item 5, needs to be more clearly stated, so that it means that with current capacity and projected need, we don't have enough room; we can accommodate dwelling units we need, except for 3626 will have to expand. He asked for staff to look at that sentence and reword it. Bianca Petrou, Assistant Planning Director, suggested stating that Medford does not have capacity for the additional 3626 units. Commissioner Tull agreed that sentence is more explicit and clarifies the issue, saying we need to find room for 3626 more units.

2) Commissioner Tull noted that page 36 refers to a survey of baby boomers by Pulte Homes. He feels that what is at the end of the footnote needs to be incorporated into the paragraph above. In the sentence "A survey of baby boomers, insert the words "published by Pulte Homes in 2005", suggests many baby boomers will consider moving to a new home..." Commissioner Tull feels it is important to indicate in the text that it is not a very current survey.

3) On page 39, under the paragraph titled Subsidized Housing, includes the sentence "Medford currently has 501 subsidized housing units for seniors out of a total of 1,048 units in Medford." Commissioner Tull indicated that this sentence can be interpreted too many ways. If it means a total of 1048 units specifically for seniors, of which 501 are subsidized, it should say that. It is not stated as clear as it could be.

4) He also noted that on Page 50, before the bullets, a bolded sentence the word "chosed" should be replaced with "chosen".

CITY OF MEDFORD
EXHIBIT # D-3 of 3
File # CP-08-055

Motion: Approve Consent Calendar Item 20.1 as amended.

Moved by: Commissioner Tull Seconded by: Commissioner Shean

Commissioner Nelson complimented staff on the commission report. Commissioner Jackle indicated that he will abstain from the vote due to not being present at the first hearing

Voice Vote: Motion passed, 8 – 0 – 1, Commissioner Jackle abstained

30. Minutes.

30.1 The minutes for the August 26, 2010, meeting were approved as submitted.

40. Oral and Written Requests and Communications. None

50. Public Hearings.

Old Business

50.1 LDP-10-041 Consideration of a request for tentative plat approval for a two lot partition of a .53 acre parcel, located on the north side of East McAndrews Road, approximately 146 feet west of Severson Drive, within a SFR-4 (Single Family Residential – 4 units per acre) zoning district. Trin Corp, Applicant

The application was withdrawn by the applicant.

Continuance Request

50.2 LDS-10-003 Consideration of a request for tentative plat approval of East McAndrews Village, a 58-lot subdivision on approximately 22.7 acres within Vista Pointe Planned Unit Development. The subject site is located on the south and west sides of East McAndrews Road, opposite its intersection with Vista Pointe Drive, and is within an SFR-4/PD (Single Family Residential – 4 dwellings per acre/Planned Unit Development) zoning district. ACG Properties, LLC, Applicant (Maize and Associates, Agent)

Ms. Petrou reported that the applicant had requested the hearing be continued until September 23, 2010.

Motion: Continue to the September 23, 2010, meeting.

Moved by: Commissioner Shean Seconded by: Commissioner Potter

Voice Vote: Motion passed, 9 - 0

New Business

50.3 TF-10-052 Consideration of plans for the construction of approximately 300 linear feet of Excel Drive. The subject street segment is located between Delta Waters Road on the north and the Delta Center on the south. Excel Drive will be constructed to meet Standard commercial street standards, with the following two proposed exceptions: (1) Excel Drive will not contain planter strips; and (2) Sidewalks on Excel Drive are proposed to be widened from the standard five foot width to seven feet in width. City of Medford, Applicant

Commissioner Jackle recused himself from the meeting for ex-parte contact.

John Adam, Planner IV, presented a staff report. Staff recommended forwarding a favorable recommendation to the City Council. Commissioner Shean asked if there currently was parking along Excel Drive. Mr. Adam confirmed there was.

The public hearing was opened and no testimony was given. The public hearing was closed.

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CITY OF MEDFORD
PLANNING DEPARTMENT
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MEDFORD, OR 97501

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ATTN: Plan Amendment Specialist
Dept. of Land Conser. & Develop.
635 Capitol St. NE, Ste. 150
Salem, Or 97301-2540

RETURN RECEIPT
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