FORM 2

D L C D NOTICE OF ADOPTION

DEPT OF
APR 28 2008
LAND CONSERVATION AND DEVELOPMENT

This form **must be mailed** to DLCD **within 5 working days after the final decision** per ORS 197.610, OAR Chapter 660 - Division 18

(See reverse side for submittal requirements)

Jurisdiction: CITY OF GRANTS PASS Local File No.: 07-4050007 (If no number, use none)

Date of Adoption: 4-16-2008 (FINDINGS) (Must be filled in) Date Mailed: 4-25-2008 (Date mailed or sent to DLCD)

Date the Notice of Proposed Amendment was mailed to DLCD: 11-16-2007

- ✓ Comprehensive Plan Text Amendment
- ___ Comprehensive Plan Map Amendment
- ___ Land Use Regulation Amendment
- ___ Zoning Map Amendment
- ___ New Land Use Regulation
- ___ Other: ___ (Please Specify Type of Action)

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

REPLACES CHAPTER 9, HOUSING ELEMENT, OF THE COMPREHENSIVE PLAN WITH A NEW UPDATED ELEMENT. THE CURRENT CHAPTER WAS LAST AMENDED IN 1994.

Describe how the adopted amendment differs from the proposed amendment. If it is the same, write "Same." If you did not give notice for the proposed amendment, write "N/A."

ORIGINAL PROPOSAL WAS 11/16/07 DRAFT. THREE SUBSEQUENT DRAFTS RESULTED FROM TESTIMONY: 12/14/07, 1/16/08, AND 3/27/08. THE 12/14/07 & 1/16/08 DRAFTS INCORPORATED ADDITIONAL INFORMATION AND NARRATIVE REGARDING DEMOGRAPHIC TRENDS & CHARACTERISTICS. THE 3/27/08 DRAFT, WHICH WAS ADOPTED, INCORPORATED THESE CHANGES PLUS ADDITIONAL INFORMATION REGARDING FINANCIAL WORTH BY AGE GROUP & INCOME AND ACCUMULATED WEALTH BY AGE GROUP. ADOPTED AMENDMENT USED DIFFERENT HOUSING MIX.

Plan Map Changed from: N/A to N/A

Zone Map Changed from: N/A to N/A

Location: N/A Acres Involved: N/A

Specify Density: Previous: N/A New: N/A

Applicable Statewide Planning Goals: GOAL 10

Was an Exception Adopted? Yes: ___ No: ✓

DLCD File No.: 010-07 (16541)

Did the Department of Land Conservation and Development receive a notice of Proposed Amendment **FORTY FIVE (45) days prior to the first evidentiary hearing**. Yes: ✓ No: ____

If no, do the Statewide Planning Goals apply. Yes: ___ No: ____

If no, did The Emergency Circumstances Require immediate adoption. Yes: ___ No: ____

Affected State or Federal Agencies, Local Governments or Special Districts: _____

DLCD, OREGON HOUSING & COMMUNITY SERVICES, JOSEPHINE COUNTY

Local Contact: TOM SCHAUER, CODE ANALYST Area Code + Phone Number: 541-474-6355 x6418

Address: 101 NW 'A' STREET, ~~GRANTS PASS~~

City: GRANTS PASS Zip Code+4: 97526

ADOPTION SUBMITTAL REQUIREMENTS

This form **must be mailed** to DLCD **within 5 working days after the final decision** per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and **TWO (2) Copies** of the Adopted Amendment to:

   ATTENTION: PLAN AMENDMENT SPECIALIST
   DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
   635 CAPITOL STREET NE, SUITE 150
   SALEM, OREGON 97301-2540

2. Submit **TWO (2) copies** the adopted material, if copies are bounded please submit **TWO (2) complete copies** of documents and maps.

3. Please Note: Adopted materials must be sent to DLCD not later than **FIVE (5) working days** following the date of the final decision on the amendment.

4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.

5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within **TWENTY-ONE (21) days** of the date, the "Notice of Adoption" is sent to DLCD.

6. In addition to sending the "Notice of Adoption" to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.

7. **Need More Copies?** You can copy this form on to 8-1/2x11 green paper only ; or call the DLCD Office at (503) 373-0050; or Fax your request to:(503) 378-5518; or Email your request to Larry.French@state.or.us - ATTENTION: PLAN AMENDMENT SPECIALIST.

Index of Record for Housing Element Amendment, File 07-40500007

Notice of Adoption Form
Ordinance 5437 with Exhibit 'A'

City Council Findings

- Exhibit A to City Council Findings: City Council Staff Report and Exhibits, including February 20, 2008 Background Sheet and February 20, 2008 Ordinance (with January 16, 2008 Housing Element Draft)
    - Exhibit 1 to City Council Staff Report: Planning Commission Findings & January 16, 2008 Memo with January 16, 2008 Draft Housing Element
        - Exhibit A to Planning Commission Findings: Planning Commission Staff Report
            - Exhibit 1 to Planning Commission Staff Report: December 14, 2007 Housing Element Draft
        - Exhibit B to Planning Commission Findings: January 9, 2008 UAPC Hearing Minutes
        - Exhibit C to Planning Commission Findings: Comments from Loree Arthur dated January 8, 2008
        - Exhibit D to Planning Commission Findings: Examples of Residential Densities in Grants Pass and the Urbanizing Area, November 2007
        - Exhibit E to Planning Commission Findings: Mark-up Text to December 14, 2007 draft presented by staff at the January 9, 2008 Planning Commission meeting
    - Exhibit 2a to City Council Staff Report: Letter from Bill Peterson dated February 4, 2008
    - Exhibit 2b to City Council Staff Report: Letter from John Chmelir dated February 4, 2008
- Exhibit B to City Council Findings: Minutes of the February 20, 2008 City Council Hearing
- Exhibit C to City Council Findings: PowerPoint Presentation from Staff at February 20, 2008 City Council Hearing

- Exhibit D to City Council Findings: Letter from Bill Peterson dated February 20, 2008
- Exhibit E to City Council Findings: Letter from John Chmelir dated February 19, 2008
- Exhibit F to City Council Findings: Memo from ECONorthwest dated March 24, 2008
- Exhibit G to City Council Findings: Background Sheet from April 2, 2008 City Council meeting
- Exhibit H to City Council Findings: Draft Ordinance with March 27, 2008 Housing Element from April 2, 2008 City Council Hearing
- Exhibit I to City Council Findings: PowerPoint Presentation from Staff at April 2, 2008 City Council Hearing
- Exhibit J to City Council Findings: Letter from Holger Sommer submitted at April 2, 2008 Public Hearing
- Exhibit K to City Council Findings: Minutes of the April 2, 2008 City Council Public Hearing

ORDINANCE NO. 5437

AN ORDINANCE AMENDING THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN

WHEREAS:

1. The Comprehensive Plan of the City of Grants Pass was adopted December 15, 1982. The Development Code of the City of Grants Pass was adopted August 17, 1983; and

2. The amendment updates the Housing Element of Comprehensive Plan, which was adopted by Ordinance #4471 in 1982 and amended by Ordinance #4795 in 1994; and

3. The amendment does not change the Housing Goal and Policies in the policies section of the Comprehensive Plan; and

4. The applicable criteria from the Comprehensive Plan are satisfied.

NOW, THEREFORE, THE CITY OF GRANTS PASS HEREBY ORDAINS:

Section 1: Element 9, Housing Element of the Comprehensive Plan is hereby repealed, and the new Element 9, Housing Element as set forth in Exhibit 'A', which is attached to and incorporated in this ordinance, is hereby adopted.

ADOPTED by the Council of the City of Grants Pass, Oregon, in regular session this 2nd day of April, 2008.

SUBMITTED to and Approved by the Mayor of the City of Grants Pass, Oregon, this 7 day of April, 2008.

Len Holzinger, Mayor

ATTEST:

David Reever
Finance Director

Date submitted to Mayor: 4-3-08

Approved as to Form, Carl Sniffen, Deputy City Attorney

EXHIBIT A
TO ORDINANCE

3/27/08

9.00 HOUSING ELEMENT INDEX

9.10 PURPOSE

9.20 Framework for the housing needs analysis

- Methods
- Needed housing types
- Organization of this chapter

9.30 Historical Development Trends in Grants Pass

- Residential development trends
- Trends in housing mix
- Housing density

9.40 Housing demand and need

- Number of new housing units needed in the next 20 years
- National, state, and local demographic and economic trends and factors that may affect the types of housing built
- Demographic characteristics and housing trends related to demand for different types of housing
- Housing affordability
- Estimate of additional units needed by structure type
- Needed density range for residential development

9.50 Findings

- Population growth and demographic trends
- Development trends
- National, State, and Regional Trends
- Housing and household characteristics
- Housing affordability
- Projected housing needs

HOUSING ELEMENT

9.10 PURPOSE

The purpose of the Housing Element is to meet the requirements of Goal 10, OAR 660-008, and ORS 197.296. Within this policy context, the Housing Element must identify local housing needs. The primary goals of this chapter are to (1) describe characteristics of the existing mix and density of housing in Grants Pass, (2) describe recent residential development trends in the City, (3) evaluate housing affordability, and (4) project future need for housing in Grants Pass. The analysis presented in this chapter is used to evaluate the existing residential land supply within the Grants Pass Urban Growth Boundary to determine if it is adequate to meet that need based on the projected demand for housing. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

9.20 FRAMEWORK FOR THE HOUSING NEEDS ANALYSIS

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.

Goal 10 defines housing needs as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." In addition to other housing types, this definition includes government-assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS 197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use; and
- Government-assisted housing.

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 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 (197.296(3)(b)).

Grants Pass meets the population threshold for these statutory requirements. This chapter includes an analysis of housing mix by needed types, residential development trends and patterns, and a projection of needed housing units and land for the next 20 years.

9.21 Methods

The housing needs analysis presented in this chapter follows 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. 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).

9.22 Needed housing types

As described above, state policy establishes a framework of needed housing types. As provided in ORS 197.303 and ORS 197.475 to 197.490, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;

- Manufactured homes on individual lots planned and zoned for single-family residential use and in manufactured home parks; and

- Government-assisted housing.

Thus, the statutory definition can be interpreted as requiring cities to plan for all types of housing. The definition is general in the sense that it includes variations on single-family and multifamily housing that are common in Grants Pass. The Census reports housing types as "units in structure." According to the Census, a structure is defined as "a separate building that either has open spaces on all sides or is separated from other structures by dividing walls that extend from ground to roof.[1] The Census classifies structures into the following types:

- **1-unit, detached.** This is a 1-unit structure detached from any other house; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A 1-family house that contains a business is considered detached as long as the building has open space on all four sides. Mobile homes to which one or more permanent rooms have been added or built also are included.

- **1-unit, attached.** This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.[2]

- **2 or more units.** These are units in structures containing 2 or more housing units, further categorized as units in structures with 2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more units.

- **Mobile home.** Both occupied and vacant mobile homes to which no permanent rooms have been added are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

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[1] 2000 Census of Population and Housing, Summary File 3 Technical Documentation, page B-64

[2] The Census does not provide definitions for condominiums or townhouses. Common definitions are:

Townhouse: A townhouse is one of a row of homes sharing common walls. Differing from condominiums, townhouse ownership does include individual ownership of the land. There can also be common elements, such as a central courtyard, that would have shared ownership.

A condominium is one of a group of housing units where each homeowner owns their individual unit space, and all the dwelling share ownership of areas of common use. The individual units normally share walls, but that isn't a requirement. The main difference in condos and regular single homes is that there is no individual ownership of a plot of land. All the land in the condominium project is owned in common by all the homeowners. Usually, the exterior maintenance is paid for out of homeowner dues collected and managed under strict rules. The exterior walls and roof are insured by the condominium association, while all interior walls and items are insured by the homeowner. (http://realestate.about.com)

The Census classifications have specific meanings, but other commonly used terms to describe these housing types include:

- "Single-family dwelling", without specifying "attached" or "detached" is commonly used to refer to a *detached* single-family dwelling, which the Census Bureau defines as "one-unit detached." However, "single-family dwelling" more accurately describes both one-unit *detached* and one-unit *attached* units. When used in the tables in this report where the source is the Census Bureau, single-family dwelling includes both detached and attached. A "one-unit detached" dwelling is usually located on an individual lot, but there may be properties that contain multiple one-unit detached structures.
- "Townhouse" refers to a "one-unit attached" structure on an individual lot – or an "attached single-family dwelling."
- "Multifamily dwelling", or "apartment" is commonly used to refer to "two or more units" as defined by the Census bureau. Duplex, Triplex, and Fourplex are often used to denote multifamily buildings with two, three, and four units respectively.
- "Condominium" or "condo" only describes the ownership pattern, and not the building type. Most people think of condominiums as apartments within a multi-unit structure; however, condominiums can be any type of structure, whether one-unit detached, one-unit attached, two or more units. Mobile home condominiums also exist, but the Census Bureau doesn't include these in its count of condominiums.
- "Accessory Dwelling" refers to a secondary dwelling on a property that is typically rented out or occupied by extended family. An accessory dwelling may be attached to or detached from the main dwelling.
- Housing types do not specify whether a unit is owner-occupied or renter-occupied.
- The Grants Pass Development Code uses some terms in a slightly different manner than common usage, relating to the site as well as the structure. For example, the definition of "Building Type, Multi-Dwelling" refers to a "structure or complex of structures containing at least three dwelling units in any vertical or horizontal arrangement, located on a lot or development site". Therefore, three units, whether attached or detached, on one lot, would be considered multi-dwelling for purposes of the Development Code.
- There are many names for different types of housing that accommodate a variety of household compositions and living arrangements, which are accommodated within one of the structure-type or group quarters categories defined by the Census Bureau (1-unit attached, 1-unit detached, 2 or more units, mobile home, or group quarters). Examples of these living arrangements include Assisted Living Facilities, Board and Care, Group Homes, Adult Foster Care, Congregate Housing, Independent Living, Supportive Seniors Housing, Cooperatives, Co-Housing, Naturally Occurring Retirement Communities, Commercial Retirement Communities, and Home Health Care.

ORS 197.295 defines government assisted housing as:

> "...housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.005, 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."

Government assisted housing can be any housing type.

9.23 Organization of this chapter

The remainder of this chapter is divided into sections.

- **Section 9.30** describes historical development trends in Grants Pass, including changes the housing mix during the 1990's, building permit activity between 2001 and 2006, and subdivision activity.
- **Section 9.40** presents a forecast of housing need for the 2007 to 2027 period, demographic trends that may affect demand for housing nationally and locally, an analysis of housing affordability in Grants Pass, and an estimate of new housing units needed by type and density ranges.
- **Section 9.50** identifies the key findings of this chapter for housing needs in Grants Pass.

9.30 HISTORICAL DEVELOPMENT TRENDS IN GRANTS PASS

Analysis of historical development trends in Grants Pass provides insights into how the local housing market functions. The housing type mix and density are also key variables in forecasting future land need. Moreover, such an analysis is required by ORS 197.296. The specific steps are described in Task 2 of the DLCD Workbook:

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

ORS 197.296 requires the analysis of housing mix and density to include the past five years or since the most recent periodic review, whichever time period is greater.[3] The City of Grants Pass used data from the 1999 to 2006 period for this analysis.

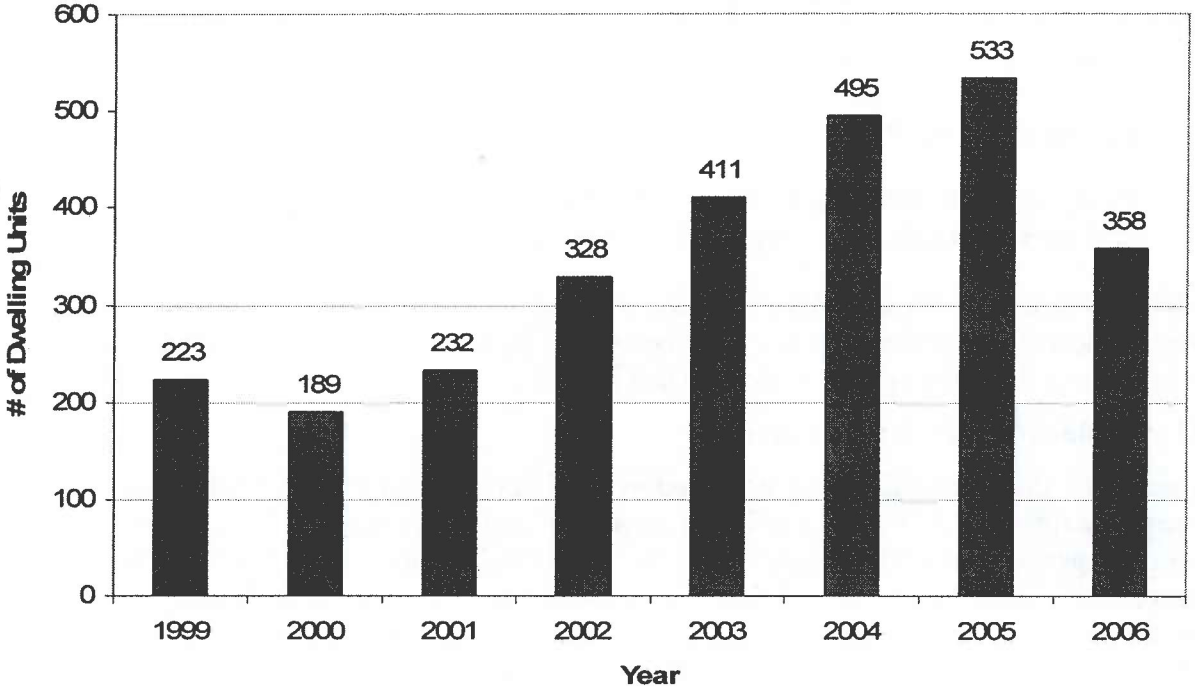
9.31 Residential development trends

Figure 9.30.1 shows dwelling units approved in the Grants Pass UGB between 1999 and 2006. Grants Pass approved 2,769 new dwellings during this eight-year period. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in development activity—the U.S. Census database of building permit activity shows that Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

[3] The statute provides an exception to this requirement. Specifically, ORS 197.296(5) (b) states: "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."

FIGURE 9.30.1

DWELLING UNITS APPROVED THROUGH BUILDING PERMITS ISSUED FOR NEW RESIDENTIAL CONSTRUCTION, Grants Pass UGB, 1999-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 shows the number of dwelling units approved for construction within the City of Grants Pass UGB by type for 2001-2006. During the six-year period, 2,357 residential permits were issued, with 75% of permits issued for single-family housing types, including attached and detached single-family units and manufactured homes. Table 9.30.1 shows that the percentage of single-family dwelling units permitted in the City has fluctuated over the years: single-family dwellings represented 91% of all approved dwelling units in 2001, and only 59% the following year. Development of multifamily housing increased in 2002 and accounted for an average of 25% of residential permits during the six-year period.

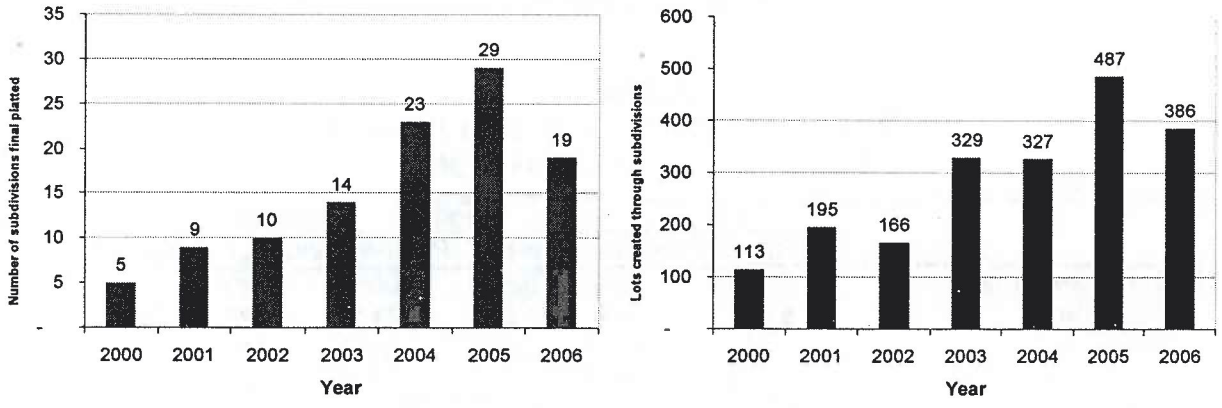
TABLE 9.30.1
PERMITTED DWELLING UNITS BY TYPE,
Grants Pass UGB, 2001-2006

Year	Single-family		Manufactured homes		Multi-family		Total
	Number	Percent	Number	Percent	Number	Percent	
2001	210	91%	15	6%	7	3%	232
2002	193	59%	21	6%	114	35%	328
2003	257	63%	25	6%	129	31%	411
2004	350	71%	20	4%	125	25%	495
2005	395	74%	11	2%	127	24%	533
2006	259	72%	10	3%	89	25%	358
Total	**1,664**	71%	**102**	4%	**591**	25%	**2,357**
Average	**277**		**17**		**99**		**393**

Source: City of Grants Pass Community Development Department;
Percentages calculated by ECONorthwest.

Figure 9.30.2 shows the number of subdivisions and lots created in Grants Pass UGB between 2000 and 2006. During the seven-year period, 109 subdivisions were final platted creating 2,003 lots. Figure 9.30.2 shows that the number of subdivisions created in Grants Pass increased between 2000 and 2006, peaking with 29 subdivisions in 2005. The number of lots created also increased during the six-year period, peaking at 487 lots created in 2005. In addition, 394 lots were created by minor land partitions between 2000 and 2006.

FIGURE 9.30.2
NUMBER OF SUBDIVISIONS AND LOTS CREATED,
Grants Pass UGB, 2000-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 and Figures 9.30.1 and 9.30.2 show that building permit and subdivision activity increased in Grants Pass' UGB between 2000 and 2005, and that an increase in single-family development made up the majority of that increase. Multifamily building remained at stable levels between 2000 and 2005, averaging 99 permits per year. Prior to 2002, the number of multifamily building permits issued was fewer than 99 permits per year.

9.32 Trends in housing mix and tenure

The housing mix by type (i.e., percentage of single family, multifamily, 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, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Table 9.30.2 shows changes in Grants Pass' housing mix from 1990-2000. Between 1990 and 2000, Grants Pass increased its housing stock by 32%, adding 2,383 dwelling units. The mix of housing did not change substantially. In 1990, 75% of dwelling units were single-family housing types (both detached and attached single-family units and manufactured dwellings), decreasing to 74% in 2000. Over the ten-year period, Grants Pass added more than 1,500 single- family dwellings (both detached and attached).

Thirty percent of the new dwelling units added between 1990 and 2000 were multifamily. However, the share of multifamily housing types did not increase substantially in Grants Pass over the ten-year period. In 1990, multifamily housing types accounted for 25% of the housing stock and in 2000 they accounted for 26% of the housing stock.

Tenure did not change substantially between 1990 and 2000. About 54% of housing in Grants Pass city limits was owner-occupied in 1990 and 53% was owner-occupied in 2000. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000. The higher rates of homeownership in Josephine County may be attributable to differences in the mix of housing types. Josephine County had a much larger share of manufactured homes (20%) and a lower share of multifamily units (11%) than Grants Pass in 2000. The larger share of manufactured housing may provide more options for affordable housing for would-be homeowners and the lower share of multifamily units may provide fewer rental opportunities.

TABLE 9.30.2
DWELLING UNITS BY TYPE AND TENURE
Grants Pass City Limits, 1990-2000

	1990		2000		New DU 1990-2000	
	Number	Percent	Number	Percent	Number	% Change
Total Housing Units	7,480	100%	9,863	100%	2,383	32%
Single-family	5,484	73%	7,006	71%	1,522	28%
Multifamily	1,833	25%	2,547	26%	714	39%
Manufactured/Mobile	163	2%	310	3%	147	90%
Occupied Housing Units	7,145	100%	9,376	100%	2,231	31%
Owner Occupied	3,838	54%	4,986	53%	1,148	30%
Renter Occupied	3,307	46%	4,390	47%	1,083	33%

Source: US Census 1990 and 2000, Summary File 1; Percentages calculated by ECONorthwest.

Table 9.30.3 shows type of dwelling by tenure (owner/renter-occupied) in 2000. The results show that single-family and manufactured housing types have a much higher ownership rate than other housing types—about 97% of owner-occupied units were in these housing types.

Multifamily housing types, including duplexes were predominately renter occupied. It is also notable that 83% of the single-family attached dwellings were renter occupied. By contrast, 27% of single-family detached and 11% of mobile homes were renter occupied in 2000.

TABLE 9.30.3
HOUSING UNITS BY TYPE AND TENURE,
Grants Pass City Limits, 2000

	Owner Occupied			Renter Occupied			Total	
Housing type	Number	% by Tenure	% by Type	Number	% by Tenure	% by Type	Number	% by Type
Single-family detached	4,591	91%	73%	1,704	35%	27%	6,295	64%
Single-family attached	103	2%	17%	516	11%	83%	619	6%
Multifamily-Duplex	38	1%	4%	877	18%	96%	915	9%
Multifamily-3+ units	32	1%	2%	1,678	35%	98%	1,710	17%
Mobile Home	293	6%	89%	37	1%	11%	330	3%
Total	**5,057**	**100%**	**51%**	**4,812**	**100%**	**49%**	**9,869**	**100%**

Source: US Census 2000, Summary File 3; Percentages calculated by ECONorthwest.
Note: Total number of units is slightly different than reported in Table 9.30.2 due to different data sources (this table uses Summary File 3 sample data; Table 9.30.2 uses Summary File 1, 100% count data.

ORS 197.480 requires local governments to plan for mobile home parks and estimate the need for mobile homes over the planning period. Jurisdictions are required to inventory mobile home parks located in high-density residential, commercial, and industrial zones. Grants Pass has a total of 51 manufactured dwelling parks within the UGB, with 32 parks located in high-density residential, commercial, or industrial zones.[4]

9.33 Housing density

An analysis of actual housing density achieved in Grants Pass is helpful in evaluating development trends. Table 9.30.4 shows average residential density for dwelling units built in Grants Pass between 1999 and 2006 by plan designation and zoning district. The data indicate that Grants Pass had an average density of 5.1 dwelling units per net acre for new units built from 1999-2006.[5] More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per net acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with an average of 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre. The average density for single-family detached dwellings, which were built in most plan designations, was 4.7 units per net acre.

[4] Josephine County Assessor's Database

[5] A "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land, after excluding present and future rights-of-way, restricted hazard areas, public open spaces and restricted resource protection areas."

TABLE 9.30.4
NET DENSITY OF NEW DWELLING UNITS
BY PLAN DESIGNATION AND ZONING DISTRICT
Grants Pass UGB, 1999-2006

Plan Designation	Dwelling Units (DU)	Net Acres	DU / Net Acre	Maximum Allowable Density
Low Density	1,107	314.3	3.5	
R-1-12	183	80.5	2.3	3.6
R-1-10	138	42.6	3.2	4.4
R-1-8	786	191.2	4.1	5.4
Moderate Density	646	102.5	6.3	
R-1-6	47	12.2	3.9	8.7
R-2	599	90.3	6.6	11.6
High Density	678	71.9	9.4	
R-3	678	71.9	9.4	17.4
High-Rise Density	62	2.4	26.4	
R-4	62	2.4	26.4	34.8
Commercial	90	11.8	7.6	
GC	90	11.8	7.6	
Total	**2,583**	**503**	**5.1**	

Source: City of Grants Pass
Notes: The majority of dwellings in commercial zones were covered by Josephine County zoning districts, which have been consolidated into the General Commercial zone.
The maximum allowable density is based on the Grants Pass zoning ordinance in 2007.

Table 9.30.5 provides information about typical densities associated with these common building types. The table shows net density, which accounts only for the lot size on which the dwellings exist, allowing for comparison between building types. Other density measures provide additional information, such as gross density which factors in right-of-way and is typically 20% lower than net density, but varies depending on whether the streets are pre-existing or are being built with the development. Neighborhood density also considers other amenities such as open space or common facilities located on separate lots.

TABLE 9.30.5
TYPICAL DENSITIES ASSOCIATED WITH COMMON BUILDING TYPES
Grants Pass

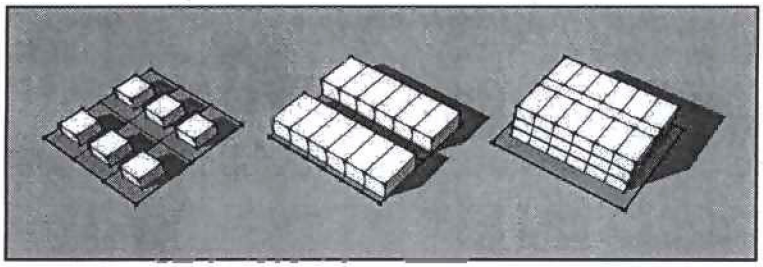
Housing Type	Net Density (du/acre)
Single-unit detached	
12,000 sf lot	3.63
10,000 sf lot	4.36
8,000 sf lot	5.44
6,000 sf lot	7.26
5,000 sf lot	8.71
Zero lot-line, detached	
5,000 sf lot	8.71
4,500 sf lot	9.68
4,000 sf lot	10.89
Zero lot-line, 2-unit attached	
4,000 sf lot	10.89
3,500 sf lot	12.45
3,250 sf lot	13.4
Two-unit detached (duplex)	
10,000 sf lot	8.71
8,000 sf lot	10.89
7,500 sf lot	11.62
7,000 sf lot	12.45
6,500 sf lot	13.4
5,000 sf lot (stacked duplex)	17.42
2 x Four-unit detached (2 x fourplex, stacked)	
20,000 sf lot	17.42
18,000 sf lot	19.36
Rowhouse/Townhouse (typ. 2 or 3 story)	
40x100 lots	10.89
35x100 lots	12.45
30x100 lots	14.52
25x100 lots	17.42
20x100 lots	21.78
18x100 lots	24.2
18x90 lots	26.8
Stacked Townhouse (typ. 3 or 4 story)	
40x100 lots	21.78
35x100 lots	24.9
30x100 lots	29
25x100 lots	34.84
20x100 lots (exceeds GP res. zone densities)	43.56
18x100 lots (exceeds GP res. zone densities)	48.4
18x90 lots (exceeds GP res. zone densities)	53.6
2-story/3-story apartments	
Varies (typical range for Grants Pass provided)	16 to 35

Source: City of Grants Pass; Two and three-story apartment estimates based on information from *Urban Land Use Planning* Fourth Edition, 1995 and local examples.

Figure 9.30.3 illustrates approximate density ranges typical of some common building types. These are typical of the density ranges found in Grants Pass and may differ from density ranges

for similar building types found in other communities. However, density ranges for some building types, especially multi-story apartment types, vary for different communities. The typical density ranges listed for apartments in Table 9.30.5, which are typical of Grants Pass, are lower than densities generally found in larger urban areas. This difference in densities may result, in part, from housing market factors but may also be a product of regulatory restrictions on density in Grants Pass because residential zoning standards limit maximum density.

FIGURE 9.30.3
TYPICAL DENSITIES ASSOCIATED WITH
COMMON BUILDING TYPES
NET DENSITY IN DWELLNG UNITS PER ACRE (DU/AC)
Grants Pass



Single-Family Homes	Townhouses	Multi-Story Apartments
(4-9 du/acre)	(16-24 du/acre)	(16-35 du/acre)

Source: City of Grants Pass

In this element, density refers only to dwelling units per acre. Density measures not used in this element include floor to area ratios (FARs), bulk, percentage of lot coverage, setbacks or other measures. However, these factors can influence perceptions regarding density. A separate document, *Examples of Residential Densities in Grants Pass and the Urbanizing Area, November 2007*, provides aerial and eye-level photos of examples of different developments and building types in Grants Pass. In comparing densities and building types, differences in these other factors are apparent.

9.40 HOUSING DEMAND AND NEED

Section 9.20 described the framework for conducting a housing "needs" analysis. ORS 197.296 (HB 2709) requires cities over 25,000 or fast growing cities to conduct a housing needs analysis. A recommended approach is described in Task 3 of the DLCD Workbook. The specific steps in the housing needs analysis are:

1. Project number of new housing units needed in the next 20 years.

2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

3. Describe the demographic characteristics of the population and, if possible, housing trends that relate to demand for different types of housing.

4. Determine the types of housing that are likely to be affordable to the projected households based on household income.

5. Estimate the number of additional needed units by structure type.

6. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

This section is organized according to these steps.

9.41 Number of new housing units needed in the next 20 years

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and estimates of new housing units needed in Grants Pass between 2007 and 2027. The forecast number of new housing units needed between 2007 and 2027 is calculated based on the population forecast, allocation of persons to residential units or group quarters, household size, and vacancy rates. Demographic and economic trends and factors that may affect the types of housing units built, and the needed mix of housing types, are presented later in this chapter.

Population

Population growth is the foundation of demand for new housing. Table 9.40.1 presents the Grants Pass UGB population forecast for 2007 to 2060. Table 9.40.1 shows that the Grants Pass UGB is forecasted to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%.

TABLE 9.40.1
POPULATION FORECAST
Grants Pass UGB, 2007-2060

Year	Population
2006	34,153
2007	37,460
2010	39,987
2015	44,584
2020	49,708
2025	55,422
2027	57,888
2030	59,737
2035	62,951
2040	66,337
2045	69,906
2050	73,667
2055	77,631
2057	79,275
2060	81,807
Change 2007 to 2027	
Number	20,428
Percent	55%
AAGR	2.20%
Change 2007 to 2057	
Number	41,815
Percent	112%
AAGR	1.51%

Source: ECONorthwest

Persons in group quarters

Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing need. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, need for these housing types will be met by institutions (colleges, state agencies, health-care corporations) operating outside what is typically defined as the housing market. Group quarters, however, require land and are typically built at densities that are comparable to multiple-family dwellings.

Table 9.40.2 shows the number of persons living in group quarters in 1990, 2000, and 2006 in Grants Pass. According to Census data, 835 persons lived in group quarters in Grants Pass in 2000, and City data shows this increased to 1,363 persons in 2006.

TABLE 9.40.2
PERSONS IN GROUP QUARTERS
Grants Pass City Limits, 1990, 2000, and 2006

	1990	2000	2006
Total Population	17,488	23,003	30,930
Persons in Group Quarters	749	835	1,363
Percent in Group Quarters	4.3%	3.6%	4.4%

Source: US Census of Population and Housing; 2006 data from City group quarters count. Percentages calculated by ECONorthwest.

For the purpose of estimating housing needs for Grants Pass, the analysis assumes that 3.6% of new persons (742 persons) will reside in group quarters. The majority of these new persons will live in assisted living quarters.

A final note on persons in group quarters: persons in group quarters require land. While the DLCD Workbook backs this component of the population out of total population that needs housing, it does not otherwise make accommodations for land demand for new group quarters. For the purpose of this analysis, we assume that persons in group quarters require land at approximately the same density as multiple family housing.

Household size

Table 9.40.3 shows the average household size for Grants Pass for owner- and renter-occupied units in 2000. Table 9.40.3 shows that the average household size in Grants Pass was 2.36. Owner occupied units in Grants Pass have larger average household sizes than renter-occupied units. The reverse is true for Josephine County.

OAR 660-024 established a "safe harbor" assumption for average household size—which is the figure from the most recent Census. The analysis of needed new units assumes an average household size of 2.36 persons per household.

TABLE 9.40.3
AVERAGE HOUSEHOLD SIZE
Grants Pass City Limits, 2000

	Persons per HH
Average household size	2.36
Owner-occupied units	2.43
Renter-occupied units	2.29
Single-family	2.54
Multifamily	1.78

Source: US Census 2000

Vacancy rate

Vacant units are the final variable in the basic housing need model. 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 9.40.4 shows that the average vacancy rate for Grants Pass was relatively similar in 1990 and 2000. The most recent Census showed an overall vacancy rate of 4.8% for Grants Pass, compared to a vacancy rate of 4.5% in 1990. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

TABLE 9.40.4
VACANCY RATES
Grants Pass City Limits, 1990 and 2000

	1990	2000
Total housing units	7,480	9,885
Total occupied	7,145	9,392
Total vacant	335	471
Vacancy Rate	4.5%	4.8%
Single-family	na	4.0%
Multifamily	na	7.1%

Source: US Census 1990 and 2000; Calculations by ECONorthwest.

The forecast of new housing units needed between 2007 to 2027 uses an aggregated vacancy rate for single-family and multifamily housing of 5.3%. This assumption reflects vacancy rates in 2000 and the needed housing mix of 75% single-family and 25% multifamily.

Forecast of new housing units, 2007-2027

The preceding analysis leads to a forecast of new housing units likely to be built in Grants Pass for the period 2007-2027. Table 9.40.5 summarizes the analysis. Based on the assumptions shown in Table 9.40.5, Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. This figure does not include group quarters units.

The baseline forecast assumes 3.6% of new population (742 people) will be group quarters, and the remaining population will be single-family housing types (single-family detached, single-family attached and manufactured homes) or multifamily (duplex, triplex, quad-plex, and more than five units). The mix of housing types and the basis for the mix is addressed later in this chapter.

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land. It also does not include a forecast of needed

group quarters units. Section 9.46 includes a separate estimate of acreage needed for group quarters and assumes these facilities develop at multifamily densities and will be located in high-density plan designations.

TABLE 9.40.5
FORECAST OF NEW HOUSING UNITS
Grants Pass, 2007-2027

Variable	Baseline Estimate of Housing Units (2007-2027)
Change in persons	20,428
minus Change in persons in group quarters	742
equals Persons in households	19,686
Average household size	2.36
New occupied DU	8,342
times Aggregate vacancy rate	5.3%
equals Vacant dwelling units	440
Total needed new dwelling units (2007-2027)	8,782
equals Total new dwelling units	**8,782**
Dwelling units needed annually	**439**

Source: ECONorthwest

9.42 National, state, and local demographic and economic trends and factors that may affect the types of housing built

National housing trends

The evaluation of housing trends that follows is based on previous research conducted by ECONorthwest for other housing needs studies as well as new research to update the evaluation of trends that may affect housing mix. Previous work by ECO and conclusions from The State of the Nation's Housing 2007 report from the Joint Center for Housing Studies of Harvard University inform the national, state, and local housing outlook for the next decade. The Joint Center for Housing Studies of Harvard University's The State of the Nation's Housing, 2007 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 trends in more detail.

Long run trends in home ownership and demand

The year 2006 was a significant departure from the recent housing boom that had lasted for 14 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 house price 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 7-month supply.

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

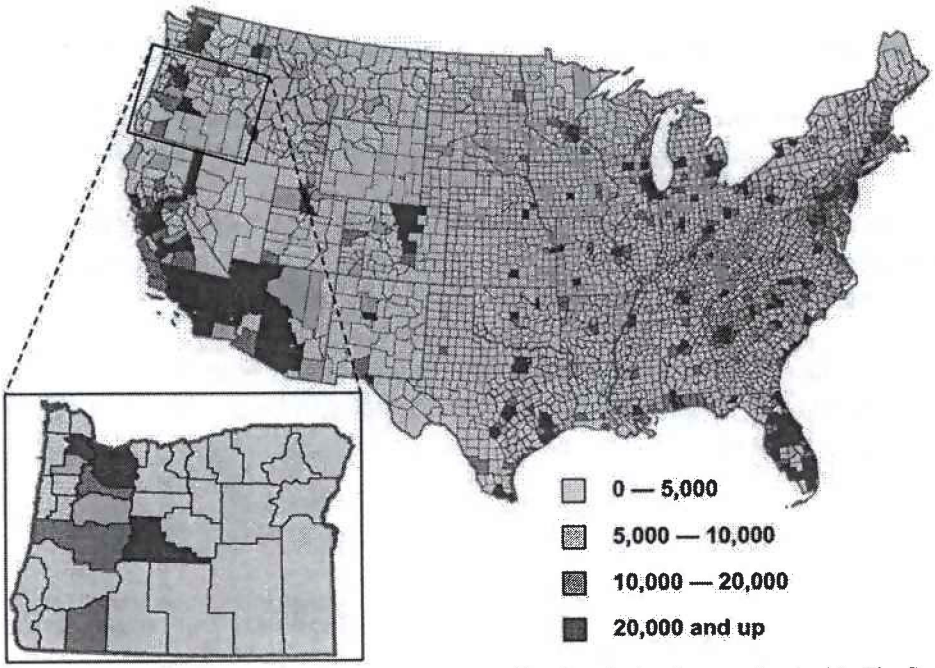
the country's largest metropolitan areas with more than half of their households living at least 10 miles from the CBD has more than tripled from 13 in 1970 to 46 in 2000; in six metropolitan areas more than a fifth of households live at least 30 miles out. While people older than 45 years are generally continuing to move away from CBDs, younger people have begun to move nearer to CBDs.

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. 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 among the more robust housing markets in the nation and in Oregon, issuing between 10,000 to 20,000 or more building permits over the 1994-2003 period (see Figure 9.40.1).

FIGURE 9.40.1
HOUSING PERMITS ISSUED BY COUNTY
US, 1994-2003



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 found 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.[6] The challenges that seniors face as they age in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[7] 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.

- 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.

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[6] 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.

[7] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

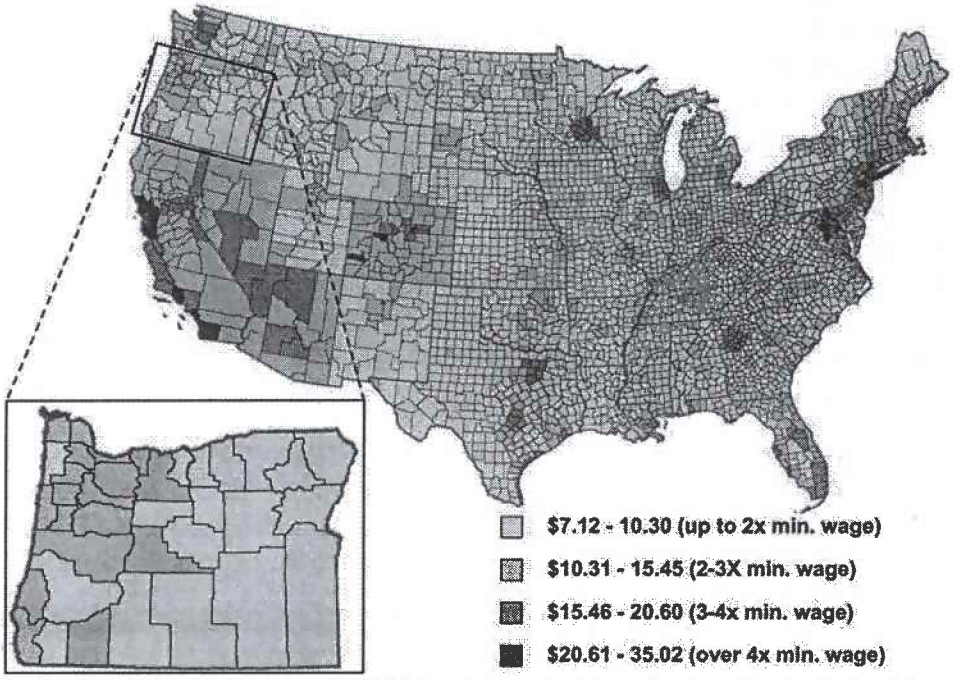
Home rental trends

Over the longer term, the Joint Center for Housing studies expects rental housing demand to increase. 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%.

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 9.40.2
HOURLY WAGES NEEDED TO AFFORD RENT BY COUNTY
US, 2004



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 record breaking housing prices, residential investment, and home sales of 2005 mentioned above, although indicative of strong housing demand nationally, have negative implications for lower income populations and first time home buyers. Higher short-term interest rates made it more difficult for first-time buyers to break into the market. Subprime 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 subprime 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. 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 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.

- 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 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.

9.43 Demographic characteristics and housing trends related to demand for different types of housing

State and regional demographic and housing trends are important to a thorough understanding of the dynamics of the Grants Pass housing market. Grants Pass exists in a regional economy; trends in the region impact the local housing market. This section documents state and regional demographic and housing trends relevant to Grants Pass and factors that influence households' locational choices.

Demographic trends

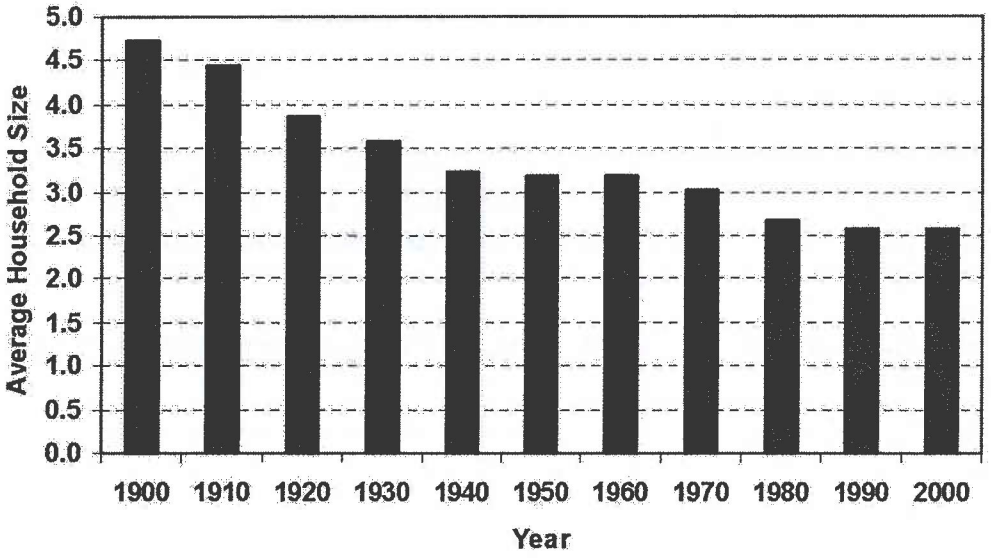
This section reviews historical demographic trends in Oregon, Josephine County, and Grants Pass. Demographic trends provide a broader context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and shape future growth. To provide context, we compare Grants Pass (city limits) with Josephine County and Oregon where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

State Demographic Trends

The April 2003 edition of Oregon Outlook produced by the Population Research Center at Portland State University provides a report entitled *Oregon's Major Population Trends* by Barry Edmonston, Director of Oregon's Population Research Center. It describes Oregon's major population trends through 2000, including Oregon's population growth, changes in the state's age composition, shifts on ethnic diversity, and trends in household size and composition. The report also highlights implications of these trends.

The average household size in Oregon has decreased over the past five decades, with the rate of decrease slowing during this period. Figure 9.40.3 shows that the average household size in Oregon was 2.60 in 1980, 2.52 in 1990 and 2.5 in 2000. This trend is likely to continue, with average household size continuing to decrease, but at a slowing rate. Unlike the state, Grants Pass experienced a small increase in household size from 2.34 in 1990 to 2.36 in 2000.

FIGURE 9.40.3
AVERAGE HOUSEHOLD SIZE
Oregon, 1900-2000



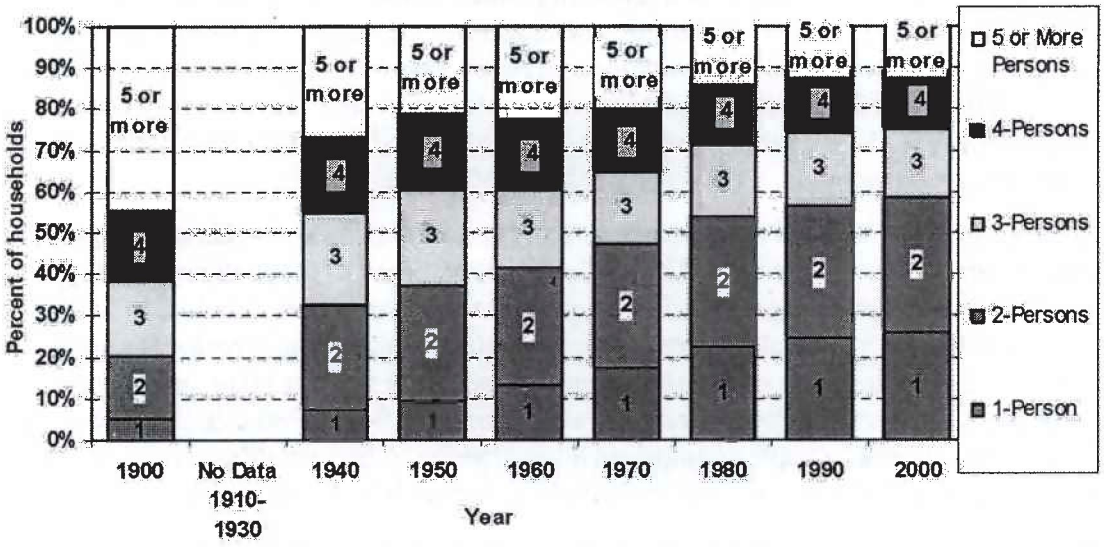
Source: Oregon's Major Population Trends, April 2003, Barry Edmonston

Figure 9.40.4 shows change in distribution of households by size in Oregon from 1900 to 2000. Households with three or more people made up the majority of Oregon households through 1970. The share of Oregon households with three or more people decreased between 1970 and 2000, while the share of one and two person households increased. By 1980, one and two person households accounted for more than 50% of Oregon households, increasing to over 60% of Oregon households by 2000.

Compared to the state, Josephine County and Grants Pass had a larger share of one and two person households in 1990 and 2000. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more

housing units, even if population were not growing. More housing units are needed to house the same number of people.

FIGURE 9.40.4
DISTRIBUTIONS OF HOUSEHOLD BY SIZE
Oregon, 1900-2000



Source: Oregon's Major Population Trends, April 2003, Barry Edmonston

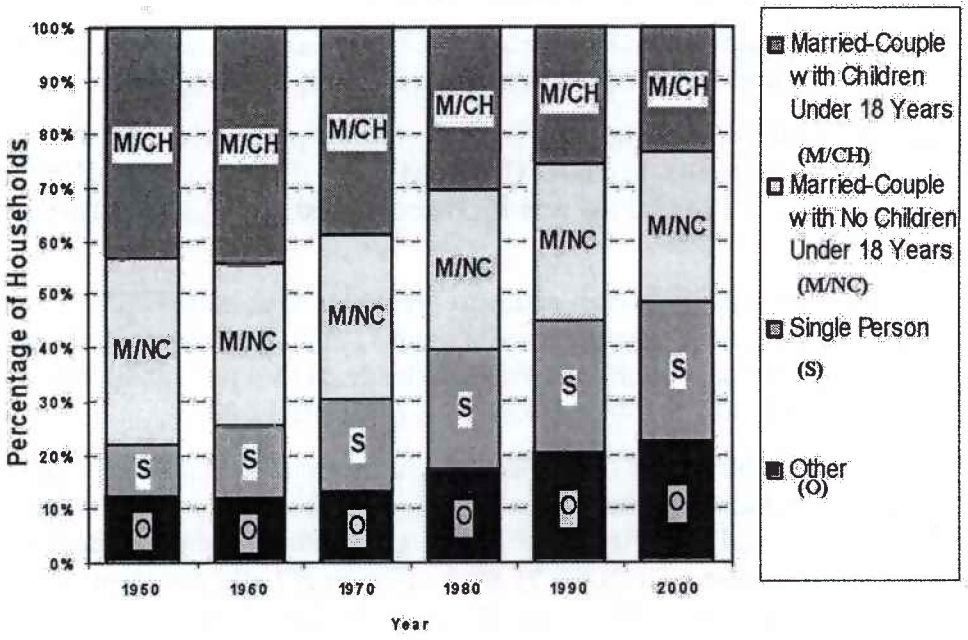
The changing composition of households that accounts for smaller average household size is also important in understanding housing need. Household size changed in the following ways between 1950 and 2000.

- **Two-person households grew increasingly common.** By 1950, two-person households were the most common household size in Oregon, accounting for about one-quarter of households. The share of two-person households continued to grow and by 2000 two-person households accounted for about one-third of Oregon households.
- **The share of one-person households increased.** The share of one-person households also increased substantially between 1950 and 2000. In 1950, about 10% of Oregon households were non-family households, and almost all were single persons. By 2000, non-family households had increased to almost one-third of households, and about one-quarter of Oregon households in 2000 were single persons.
- **Households of households with three or more people became less common.** The share of households with three or more people decreased from more than 60% of households to about 40% of households in 2000. This was most pronounced in households with five or more people, which decreased from about 20% to 10% of households.

Figure 9.40.5 shows trends in household type in Oregon from 1950 through 2000. The composition of households changed in the following ways between 1950 and 2000:

- **Single persons are the most common type of *non-family* household in Oregon.** By 2000, for the first time, the number of one-person households exceeded the number of households comprised of married couples with children. As Oregon's population grows older during the next several decades, there is likely to be a further increase in the number and proportion of single person households. *See Figure 9.40.5 and Figure 9.40.9.*
- **Married-couples account for a decreasing share of households in Oregon.** While the number of married couple households in Oregon has increased in absolute numbers since 1950, they have decreased substantially as a proportion of all households, especially since 1970. In 1950, married couples accounted for more than three-quarters of all Oregon households. By 2000, married couples accounted for a little more than one-half of all Oregon households, a decrease of about 25% since 1950.
- **Married couples remain the most common type of *total* households and *family* households in Oregon and the United States.** Compared to other states, Oregon's population has slightly more married couples as a share of all households. In 2000, 51.9% of Oregon households were married couples, compared to a national average of 51.7%. In 2000, the share of married couples was higher that the state average in Josephine County, with married couples accounting for 56% of households. However, for Grants Pass, married couples comprised a lower share of households compared to the state average in 2000, accounting for 46% of households in Grants Pass.
- **The share of households with married couples with children declined between 1950 and 2000.** In 1960, at the peak of the baby boom years, more than 40% of Oregon households were married couples with one or more children under 18 years at home, decreasing to about 22% of households in 2000. In 2000, for Josephine County, the percentage of married couples with children was 19% in 2000. For Grants Pass, that percentage was 21%.
- **The share of married couples with no children declined between 1950 and 2000.** In 1950 married couples with no children under 18 years accounted for about one-third of households and declined to more than one-quarter of households in 2000.

FIGURE 9.40.5
DISTRIBUTION OF HOUSEHOLDS BY TYPE
Oregon, 1950-2000



Source: *Oregon's Major Population Trends*, April 2003, Barry Edmonston

Oregon's *2006-2010 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.[8] The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide:

- 11th fastest growing population in the United States
- Facing dramatic housing cost increases
- Facing median and adjusted incomes less than those of 1999
- Growing faster than national rates: 4.0% v. 3.3% and expecting a non-entitlement growth during this consolidated plan of about 6%, 82% of which will come from in-migration.
- Increasingly older
- Increasingly diverse
- Increasingly less affluent[9]

[8] http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

[9] State of Oregon Consolidated Plan, 2006-2010, pg. 23.

Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, 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 Bjelland's most significant findings are summarized below:

- Oregon's **minority population is growing** quickly. Minorities made up 9.2% of the population in 1990 and 16.5% of the population in 2000, a 52% increase.
- **Hispanics and Latinos make up a large share of that population** and their growth rate is higher than non-Hispanics/ Latinos. The growth rate of Oregon's non-Hispanic/ Latino population between 1990 and 2000 was 15.3% compared to 144.3% for Hispanics and Latinos.
- 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. Table 9.40.6 shows that Hispanic/ Latino Oregonians under 45 have higher homeownership rates than non-Hispanic/ Latino residents.

TABLE 9.40.6
HOMEOWNERSHIP RATES BY AGE AND ETHNICITY OF HOUSEHOLDER
Oregon, 2000

Age of householder	Non-Hispanic/ Latino	Hispanic/ Latino
25-34	10.2%	25.7%
35-44	20.6%	31.0%
45 and older	68.1%	39.4%

Source: Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, "Changing Demographics: Impacts to Oregon and the US" 2006. He obtained his data from US Census 2000

Regional Demographic Trends

Regional demographic trends largely follow the statewide trends discussed above, but provide additional insight into how demographic trends might affect housing in Grants Pass.

Population growth in Oregon tends to follow economic cycles. Oregon's economy is generally more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. This pattern is shown in Table 9.40.7, which presents data on population in the U.S., Oregon, and Southern Oregon, and Jackson and Josephine Counties and selected cities in Southern Oregon over the 1980–2006 period.

Table 9.40.7 shows population growth in Oregon, Jackson and Josephine Counties, and selected cities over the 1980–2006 period. Table 9.40.7 shows that Josephine County's population grew by more than 22,000 people over the twenty-six year period at an average annual rate of 1.29%. Over the same period, Jackson County's population grew by about 62,000 residents at an average annual rate of 1.55%.

The majority of population growth in Southern Oregon occurred in the cities of Medford, Ashland, Central Point, and Grants Pass. These cities grew by about 62,000 people, accounting for about two-thirds of the population growth in Southern Oregon over the 1980 to 2006 period.

Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.

TABLE 9.40.7
HISTORIC POPULATION CHANGE
Oregon, Jackson and Josephine Counties, and Selected Cities, 1980 - 2006

	Population				Change 1980 to 2006		
Area	1980	1990	2000	2006	Number	Percent	AAGR
Oregon	2,639,915	2,842,321	3,421,399	3,690,505	988,785	37%	1.28%
Jackson County	132,456	146,389	181,269	198,615	62,059	47%	1.55%
Medford	39,746	46,951	63,154	73,960	31,109	78%	2.34%
Ashland	14,943	16,234	19,522	21,430	5,937	40%	1.35%
Central Point	6,357	7,509	12,493	16,550	9,283	146%	3.67%
Josephine County	58,855	62,649	75,726	81,125	22,270	38%	1.29%
Grants Pass	15,032	17,488	23,003	30,930	15,898	106%	2.93%
Cave Junction	1,023	1,126	1,363	1,600	577	56%	1.81%

Source: U.S. Census, Population Research Center, and calculations by ECONorthwest

Between 1990 and 1999, almost 70% of Oregon's total population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths).[10] Migrants to Oregon tend to have many characteristics in common with existing residents, with some differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally mirrors Oregon's established pattern, with one exception: Hispanics make up more than 7% of

[10] Portland State University, Population Research Center, 2000. *1990-2000 Components of Population Change*

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.[11]

The Census collects information about migration patterns. Specifically, it asks households where their residence was in 1995 (5 years prior to the Census count). Table 9.40.8 shows the place of residence in 1995 for Oregon, Josephine County, and Grants Pass. Table 9.40.8 shows that residents of Grants Pass were more mobile than the County or State averages. Residents of Grants Pass were more likely to have lived in a different state in 1995. Sixty-percent of Grants Pass residents lived in a different house in 1995, compared with 49% of Josephine County residents and 53% of Oregon residents. Seventeen percent of Grants Pass residents lived in a different state in 1995, compared with 15% of Josephine County and 12% of Oregon residents. Census data indicates that the majority of people moving to Josephine County from out of state are from California, with many fewer people moving from Washington, Arizona and other states.

TABLE 9.40.8
PLACE OF RESIDENCE IN 1995, PERSONS 5 YEARS AND OVER
Oregon, Josephine County, and Grants Pass

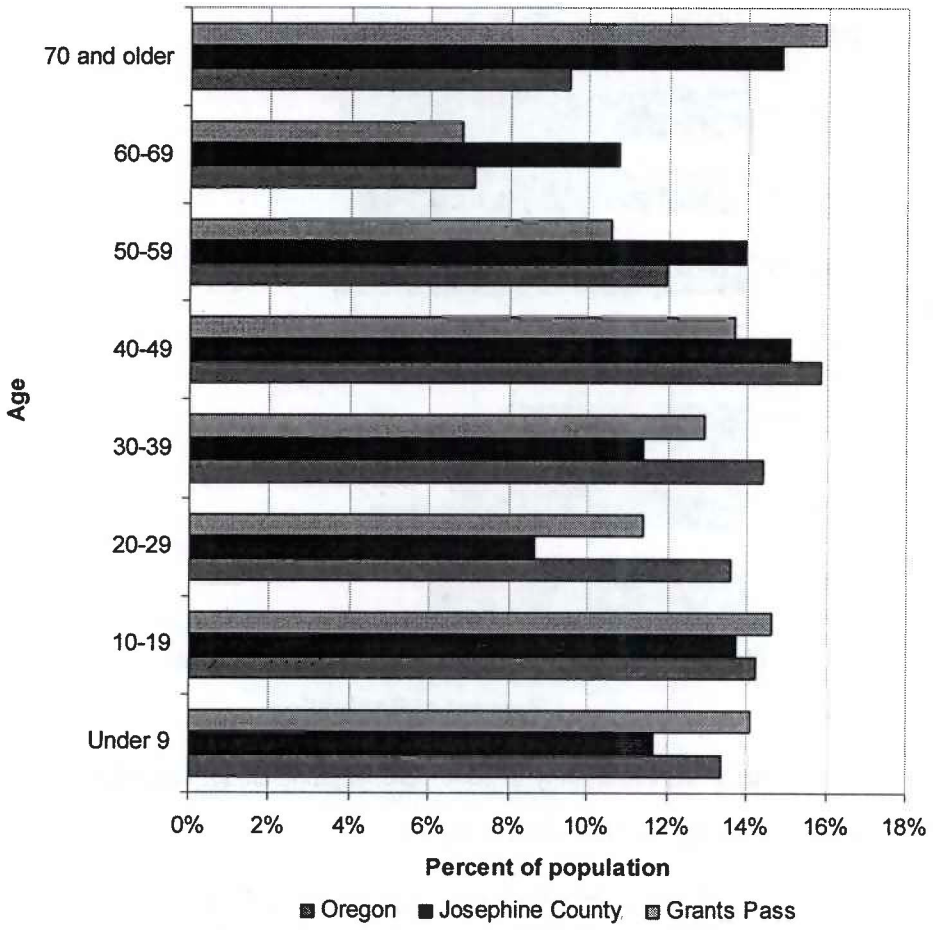
	Oregon		Josephine County		Grants Pass	
Location	**Persons**	**Percent**	**Persons**	**Percent**	**Persons**	**Percent**
Population 5 years and older	3,199,323	100%	71,725	100%	21,283	100%
Same house in 1995	1,496,938	47%	36,636	51%	8,570	40%
Different house in 1995:	1,702,385	53%	35,089	49%	12,713	60%
Same county	863,070	27%	18,814	26%	7,087	33%
Different county:	755,954	24%	15,946	22%	5,531	26%
Same state	356,626	11%	5,207	7%	1,865	9%
Different state	399,328	12%	10,739	15%	3,666	17%

Source: US Census 2000

Figure 9.40.6 shows the age distribution of residents of Oregon, Josephine County, and Grants Pass for 2000. Grants Pass and Josephine County had a smaller share of population aged 20 to 59 than the state average. Grants Pass had a larger share of residents aged 20 to 39 years than the County average. Grants Pass had a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These trends suggest that Grants Pass attracted retirees and families with children.

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

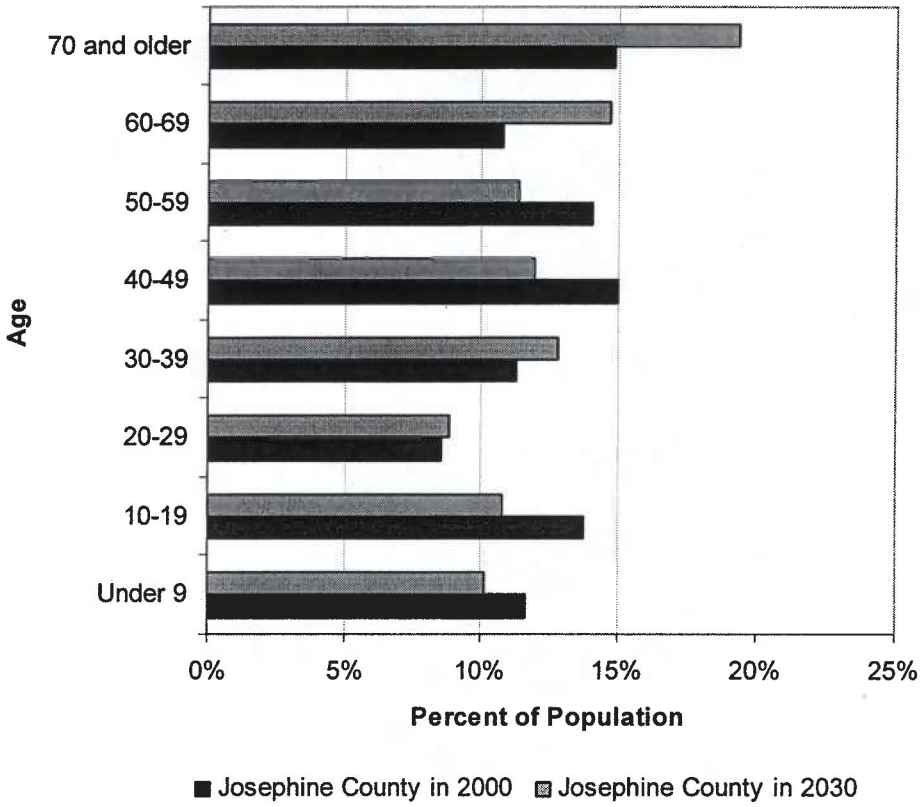
FIGURE 9.40.6
POPULATION BY AGE
Oregon, Josephine County, and Grants Pass, 2000



Source: US Census 2000

Figure 9.40.7 shows the Office of Economic Analysis's (OEA) forecast of population by age group for 2000 to 2025. Figure 9.40.7 shows that the OEA forecasts that Josephine County will experience growth in all age groups, with the greatest growth in people 60 years and older, a group that is forecast to increase by 75%. Slowest growth is forecast for people younger than 29 years.

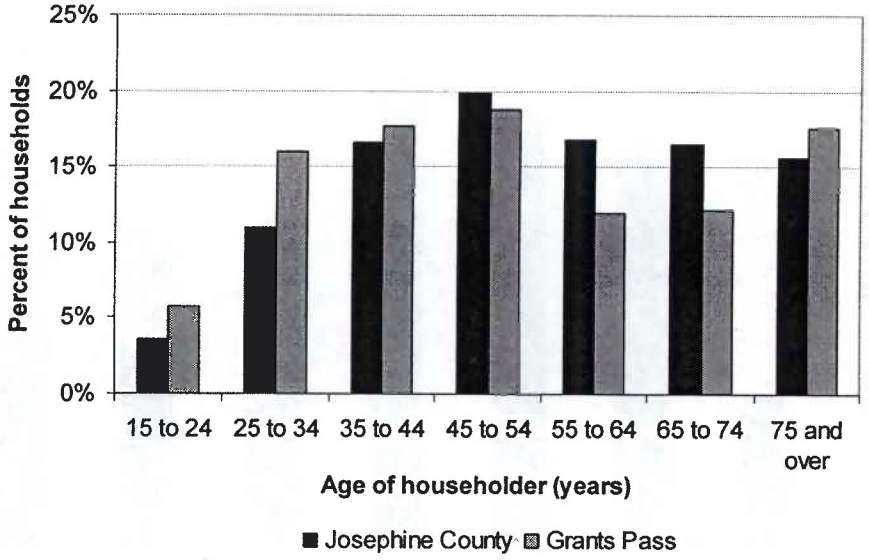
FIGURE 9.40.7
CHANGE IN POPULATION BY AGE
Josephine County, 2000-2025



Source: Oregon Office of Economic Analysis, 2004

Figures 9.40.7 through 9.40.10 show different characteristics of households by age of householder for Grants Pass, including number of households, size of households, tenure. Figure 9.40.8 shows that householders are aged 35 to 54 accounts for more than one-third of households in Grants Pass and Josephine County. Grants Pass has a larger share householders aged 34 and younger (22%) compared to Josephine County (15%).

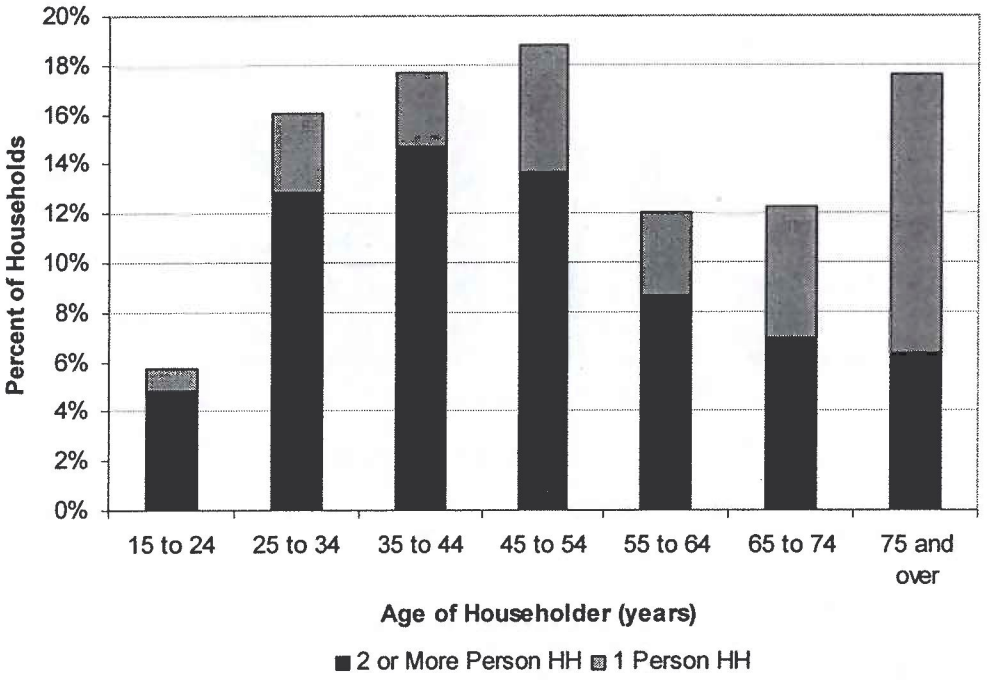
FIGURE 9.40.8
HOUSEHOLDS BY AGE OF HOUSEHOLDER
Josephine County and Grants Pass, 2000



Source: US Census 2000

Figure 9.40.9 shows households by household size and age of householder. The majority of households have two or more persons, except for householders 75 years and older. Younger householders are more likely to have households with two or more people. The share of households with two or more people peaks with householders aged 25 to 54. The share of one-person households is greatest for householders 75 years and older.

FIGURE 9.40.9.
NUMBER OF HOUSEHOLDS BY HOUSEHOLD SIZE AND AGE OF HOUSEHOLDER
Grants Pass, 2000

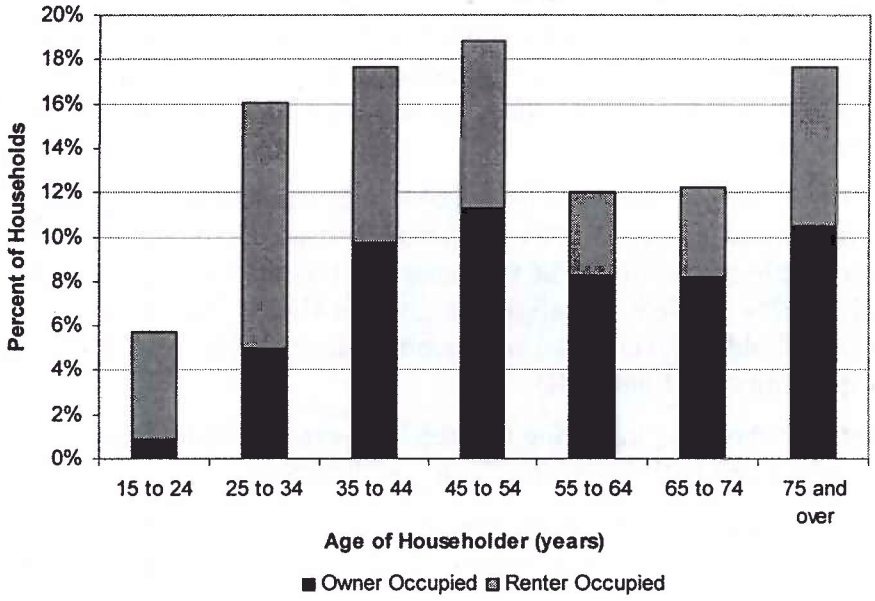


Source: US Census 2000

Figure 9.40.10 shows households by tenure and age of householder and Figure 9.40.11 shows households by household size, tenure, and age of householder. Grants Pass had more owner-occupied units than renter-occupied households in all age cohorts other than 15-24 and 25-34. Owner occupied households are generally older. The share of owner-occupied one-person households increased with age, while the share of owner-occupied households with two or more persons decreased with age. The share of one-person owner-occupied households exceeded the number of two or more person owner-occupied households over age 74

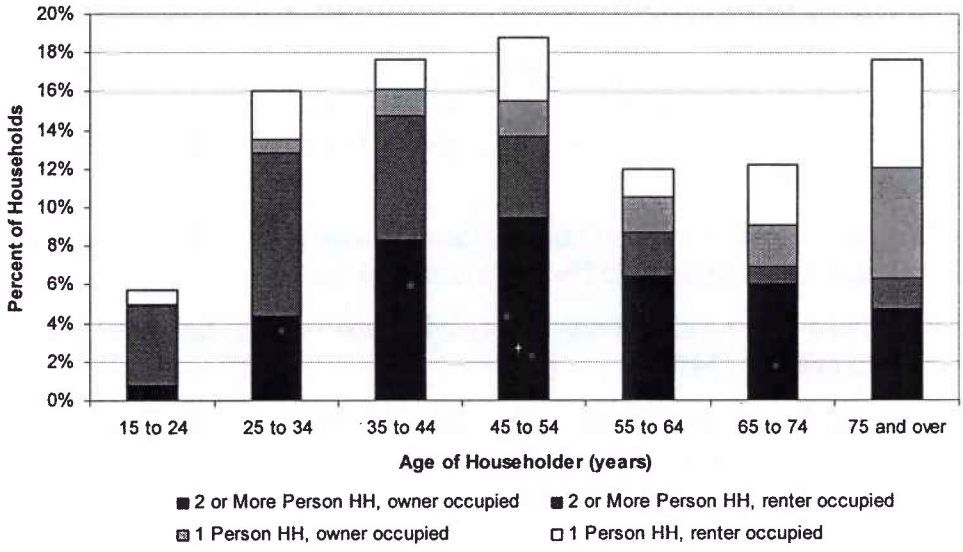
Renter occupied households were generally younger. The share of renter occupied units was largest for people aged 25 to 34 years. Over age 64, the number of one-person renter-occupied households increased. The number of two or more person renter-occupied households declined over age 34 through age 74, then increased over age 74.

FIGURE 9.40.10
HOUSEHOLDS BY TENURE AND AGE OF HOUSEHOLDER
Grants Pass, 2000



Source: US Census 2000

FIGURE 9.40.11
HOUSEHOLDS BY HOUSEHOLD SIZE, TENURE, AND AGE OF HOUSEHOLDER
Grants Pass, 2000



Source: US Census 2000

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 9.40.9 shows household composition and Table 9.40.10 shows household size for Oregon, Josephine County, and Grants Pass. In 2000, 69% of Oregon households were households with no children. Of Oregon households with no children, 43% of these were married couples, 8% were other family households, and 49% were non-family households. Josephine County had a higher percentage of households with no children (73%), with a higher percentage of these (51%) being married couples.

In 2000, 31% of Oregon households were households with children. Of Oregon households with children, 72% were married couples, 20% were female householder with no husband present, and 8% were other family households. The percentage of households with children for Josephine County was lower, at 27%, while it was slightly higher for Grants Pass, at 32%. Grants Pass had a higher share of households with children with a female householders and no husband present (9%), than either the County or State (6%).

Grants Pass households show the following characteristics related to household size and composition when compared with Josephine County and the State:

- Grants Pass had fewer people per household, with an average household size of 2.36 people, compared to the County average of 2.41 and State average of 2.51 people per household.
- Compared to the State share of 1-person and 2-person households (62%), Josephine County and Grants Pass had larger shares, with Grants Pass (65%) slightly below Josephine County 66%).
- Grants Pass had a larger share of 1-person households (32%) than the State (26%) or County (25%).
- Grants Pass had a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass also had a larger share of female householders with children and no husband, 9% compared with the County and State averages of 6%.
- Grants Pass had a smaller share of households with married couples (46%), with and without children, than the State (52%) or County (56%).
- Grants Pass had a larger share of non-family households (36%) than the County average (30%) or State average (34%).
- Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. In Grants Pass, 21% of households are "traditional" families (married couples with children living at home). This means that all other family and non-family households make up 79% of all households. 68% of Grants Pass households have no children, 36% are composed of two or more unrelated adults, 54% do not have a married couple in the household, and 25% are married couples without children.

TABLE 9.40.9
HOUSEHOLD COMPOSITION
Oregon, Josephine County, and Grants Pass, 2000

Household Type	Oregon		Josephine County		Grants Pass	
	Number	Percent	Number	Percent	Number	Percent
Households with children	**410,803**	**31%**	**8,454**	**27%**	**3,003**	**32%**
Married couples	296,404	22%	5,929	19%	1,980	21%
Female householder, no husband present	83,131	6%	1,929	6%	865	9%
Other families	31,268	2%	596	2%	158	2%
Households without children	**922,920**	**69%**	**22,573**	**73%**	**6,442**	**68%**
Married couples	396,128	30%	11,458	37%	2,393	25%
Other families	70,740	5%	1,657	5%	628	7%
Nonfamilies	456,052	34%	9,458	30%	3,421	36%
Total Households	**1,333,723**	**100%**	**31,027**	**100%**	**9,445**	**100%**
Average Household Size	2.51		2.41		2.36	
Average Family Size	3.02		2.85		2.94	

Source: U.S. Census, 2000[12]

TABLE 9.40.10
HOUSEHOLD SIZE
Oregon, Josephine County, and Grants Pass, 1990 and 2000

Number of Persons in Household	Oregon		Josephine County		Grants Pass	
	Number	Percent	Number	Percent	Number	Percent
1990						
1-person	277,631	25%	5,874	23%	2159	30%
2-persons	393,755	36%	10,235	41%	2534	35%
3 or more	433,976	39%	8,984	36%	2476	35%
Total	**1,105,362**	**100%**	**25,093**	**100%**	**7169**	**100%**
2000						
1-person	347,547	26%	7,863	25%	3,018	32%
2-persons	477,561	36%	12,621	41%	3,159	33%
3 or more	510,001	38%	10,543	34%	3,268	35%
Total	**1,335,109**	**100%**	**31,027**	**100%**	**9,445**	**100%**

Source: U.S. Census, 1990 and 2000

Some people living in Grants Pass and Josephine County do not have a place to live. The State 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, unemployment, housing affordability, criminal history, domestic violence, and other reasons. Table 9.40.11 shows a snap-shot of the total number of homeless people in (or turned away from) shelters in Josephine County on one specific night. Between 2001 and 2007, Josephine County had an average of 245 people, including 75 children, staying in homeless shelters (or

[12] According to US Census Bureau definitions, households are classified as either family or non-family households. Family households are comprised of two or more people who are related by marriage, birth, or adoption. Non-family households are comprised of single persons, or two or more people who are not related.

turned away from shelter). It is difficult to determine if the number of homeless people have increased over the seven 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 9.40.11
PEOPLE STAYING IN OR TURNED AWAY FROM HOMELESS SHELTERS
Josephine County, 2001-2007

Year	Total	Children
2001	151	64
2002	237	78
2003	181	58
2004	213	60
2005	380	120
2006	229	57
2007	326	88
Average	245	75

Source: Homeless Shelter Nightcount reports for 2001-2007, Oregon Housing and Community Services
Note: The Nightcount was conducted at the end of March for 2001 through 2004. From 2005 to 2007, the Nightcount was conducted at the end of January.

The State also collects information about homeless children and youth enrolled in schools. Table 9.40.12 shows homeless children and youth attending school in the Grants Pass SD 7 and Three Rivers school districts. Table 9.40.12 shows that Grants Pass and Josephine County have homeless students in all grade levels, from kindergarten through high school. The number of homeless children and youth enrolled in SD 7 has varied from 71 students to 173 students. The number of homeless children and youth enrolled in Three Rivers School District has remained relatively stable, varying from 232 students and 287 students.

TABLE 9.40.12
HOMELESS CHILDREN AND YOUTH ENROLLED IN SCHOOL AT SD7 AND THREE RIVERS SCHOOL DISTRICTS
Josephine County and Grants Pass, School Years 2004-2005 through 2006-2007

School Type	2004 to 2005	2005 to 2006	2006 to 2007
Grants Pass SD 7			
Elementary (Grades K-5)	39	40	72
Middle (Grades 6-8)	20	16	56
High (Grades 9-12)	24	15	45
SD 7 Total	**83**	**71**	**173**
Three Rivers School District			
Elementary (Grades K-5)	146	166	179
Middle (Grades 6-8)	76	80	25
High (Grades 9-12)	31	41	28
Three Rivers Total	**253**	**287**	**232**

Source: SD 7 and Three Rivers school districts

Table 9.40.13 shows the number of persons of Hispanic or Latino origin in Oregon, Josephine County, and Grants Pass for 1990 and 2000. The Census data show that Grants Pass had a larger share of Hispanic population (5.4%) compared to the County (4.3%) but a smaller share compared to the State (8.0%). Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%.

The Hispanic population grew faster in Grants Pass than the overall population, which is similar to State trends. National demographic trends suggest that this trend will continue in Grants Pass. By 2050, the Census forecasts that Hispanics will account for 24% of the population nationwide.

TABLE 9.40.13
PERSONS OF HISPANIC OR LATINO ORIGIN
Oregon, Josephine County, and Grants Pass, 1990 and 2000

	Oregon	Josephine County	Grants Pass
1990			
Total Population	2,842,321	62,649	17,488
Hispanic or Latino	112,707	1,749	494
Percent Hispanic or Latino	4.0%	2.8%	2.8%
2000			
Total Population	3,421,399	75,726	22,865
Hispanic or Latino	275,314	3,229	1,236
Percent Hispanic or Latino	8.0%	4.3%	5.4%
Change 1900-2000			
Hispanic or Latino	162,607	1,480	742
Percent Hispanic or Latino	144%	85%	150%

Source: U.S. Census, 1990 and 2000

In conclusion, in addition to the household size and composition trends described above, the following trends influence housing need in Grants Pass and Josephine County:

- Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These demographic changes will impact the types of housing needed in Grants Pass over the next 20-years.
- Migration is an important contributor to population growth. A larger share of residents of Grants Pass moved to the city from out of state, compared with the County average.
- Josephine County and Grants Pass have a homeless population, which includes children. On average, the County has had 245 homeless people including 75 children staying in or turned away from a shelter on a given day between 2001 to 2007. The Three Rivers School District had between 232 and 287 homeless students for the 2004 to 2005 through 2006 to 2007 school years. SD 7 had between 71 and 173 homeless students for the same school years.
- Grants Pass is becoming more ethnically diverse. Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. National trends suggest that Grants Pass will continue to become more ethnically diverse. Hispanic residents tend to become homeowners at a younger age than non-Hispanic residents.

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.[13] ECONorthwest used Public Use Microsample (PUMS) data from the 2000 Census to describe the relationship between selected demographic characteristics and housing choice.[14] This analysis identified several key relationships:

- Homeownership rates increase as income increases;
- Homeownership rates generally 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 strong determinate of tenure and housing type choice for all age categories.

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[13] This linkage is identified in the DLCD Workbook. It is described in detail in *Households and Housing: Choice and Outcomes in the Housing Market,* Clark and Dieleman, Center for Policy Research, 1996.

[14] ECO used the 5% Public Use Microsample (PUMS) data set for this analysis. A description of the PUMS data can be found at www.census.gov.

Demographic trends in Grants Pass have been similar to state and national trends, with increases in people aged 45 to 64, and people aged 5 to 17 (in families with children), and increases in Hispanic population. If these trends continue, housing demand is likely to change in Grants Pass.

- Demand for multi-family and single-family attached housing is likely to increase with the increase in low and moderate income residents and non-traditional families (those other than married couples with children living at home). As the population ages and housing becomes more expensive, demand for high amenity multi-family housing may increase as the baby boomers begin to downsize.

- Demand for single-family detached housing is likely to continue, especially from families with children and in-migrants.

- Demand for group quarters for retirees, such as an active retirement community, is likely to increase. Recent trends have included "transitional living" communities with a combination of independent and assisted-living facilities, including a mix of multi-family or single-family attached units and group quarters units that allow for "aging in place".

- Demand for ownership products will likely increase due to ongoing in-migration and the City's relatively low ownership rate.

Factors that influence households' locational choices

Residential choice means the choice of both a location and a housing type. Households consider many factors in making housing choices: views, neighborhood characteristics, quality of schools, tax rates, and commute time. All of these factors relate to location. Housing type is defined by many attributes, the most important of which are structure type (e.g., single-family, multifamily) and size, lot size, quality and age, price, and tenure (own/rent). All of these attributes—what real estate economists refer to as the *bundle of goods* that one purchases when making a housing choice—affect residential choice.

Households value a variety of site and structure characteristics, including:

- **Access to work.** At least one member of each household, and often two members, commutes to work daily. Recent research into household location questions the emphasis early studies placed on commuting to work. There is no doubt that other factors influence location decisions, or that the automobile gives households considerable flexibility in choosing a location, but access to work remains an important determinant of household location.

- **Access to shopping, recreation, friends.** Recent research reveals that about 70% of all household travel is for non-work purposes. People travel from their homes to shopping, recreation, and other neighborhoods. Households value access to a variety of destinations.

- **Public services.** Households value a variety of public services, some of which vary by location. The quality and price of water, sewer, drainage, and power service typically vary little within an urban area. The quality of other public services, especially schools

and police and fire protection can often vary substantially, and have a large impact on a household's location decision.

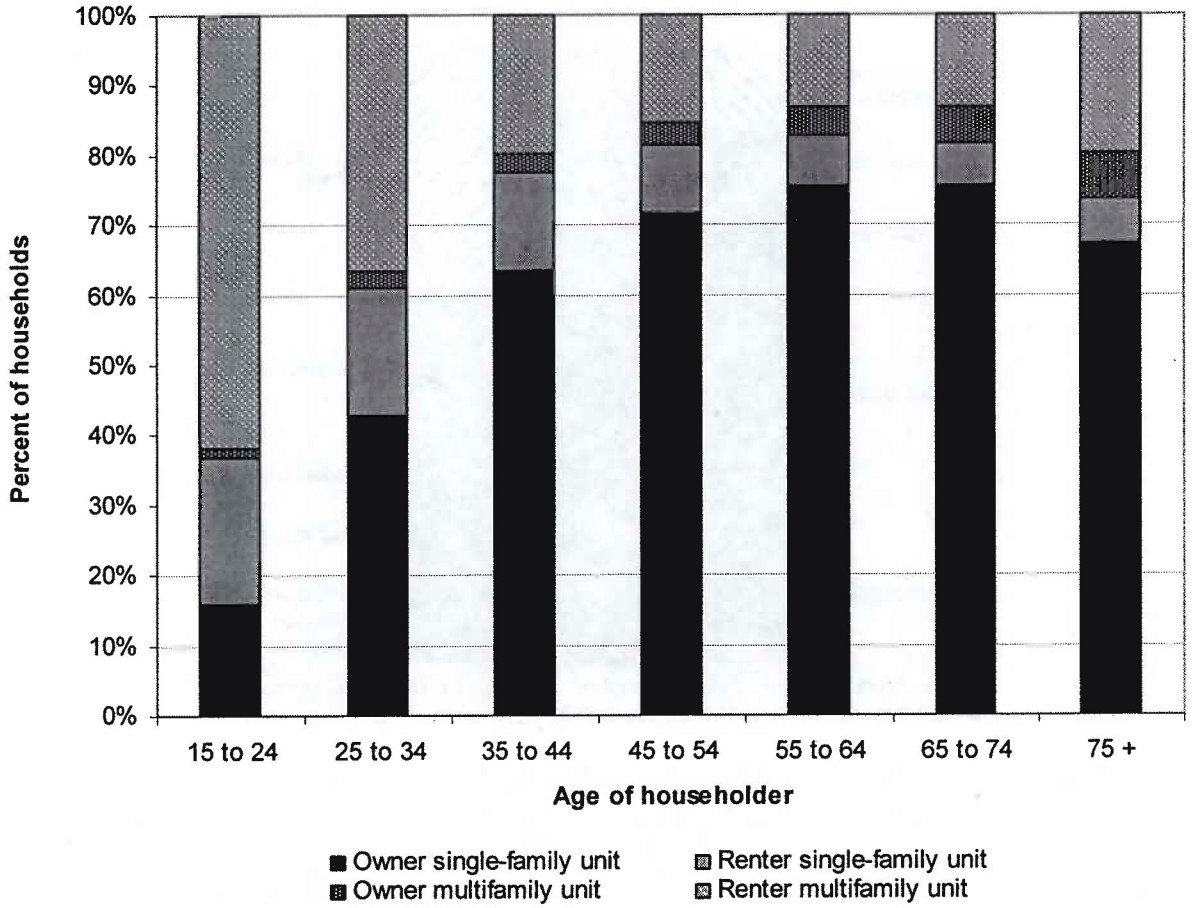
- **Neighborhood characteristics.** Characteristics of residential neighborhoods—character of development, income, age, size of households, and environmental quality—vary dramatically within a metropolitan area, and are important to households.
- **Land and improvements.** As with businesses, the desire for space varies by household, and households are willing to trade-off space for other attributes, such as accessibility and amenities. Some families, for example, are willing to pay more for space, and use less of it, in areas with especially good schools.

The literature is inconclusive on the relative weight of site and structure characteristics in housing location choice. No one disagrees that travel time is an important variable that households consider when making a residential location choice. Casual observation of the choices of one's self and one's acquaintances confirms the point; the field of urban economics is based on the presumed tradeoff between travel time and land prices (which generally decrease with distance from places that a lot of people want to be).

Housing preference can impact a household's decision to live in a community. Households will base their decision to move to Grants Pass, in part, on the types of housing available in the City. Housing preferences change throughout a person's lifetime. The type of housing preferred by young, single people is different than housing preferences of middle-aged people with children or elderly people. Three housing characteristics that are strongly related to housing location and housing type are: age of the head of household; size of the household; and income.

Figure 9.40.12 illustrates the relationship between age, housing type, and housing tenure. People younger than 25 typically have greater mobility and less income than people who are older. They are also less likely to have children. As a result, people in this age group are more likely to be renters, and renters are more likely to live in multifamily housing. Homeownership rates increase with the age until age 75, when homeownership rates begin to decrease. Ownership of single-family housing types is greatest for people aged 45 to 74. While single-family housing ownership declines over age 75, ownership of multifamily units continues to increase. Figure 9.40.12 shows these general patterns but also shows that these patterns are not absolute.

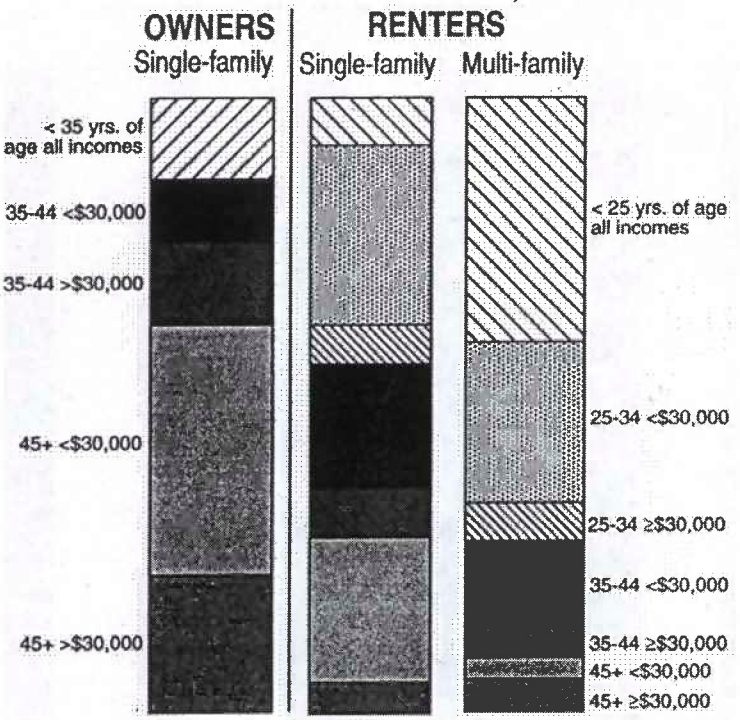
FIGURE 9.40.12
TENURE AND HOUSEHOLD TYPE BY AGE OF HOUSEHOLD HEAD, U.S., 2000



Source: U.S. Census, 2000
Note: Single-family units include single-family attached and detached units and manufactured and mobile homes. Multifamily units include structures with two or more units per structure.

Figure 9.40.13 shows the effects of age and income on the choice of housing type and tenure in the U.S. in 1990. Figure 9.40.13 shows a strong preference for single-family housing and housing ownership when income allows, regardless of age.

FIGURE 9.40.13
COMPOSITION OF OWNER AND RENTER TENURES
FOR U.S. HOUSEHOLDS, 1990



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

Figures 9.40.4 and 9.40.5 illustrate demographic relationships that can help to estimate future housing demands because housing life cycle and housing choice interact in predictable ways. The age of the household head is related with household size and income, which affect housing preferences. Income affects the ability of a household to afford their preferred housing type.

9.44 Housing affordability

Income is one of the key determinants in housing choice and households' ability to afford housing. This section presents estimates of housing affordability based on housing costs and the income of current households in the community.

A typical standard used to determine housing affordability is that a household should pay no more than 30% of its total monthly household income for housing, including utilities. According to the U.S. Census, nearly 19,000 households in the region—about one-third—paid more than 30% of their income for housing in 2000.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Table 9.40.14 shows an analysis of affordable housing wage and rent gap for households in Grants Pass at different percentages of median family income (MFI). The data are for household living in a two bedroom unit. Households earning less than approximately $20,850 annually are not able to afford a two-bedroom dwelling that rents for HUD's fair market rent

($639 per month). The results indicate that a household must earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

TABLE 9.40.14
ANALYSIS OF AFFORDABLE HOUSING WAGE AND RENT GAP BY HUD INCOME CATEGORIES
Josephine County, 2007

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Derived Hourly Wage	$7.25	$6.00	$10.00	$15.99	$19.99	$23.99
Annual Wage At Minimum Wage	$15,124	$12,510	$20,850	$33,360	$41,700	$50,040
Annual Affordable Rent	$4,537	$3,753	$6,255	$10,008	$12,510	$15,012
Monthly Affordable Rent	$378	$313	$521	$834	$1,043	$1,251
HUD Fair Market Rent (2 Bedroom)	$639	$639	$639	$639	$639	$639
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	Yes	No	No	No
Rent Paid Monthly OVER 30% of Income	$261	$326	$118	na	na	na
Rent Paid Annually OVER 30% of Income	$3,131	$3,915	$1,413	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	21%	31%	7%	na	na	na
Total Spent on Housing	51%	61%	37%	23%	18%	15%
For this area what would the "Affordable Housing Wage" be?	$12.25	$12.25	$12.25	$12.25	$12.25	$12.25
The Affordable Housing Wage Gap IS:	**$5.00**	**$6.26**	**$2.26**	**na**	**na**	**na**

Source: HUD, Oregon office; analysis by ECONorthwest
MFI: Median family income

The total amount a household spends on housing is referred to as cost burden. Total housing expenses are generally defined to include payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

Table 9.40.15 shows housing costs as a percent of income by tenure for Grants Pass households in 2000. The data show that about 39% of Grants Pass households experienced cost burden in 2000. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

TABLE 9.40.15
HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME
Grants Pass City Limits, 2000

	Owners		Renters		Total	
Percent of Income	Number	Percent	Number	Percent	Number	Percent
Less than 20%	1,012	33%	1,091	26%	2,103	29%
20% - 24%	587	19%	603	15%	1,190	17%
25% - 29%	487	16%	571	14%	1,058	15%
30% - 34%	339	11%	290	7%	629	9%
35% or more	625	20%	1,584	38%	2,209	31%
Total	3,050	100%	4,139	100%	7,189	100%
Cost Burden	**964**	**32%**	**1,874**	**45%**	**2,838**	**39%**

Source: US Census 2000

Table 9.40.16 shows a rough estimate of affordable housing cost and units by income levels for Grants Pass in 2000. 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, affordable 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 9.40.16 indicate that in 2000:

- More than 25% of Grants Pass households could not afford a studio apartment according to HUD's estimate of $461 as fair market rent;

- Approximately 30% of Grants Pass households could not afford a one-bedroom apartment at HUD's fair market rent level of $528

- Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639;

- A household earning median family income ($41,700) could afford a home valued up to about $104,250.

TABLE 9.40.16
ROUGH ESTIMATE OF HOUSING AFFORDABILITY
Grants Pass, 2000

Income Level	Number 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	1,303	13.8%	$0 to $250	$0 to $25,000	119	459	-724	
$10,000 to $14,999	915	9.7%	$250 to $375	$25,000 to $37,000	69	404	-442	
$15,000 to $24,999	1,886	20.0%	$375 to $625	$37,500 to $62,500	171	2197	482	HUD FMR Studio: $461; 1 bdrm: $528
$25,000 to $34,999	1480	15.7%	$625 to $875	$62,500 to $87,500	985	865	370	HUD FMR 2 bdrm: $639
$35,000 to $49,000	1677	17.8%	$875 to $1,250	$87,500 to $125,000	1964	241	528	4 bdrm: $1008
Josephine County MFI: $41,700			$1,043	$104,250			0	
$50,000 to $74,999	1265	13.4%	$1,250 to $1,875	$125,000 to $187,500	1366	107	208	
$75,000 to $99,999	519	5.5%	$1,875 to $2,450	$187,500 to $245,000	276	10	-233	
$100,000 to $149,999	264	2.8%	$2,450 to 3,750	$245,000 to $375,000	168	0	-96	
$150,000 or more	136	1.4%	More than $3,750	More than $375,000	42	0	-94	
Total	9,445	100.0%			5,160	4,285	0	

Source: 2000 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-Fair market rent

The conclusion based on the data presented in Table 9.40.16 is that in 2000 Grants Pass had a significant deficit of more than 1,100 affordable housing units for households that earn less than $15,000 annually. Housing prices have increased significantly in the past five years; the affordability gap for lower income households has probably increased considerably.

Housing prices have increased across all of Oregon since 2000. Prices have risen rapidly in Southern Oregon. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

Sales prices in Grants Pass increased at a slower rate than in Jackson County. Table 9.40.17 shows the change in average sales price in Grants Pass between 2000 and 2006 based on sales data from the Josephine County Assessor. The average sales price increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005. The number of houses sold peaked between 2002 and 2005.

TABLE 9.40.17
AVERAGE SALES PRICE
Grants Pass 2000 to 2006

Year	Number	Avg. Price	% Change
2000	423	$119,058	--
2001	473	$118,027	-0.9%
2002	637	$138,511	17.4%
2003	796	$201,935	45.8%
2004	959	$201,314	-0.3%
2005	1,008	$246,425	22.4%
2006	476	$273,404	10.9%
Change 2000-2006			
Value		$154,346	
Percent		130%	

Source: Josephine County Assessor's Database

A comparison of sales prices to household income highlights the increasing affordability gap. Table 9.40.18 shows a comparison of housing value and rent to household income for 2000 and 2006 in Josephine County.[15] The data show the median value of owner-occupied units increased 108% during this 6-year period, while the median rent increase 18%. Median household income increased 28% during the period. Thus, the affordability of ownership has decreased while rentals have become slightly more affordable.

[15] No comparable data for these time periods is available for Grants Pass. A review of Census data suggests that both housing costs and income are slightly lower in Grants Pass than the County average.

TABLE 9.40.18
COMPARISON OF SALES PRICE AND MONTHLY RENTS TO HOUSEHOLD INCOME
JOSEPHINE COUNTY 2000-2006

Year	Median Owner Value	Avg. Monthly Rent	Median HH Income	Ratio of Housing Price to Income	Ratio of Ann. Rent to Income
2000	$128,700	$534	$31,229	4.1	0.21
2006	$268,200	$628	$39,993	6.7	0.19
Change 2000-2005					
Value	$139,500	$94	$8,764		
Percent	108%	18%	28%		

Source: American Factfinder, 2006
Avg monthly rent: Gross rent as defined by the Census Bureau. Gross rent includes rent payment plus selected utility costs.

The measures of housing affordability presented above are based on household income. However, housing affordability is also affected by wealth. Nation trends[16] show that older Americans, particularly baby boomers have higher incomes and greater wealth than younger age groups and previous generations. Table 9.40.19 shows that households aged 45 to 54 have a median family income of $61,000, compared to the median family income for all households of $43,200. Median family income declines 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.[17] 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.[18]

[16] Reliable data about accumulated assets and wealth by age group is not available at the state or city level.

[17] How Changes in the Nation's Age and Household Structure Will Reshape Housing Demand in the 21st Century, Martha Farnsworth Riche, Ph.D., 2003.

[18] Federal Interagency Forum on Aging-Related Statistics, "Older Americans Update 2006: Key Indicators of Well-Being," May 2006.

TABLE 9.40.19
MEASURES OF FINANCIAL WORTH BY AGE GROUP
UNITED STATES 2004

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"

The major sources of income for people 65 years and older in 2004 were Social Security, earnings, and pensions. Income from Social Security accounted for 39% of income in 2004, compared to 34% in 1967. Earnings from work accounted 26% of income, down from 29% of income in 1967. Pensions accounted for 20% of income, compared to 12% in 1967.[19]

Income only accounts for a portion of worth. Table 9.40.19 shows that median net worth is greatest among families 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families 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 55 to 64 years and decreases in older households, while continuing remaining above the average for all families.

In addition to household income, older Americans also have substantial home equity, which was estimated to be $2.5 trillion in 2000, and has continued to grow.[20] A 2006 report by the Mortgage Bankers Association called older Americans' home equity "the most important non-pension asset in household portfolios, and a large reserve of untapped wealth." The baby boomers unprecedented financial capabilities will continue to increase as they inherit their parents' properties and investments.[21] Table 9.40.19 shows that median home value was greatest for families 55 to 64 years and decreases in older households, while remaining above the average for all families.

Another important source of wealth is financial assets, which include bonds, stock, retirement accounts, cash value of life insurance, certificates of deposit, and other investments. The value of financial assets was also greatest for families 55 to 64 years and decreases in older households, while remaining above the average for all families.

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[19] Federal Interagency Forum on Aging-Related Statistics, "Older Americans Update 2006: Key Indicators of Well-Being," May 2006.

[20] Housing Trends Among Baby Boomers, Gary V. Engelhardt, 2006.

[21] Resort-Style Retirement, Lewis M. Goodkin, 2000.

The implication of the data in Table 9.40.19 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. According to a number of sources, the majority of seniors prefer to continue living in their current home. An AARP survey conducted in 2000 found that 83% of seniors prefer to continue living in their current residence as long as possible and 69% of respondents age 55 years and over expected to continue living in their current residence indefinitely.[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.

However, in-migrants have made the choice to move, often from out-of-state. According to information in Table 9.40.19, older in-migrants will have, on average, greater accumulated wealth and ability to afford a more expensive dwelling than younger in-migrants.

9.45 Estimate of additional units needed by structure type[23]

Step four of the housing needs analysis as described in the DLCD Workbook is to develop an estimate of need for housing by income and housing type. This requires some estimate of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The baseline forecast assumes 3.6% of new population (742 people) will be in group quarters, and the remaining population (19,686) will require dwelling units. The analysis (Table 9.40.5) indicated that Grants Pass needs 8,782 new dwelling units for the 2007-2027 period. The first step in estimating units by structure type is to evaluate income as it relates to housing affordability. Table 9.40.20 shows an estimate of needed dwelling units by income level for the 2007-2027 period. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 53% of households in Grants Pass could be considered high or upper-middle income in 2007 and that about 53% of the housing need will derive from households in these categories.

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[22] AARP, "Fixing to Stay: A National Survey of Housing and Home Modification Issued," May 2000, page 27.

[23] Note: Manufactured dwellings are a permitted use in all residential zones that allow 10 or fewer dwellings per net buildable acre. As a result, Grants Pass is not required to estimate the need for manufactured dwellings on individual lots per OAR 660-024-0040 (7) (c).

TABLE 9.40.20
ESTIMATE OF NEEDED DWELLING UNITS BY INCOME LEVEL
Grants Pass 2007-2027

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products: Owner-occupied	Financially Attainable Products: Renter-occupied	
High (120% or more of MFI)	$55,800 or more	2,804	32%	All housing types; higher prices	All housing types; higher prices	↑ Primarily New Housing
Upper Middle (80%-120% of MFI)	$37,200 to $55,800	1,862	21%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI	$23,250 to $37,200	1,681	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	Primarily Used Housing ↓
Low (30%-50% or less of MFI)	$13,950 to $23,250	883	10%	Manufactured in parks	Apartments; manufactured in parks; duplexes	
Very Low (Less than 30% of MFI)	Less than $13,950	1,552	18%	None	Apartments; new and used government assisted housing	

Source: ECONorthwest

Table 9.40.21 shows the number of new units needed by housing type (single-family or multi-family). The need for 8,782 housing units needed for the new 19,686 population from 2007-2027 is based on the following trends and assumptions:

- Population will increase by 20,428 people from 2007 to 2027, as forecast in Josephine County's adopted population forecast.
- About 3.6% of new population or 742 people will locate in group quarters, based on the share of population in group quarters from the 2000 Census. The OEA forecast that people 70 years and older (the group most likely to live in group quarters such as a nursing home) will grow from 15% of Josephine County's population in 2000 to 19% of the County's population in 2030.
- The average household size will continue to be 2.36 people per household, based on information from the 2000 Census, a "safe harbor" assumption established in OAR 660-024.
- Vacancy rates for all housing types is 5.3%. This assumption reflects aggregated vacancy rates by housing type in 2000.
- The needed mix of housing is 75% single-family housing types and 25% multifamily types. The needed mix is based on the following factors:

- Josephine County and Grants Pass are growing, with all growth resulting from in-migration. The County grew by 22,270 people between 1980 and 2006. Much of this growth occurred in Grants Pass.
- The share of single-family housing types held relatively steady between 1990 and 2000, with single-family housing accounting for 74% of housing in 2000. Over the 2001 to 2006 period, 75% of the permits issued were for single-family housing types.
- Grants Pass has historically zoned more land for multifamily development than has actually been used for multifamily uses, especially in Moderate and High Density designations. The City has provided the opportunity for development of more dense, affordable housing than occurred over the 2001 to 2006 period. Despite increases in home value (and corresponding decreases in housing affordability) during the 2001 to 2006 period, the market continued producing 75% single-family and 25% multifamily housing types.
- Future housing needs will be driven by in-migration. Many of these in-migrants are likely to be retired or semi-retired people moving to Grants Pass from out of state and are likely to have substantial 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.
- The housing needs analysis assumes that future development will continue to respond to market pressures, resulting in a continuation of the historic housing split. However, the City will continue to provide land for multifamily housing to allow for the opportunity for multifamily development based on housing market demand.
- The average net density for all residential development occurring in Grants Pass between 1996 and 2000 was 5.1 units per net acre. The net density in the Low Density designation (where 43% of growth occurred) was 3.5 units per net acre. Growth in Moderate and High Density plan designations averaged 6.3 units per net acre and 9.4 units per net acre respectively.

TABLE 9.40.21
FORECAST OF NEW HOUSING UNITS BY TYPE
Grants Pass, 2007-2027

Variable	Baseline Estimate of Housing Units (2007-2027)
Change in persons	20,428
minus Change in persons in group quarters	742
equals Persons in households	19,686
Average household size	2.36
New occupied DU	8,342
times Aggregate vacancy rate	5.3%
equals Vacant dwelling units	440
Total needed new dwelling units (2007-2027)	**8,782**
Single-family dwelling units	
Percent single-family DU	75%
Total new single-family DU	6,587
Multiple family dwelling units	
Percent multiple family DU	25%
New multiple family DU	2,196
Totals	
equals Total new occupied dwelling units	8,342
Aggregate household size (persons/occupied DU)	2.36
plus Vacant dwelling units	440
***equals* Total new dwelling units**	**8,782**
Dwelling units needed annually	**439**

Source: ECONorthwest

The next step in the analysis is to relate income levels to tenure and structure type. Table 9.30.3 showed tenure by structure type from the 2000 Census. Table 9.40.22 shows an estimate of needed housing by structure type and tenure for the 2007-2027 planning period. The housing needs analysis suggests that the housing mix will remain consistent with historical mix, resulting in a housing mix for needed units from 2007 to 2027 of 75% single-family and 25% multi-family. The overall housing mix in 2027 for the UGB will be approximately 75% single-family, including manufactured, 25% multi-family. This average does not account for the development existing in the Urbanizing Area in 2000 (within the UGB outside City limits).

The housing needs analysis also suggests the City will see a higher rate of homeownership in the future. Thus, the tenure split is increased from 53% owner-occupied/47% renter occupied to 60% owner-occupied/40% renter occupied.

TABLE 9.40.22
ESTIMATE OF NEEDED DWELLING UNITS BY TYPE AND TENURE
Grants Pass 2007-2027

	Owner-Occupied		Renter-Occupied		Total	
Housing Type	**New DU**	**Percent**	**New DU**	**Percent**	**New DU**	**Percent**
Needed Units, 2007-2027						
Single-family types						
Single-family detached	4,532	86%	1,265	36%	5,796	66%
Manufactured in Parks	53	1%	35	1%	88	1%
Single-family attached	527	10%	176	5%	703	8%
Subtotal	5,111		1,475		6,587	75%
Multi-family						
Multifamily	158	3%	2,037	58%	2,196	25%
Subtotal	158		2,037		2,196	25%
Total	**5,269**	**60%**	**3,513**	**40%**	**8,782**	**100%**

9.46 Needed density range for residential development

Table 9.40.23 shows the forecast of needed housing units and density of needed units in Grants Pass for the period 2007-2027.

Grants Pass makes the following findings in support of the density assumptions used in Table 9.40.23:

- Grants Pass had an average residential density of 5.1 dwelling units per net acre or about 8,541 square feet of land per dwelling unit between 1999 and 2006 (Table 9.30.4). Average single-family detached density was 4.7 units per net acre. In the Low Density plan designation, single-family detached dwellings averaged 3.5 dwelling units per net residential acre, or about 12,446 square feet per dwelling unit. The moderate density designation averaged 6.3 dwellings per net acre (about 6,915 square feet per dwelling unit), the high density designation averaged 9.4 dwelling units per net residential acre (about 4,634 square feet per dwelling unit). The high-rise residential designation averaged the highest net density, with 26.4 units per net acre (about 1,650 square feet per dwelling unit).

- National homeownership rates have been increasing and reached nearly 70% in 2006. The homeownership rate in Grants Pass in 2000 was considerably lower at 53%. It is the policy of the City to provide homeownership opportunities to Grants Pass residents.

- National trends are towards larger units (both single-family and multifamily) on smaller lots.

- Nearly 27% of dwelling units in Grants Pass in 2000 were multifamily types.

- The "needed" density for new single-family dwellings for 2007-2027 in the housing needs analysis is 5.5 dwelling units per net acre. This assumption is an increase of about 15% over the historical density (actual built density, not zoned density) of 4.7 dwellings per net acre for single-family detached units in all plan designations. Increasing the average density of single-family detached dwellings should result in the provision of more affordable single-family detached units as a result of decreased lot sizes.

- Topography, lot configurations, and other factors typically reduce land use efficiency. The achieved density may be lower for single-family detached dwellings in areas with slopes and other constraints. Needed densities may be affected site specific constraints and by future policy decisions.

- The City assumes an average multifamily density of 14.0 dwellings per net acre or a land area of about 3,111 square feet per dwelling unit. This assumption is an increase of about 50% over the historical density (actual built density, not zoned density) of 9.4 dwellings per net acre achieved in the High Density zone but lower than the historical density achieved in the High-Rise Density zone of 26.4 dwellings per net acre.

In summary, the City assumes that average densities for new residential units needed from 2007-2027 will increase by about 24% over average historical built densities from 1999 to 2006, that ownership rates will increase, and that the majority of households will choose single-family housing types. These assumptions are consistent with the housing needs analysis presented in this chapter. These findings support the City's overall density assumption of 6.7 dwelling unit per net acre.

The forecast indicates that Grants Pass would need about 1,303 net buildable residential acres, or about 1,602 gross residential acres to accommodate new housing between 2007 and 2027. This total could be change based on policy decisions. The effect of policy decisions on land needs is addressed in the Element 14, Urbanization. The forecast results in an average residential density of 6.7 dwelling units per net residential acre and of 5.5 dwelling units per gross residential acre. This represents a 24% increase in density for new residential units needed from 2007-2027 over the historical (built, not zoned) average of 5.1 dwelling units per net acre achieved during 1999 to 2006.

TABLE 9.40.23
FORECAST OF NEW DWELLING UNITS AND LAND NEEDED BY TYPE
Grants Pass 2007-2027

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Factor	Gross Res. Acres	Density (DU/gross res ac)
Single-family types							
Single-family detached	5,796	66%	5.5	1,053.8	20%	1,317.3	4.4
Manufactured in parks	88	1%	6.0	14.6	20%	18.3	4.8
Single-family attached	703	8%	9.0	78.1	15%	91.8	7.7
Subtotal	6,587	75%	5.7	1,146.5		1,427.4	4.6
Multi-family							
Multifamily	2,196	25%	14.0	156.8	10%	174.2	12.6
Subtotal	2,196	25%	14.0	156.8		174.2	12.6
Total	**8,782**	**100%**	**6.7**	**1,303.4**		**1,601.7**	**5.5**

Source: ECONorthwest

Table 9.40.24 provides an allocation of housing units by Grants Pass' four residential plan designations. Dwelling units were allocated to plan designations based, in part, on historic development trends within each plan designation and on the type of development allowed in each plan destination. Table 9.40.24 also provides an estimate of the gross acres required in each zone to accommodate needed housing units. The acreages are based on the gross density assumptions shown in Table 9.40.23. The residential land needs presented in Table 9.40.24 may change based on policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in the Element 14, Urbanization.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 75% single-family (including single-family attached and detached and manufactured) and 25% multifamily.
- The density assumptions increase by plan designations as shown in Table 9.40.23.
- Forty-seven percent of needed dwelling units will locate in the Low Density residential designation, which allows single-family detached and single detached manufactured. This designation also allows duplex, townhomes, and multifamily units in conjunction with a planned development.
- Twenty percent of needed dwellings will locate in the Moderate Density residential designation, which allows single-family detached, single-family attached, manufactured home parks, townhomes, duplexes, and multifamily in conjunction with a planned development.
- Twenty-six percent of needed dwelling units will locate in the High Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.

- Seven percent of needed dwellings will locate in the High-Rise Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.
- Manufactured units in parks will locate in each plan designation, except for Low Density.

TABLE 9.40.24
ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION
Grants Pass 2007-2027

	Plan Designation									
	Low Density		Moderate Density		High Density		High-Rise Density		Total	
Housing Type	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family										
Single-family detached	4,040	918.1	1,405	319.3	176	39.9	176	39.9	5,796	1,317.3
Manufactured in parks	0	0.0	88	18.3	0	0.0	0	0.0	88	18.3
Single-family attached	88	11.5	263	34.4	351	45.9	0	0.0	703	91.8
Subtotal	4,128	929.6	1,756	372.1	527	85.8	176	39.9	6,587	1,427.4
Multi-family										
Multi-family	0	0.0	0	0.0	1,756	139.4	439	34.8	2,196	174.2
Subtotal	0	0.0	0	0.0	1,756	139.4	439	34.8	2,196	174.2
Total	4,128	929.6	1,756	372.1	2,283	225.2	615	74.8	8,782	1,601.7
Percent of Acres and Units										
Single-family										
Single-family detached	46%	57%	16%	20%	2%	2%	2%	2%	66%	82%
Manufactured in parks	0%	0%	1%	1%	0%	0%	0%	0%	1%	1%
Single-family attached	1%	1%	3%	2%	4%	3%	0%	0%	8%	6%
Subtotal	47%	58%	20%	23%	6%	5%	2%	2%	75%	89%
Multi-family										
Multi-family	0%	0%	0%	0%	20%	9%	5%	2%	25%	11%
Subtotal	0%	0%	0%	0%	20%	9%	5%	2%	25%	11%
Total	47%	58%	20%	23%	26%	14%	7%	5%	100%	100%

Source: ECONorthwest

In addition to the housing types shown in Table 9.40.24, Grants Pass needs to plan for additional group quarters. The analysis assumes the City will add 742 persons in group quarters between 2007 and 2027.The City will need to add a similar number of group quarter units during this period. Assuming that group quarters achieve densities comparable to multifamily units, the City will need approximately 58 gross residential acres for these units (742 divided by 12.6 units per gross acre). The majority of these units will locate in the higher density residential plan designations or commercial plan designations.

9.50 FINDINGS

Population growth and demographic trends

1. Josephine County experienced substantial population growth between 1980 and 2006. Josephine County grew from 58,855 people in 1980 to 81,125 people in 2006, an increase of more than 22,000 people at an average annual growth rate of 1.29%. Over the twenty-six year period, Josephine County grew at approximately the same rate as the State average.

2. The majority of population growth in Josephine County occurred in Grants Pass. Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.
3. Migration was the largest source of population growth in Oregon and Josephine County. For the 1990 to 2006 period, about 70% of population growth in Oregon resulted from net migration. All population growth in Josephine County between 2000 to 2006 was the result of net migration because Josephine County experienced negative population growth from natural causes, with about 1,500 more deaths than births during this period. In addition, Census data show that residents of Grants Pass were more likely to have lived in a different state (most often California) in 1995 compared with the County and State averages.
4. The Grants Pass UGB population is forecast to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%. This growth is significant in that the Grants Pass urban area will pass the 50,000 population mark within planning horizon and be designated as metropolitan area. With that designation comes CDBG Entitlement Community Status and the need to develop a housing plan and qualification to receive federal housing dollars.
5. Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. If Grants Pass continues attracting retirees, Grants Pass is likely to need additional housing for active retirees, such as high-amenity multifamily housing and active retirement communities.
6. The OEA forecasts that people aged 60 years and older will be the fastest growing age groups between 2000 and 2025, increasing by 75%. The groups forecast to grow slowest are people under 29 years old.
7. Grants Pass is becoming more ethnically diverse. Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. In 2000, Grants Pass had a lower share Hispanic residents (5.4%) compared to the State average (8.0%) but higher than Josephine County's average (4.3%). National trends suggest that Grants Pass will continue to become more ethnically diverse.
8. 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.

Development trends in Grants Pass

9. Grants Pass approved 2,769 dwellings in the UGB between 1999 and 2006. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in

development activity—the U.S. Census database of building permit activity shows that Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

10. Most of Grants Pass' housing stock is single-family housing. In 1990, single-family housing, including manufactured housing, accounted for 25% of Grants Pass housing and multifamily housing accounted for 25% of the City's housing stock. In 2000, single-family housing, including manufactured housing, accounted for 74% of Grants Pass housing and 26% of housing was multifamily housing. The mix of housing did not change significantly during the 1990's; the share of single-family housing decreased by 1%.

11. Single-family housing continued to account for the majority of residential development between 2001 to 2006. About 75% of dwelling units permitted between 2001 and 2006 were for single-family housing types (detached and attached single-family units and manufactured units), accounting for 1,766 units. The City issued permits for 591 for multifamily units (25% of units) over the five-year period.

12. Residential subdivision activity through 2005 suggested that residential development was likely to continue in Grants Pass. However, the housing slowdown also resulted in reduced subdivision activity in 2006. Between 2000 and 2006, Grants Pass had 109 subdivisions and more than 2,000 lots created through subdivisions, and almost 400 through partitions. The number of subdivisions and partitions platted and lots created peaked in 2005 and 2006.

13. The built density of residential development in Grants Pass between 1999 and 2006 was an average of 5.1 dwelling units per net acre. More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre.

National, State, and Regional Trends

14. 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.

15. 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.

16. 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.

17. 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.

18. Nationally, the market for rental housing will increase. 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.

19. 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.

20. 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.

21. 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.

Housing and household characteristics in Grants Pass

22. Tenure rates remained stable during the 1990's. In 1990, 54% of dwellings were owner-occupied and in 2000 53% of dwellings were owner occupied. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000.

23. Households in Grants Pass are smaller and have different composition than the State averages. Grants Pass has a smaller average household size (2.36) compared to the County (2.41) or State (2.51) averages. Grants Pass has a larger share of 1-person households (32%) compared with Josephine County (25%) and Oregon (26%). Grants Pass has a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass has a larger share of non-family households (36%) than the County average (30%) or State average (34%).

24. In Grants Pass, the share of households with married couples with children was 21% in 2000. All other family and non-family households in Grants Pass that were not married couples with children accounted for 79% of all households. Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. 68% of Grants Pass households have no children, 36% are composed of two or more unrelated adults, 54% do not have a married couple in the household, and 25% are married couples with no children.

25. According to the Census, vacancy rates in Grants Pass were similar in 1990 and 2000. The overall vacancy rate in 1990 was 4.5% and it was 4.8% in 2000. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

Housing affordability in Grants Pass

26. Housing affordability is a problem for households with low income. Households earning 50% of the HUD's estimated Median Family Income in Josephine County ($41,700 in 2007) may have problems affording housing in Grants Pass.

27. Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639. Households earning less than $20,850 annually were unable to afford a two-bedroom dwelling that rents for HUD's fair market rent. A household had to earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

28. In 2000 about 39% of Grants Pass households experienced cost burden. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

29. A household earning median family income ($41,700) could afford a home valued up to about $104,250.

30. Housing costs in Grants Pass have increased since 2000. The average sales price of a house in Grants Pass increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005.

31. Housing prices in Grants Pass have increased less than housing prices in Jackson County. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

32. Housing affordability guidelines are based on median family income and provide a rough estimate of financial need but 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.

33. People 55 and over are wealthier than the national average. Median net worth is greatest among families 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families 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 55 to 64 years.

34. Grants Pass is likely to continue attracting retirees or people nearing retirement age. The State expects the number of people aged 60 years and older in Josephine County to grow by 75% 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.

Projected housing needs

35. Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. The baseline forecast assumes 75% of needed housing for 2007-2027 will be single-family housing types (single-family detached, single-family attached, and manufactured homes) and 25% will be multifamily (duplex, triplex, quadplex, and five or more units). When added to existing development, this results in an overall housing mix in 2027 estimated at about 75% single-family/25% multi-family.

36. The future mix of 75% single-family and 25% multifamily housing types is based on: population growth trends and expected in-migration; national housing trends; economic

growth in Josephine County and Grants Pass; historic trends in housing mix; the amount of multifamily housing produced during the 2004-2006 housing boom, despite the availability of land for multifamily housing; and expected increases in wealth and age of in-migrants moving to Grants Pass.

37. Grants Pass would need about 1,303 net residential acres, or about 1,602 gross residential acres to accommodate new housing between 2007 and 2027. These residential land needs could be affected by policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in Element 14, Urbanization. The forecast results in an average residential density of 6.7 dwelling units per net residential acre and of 5.5 dwelling units per gross residential acre for new residential units built between 2007 and 2027. This represents a 24% increase in density over the historical average density (built, not zoned) of 5.1 dwelling units per net acre achieved 1999 to 2006.

38. Each plan designation will experience development. About 47% of housing (4,128 units) will locate in the Low Density residential designation. The Moderate Density designation will have 20% of residential development (1,756 units) and the High Density designation will have 26% of residential development (2,283 units). The High-Rise Density designation will experience the least development, with 7% of housing (615 units).

CITY OF GRANTS PASS COMMUNITY DEVELOPMENT DEPARTMENT

COMPREHENSIVE PLAN TEXT AMENDMENT
HOUSING ELEMENT
FINDINGS OF FACT – CITY COUNCIL

Procedure Type:	Type IV: Planning Commission Recommendation and City Council Decision
Project Number:	07-40500007
Project Type:	Comprehensive Plan Text Amendment
Applicant:	City of Grants Pass
Planner Assigned:	Tom Schauer
Application Received:	November 16, 2007
Application Complete:	November 16, 2007
Date of Planning Commission Staff Report:	January 3, 2008
Date of Planning Commission Hearing:	January 9, 2008
Date of City Council Staff Report:	February 12, 2008
Date of City Council Hearing:	February 20, 2008, continued to April 2, 2008

I. PROPOSAL:

Proposed amendment to the Comprehensive Plan adopting a new updated Housing Element. ***See Exhibit "A" to the ordinance in the City Council packet for the amendment.***

II. AUTHORITY AND CRITERIA:

Sections 13.5.5 and 13.8 of the Comprehensive Plan provide that joint review by the City Council and Board of County Commissioners shall be required for amendment and revision to Comprehensive Plan findings, goals, and policies.

The review shall be in accordance with the procedures of Section 13.8.3 of the Comprehensive Plan, which provides for a recommendation hearing by the Urban Area Planning Commission prior to a joint hearing of the City Council and Board of County Commissioners.

However, with adoption of the 1998 Intergovernmental Agreement, this provision requiring a joint hearing is modified with the result that City Council will make the decision, and the County will have automatic party status, as summarized below:

> Section III of the 1998 Intergovernmental Agreement (IGA) provides for transfer of authority for provision and management of planning services from the County to the City for the Urbanizing Area. It provides:

> The City is hereby vested with the exclusive authority to exercise the County's legislative and quasi-judicial powers, rights, and duties within the Urbanizing Area...

Section V of the IGA contains provisions pertaining to notification and appeals for quasi-judicial and legislative decisions within the Urbanizing Area. For legislative decisions, the IGA provides:

> The City agrees to provide written notice of all proposed legislative actions to the County at least 45 days prior to the public hearing at which the action is first considered. The County shall be deemed to have automatic party status regarding all such decisions for the purposes of standing for appeals.

Section 13.8.3 of the Comprehensive Plan provides that notice shall be as provided in Section 2.060 of the Development Code for a Type IV procedure. Section 13.8.3 further provides that the hearing shall be conducted in accordance with the Legislative Hearing Guidelines of Section 9 of the Development Code.

Therefore, the application will be processed through a "Type IV" procedure, with a recommendation from the Urban Area Planning Commission and a final decision by City Council. The County has automatic party status for appeals.

The text of the Comprehensive Plan may be recommended for amendment and amended provided the criteria in Section 13.5.4 of the Comprehensive Plan are met.

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written decision.

IV. PROCEDURE:

A. The application was submitted on November 16, 2007. The application was deemed complete on November 16, 2007 and processed in accordance with Sections 13.5.5 and 13.8 of the Comprehensive Plan, Sections III and V of the 1998 Intergovernmental Agreement, and Section 2.060 of the Development Code.

B. Notice of the proposed amendment and the January 9, 2008 public hearing was mailed to the Oregon Department of Land Conservation and Development on November 16, 2007 in accordance with ORS 197.610 and OAR Chapter 660-Division 18.

C. Notice of the proposed amendment and the January 9, 2008 public hearing was provided to Josephine County on November 16, 2007 in accordance with the 1998 Intergovernmental Agreement.

D. Notice of the proposed amendment and the January 9, 2008 Planning Commission public hearing was mailed to the Oregon Housing and Community Services Department on November 16, 2007.

E. Public notice of the proposed amendment and January 9, 2008 Planning Commission public hearing was published in the newspaper on January 2, 2008 in accordance with Sections 2.053 and 2.063 of the Development Code.

F. A public hearing was held by the Planning Commission on January 9, 2008 to consider the request and make a recommendation to City Council. The Planning Commission recommended approval of the proposed amendment with revisions.

G. Public notice of the proposed amendment and the February 20, 2008 City Council public hearing was published in the newspaper on February 13, 2008 in accordance with Sections 2.053 and 2.063 of the Development Code.

H. A public hearing was held by the Grants Pass City Council on February 20, 2008 to consider the request. The City Council held the public hearing and continued the hearing to a date certain of April 2, 2008.

I. The City Council held the continued hearing on April 2, 2008.

V. SUMMARY OF EVIDENCE:

A. The basic facts and criteria regarding this application are contained in the City Council staff report and exhibits, which are attached as Exhibit "A" and incorporated herein.

B. The minutes of the February 20, 2008 public hearing held by the City Council, which are attached as Exhibit "B", summarize the oral testimony presented and are hereby adopted and incorporated herein.

C. The PowerPoint presentation presented by staff at the February 20, 2008 public hearing is attached as Exhibit "C" and incorporated herein.

D. A letter from Bill Peterson dated February 20, 2008 is attached as Exhibit "D" and incorporated herein.

E. A letter from John Chmelir dated February 19, 2008 is attached as Exhibit "E" and incorporated herein.

F. A memo from ECONorthwest dated March 24, 2008 is attached as Exhibit "F" and incorporated herein.

G. The Background Sheet from the April 2, 2008 City Council meeting is attached as Exhibit "G" and incorporated herein.

H. The Ordinance from the April 2, 2008 City Council meeting including the March 27, 2008 Housing Element is attached as Exhibit "H" and incorporated herein.

I. The PowerPoint presentation presented by staff at the April 2, 2008 public hearing is attached as Exhibit "I" and incorporated herein.

J. A letter from Holger Sommer submitted at the April 2, 2008 public hearing is attached as Exhibit "J" and incorporated herein.

K. The minutes of the April 2, 2008 public hearing held by the City Council, which are attached as Exhibit "K", summarize the oral testimony presented and are hereby adopted and incorporated herein.

VI. GENERAL FINDINGS - BACKGROUND AND DISCUSSION:

The amendment replaces the existing Housing Element of the Comprehensive Plan with the new Housing Element.

The Housing Element was last amended in 1994. However, the amendments at that time were limited to changes related to new population data in the Population Element that was also updated at the same time. Most of the other information in the Housing Element is data from the Comprehensive Plan adoption in 1982.

VII. FINDINGS OF CONFORMANCE WITH APPLICABLE CRITERIA:

For amending the findings, goals, policies, and Land Use Map of the Comprehensive Plan, the City Council and Board of County Commissioners shall base their conclusions upon, and adopt findings in consideration of, all of the following criteria:

CRITERION (a): Consistency with other findings, goals and policies in the Comprehensive Plan.

City Council's Response: Satisfied. The amendment replaces the old findings with updated findings, so the new Housing Element is internally consistent.

The new provisions of the Housing Element do not conflict with the existing Goal and Policies for Comprehensive Plan Element 9, Housing. No changes are proposed to the Housing Goals and Policies as part of this proposed amendment at this time. That work will occur in subsequent actions. Adoption of the proposed amendment does not preclude subsequent updates to the Housing goals and policies or other Land Use or Urbanization goals and policies.

The updated Housing Element is consistent with other findings, goals and policies in the Comprehensive Plan.

CRITERION (b): A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

City Council's Response: Satisfied. The amendments are proposed in response to a change in circumstances. The proposed amendment updates the data base to reflect current conditions and provide an updated forecast based on updated data contained in the new Housing Element. This has changed substantially from the conditions of the 1970s and early 1980s, upon which the current element is predominantly based. These changes necessitate updated findings, which are included in the revised element.

The proposed amendment to the Housing Element is also consistent with the updated population element and forecast, and it provides an evaluation of housing needs through 2027 based on the population forecast.

The updated Housing Element documents a change in circumstances, validated by and supported by the updated data base, which also necessitates a change in findings.

CRITERION (c): Applicable planning goals and guidelines of the State of Oregon.

City Council's Response: Satisfied. Applicable goals and guidelines include Goal 10: Housing (OAR 660-015-0000(10) and associated statutes and administrative rules, including ORS 197.296, ORS 197.303-307, ORS 197.475-490, OAR 660 Division 8 (Interpretation of Goal 10 Housing), and OAR 660-012-0060 which implements Goal 12: Transportation.

In addition, Goal 2 (Land Use Planning) and Goal 14 (Urbanization) require that land use planning and urbanization decisions to be based, in part, on housing needs analysis, and the work in the Housing Element has been completed in a manner that satisfies the requirements of the applicable goals when the subsequent work is conducted on the land use planning and urbanization elements.

Goal 10 Housing is "To provide for the housing needs of citizens of the state." It specifies, "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 commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Sections 9.10 and 9.20 of the Housing Element summarize applicable provisions of the Statewide Planning Goals and related state law.

The proposed Housing Element includes the housing needs analysis and findings. It identifies the number of new housing units needed in the next 20 years, and addresses the additional units needed by structure type and densities. The work is consistent with the applicable Goal, Statutes, and Administrative Rules. This analysis provides the basis for policy and planning work to be undertaken in the land use and urbanization elements.

The proposed amendment is consistent with applicable planning goals and guidelines of the State of Oregon.

Goal 2: Land Use Planning (OAR 660-015-0000(2))
While Goal 2 doesn't specify requirements for the housing needs analysis, it does require that the land use planning work that will be subsequently undertaken satisfies the requirements for the factual basis pertaining to housing needs.

Goal

...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...

Guidelines

...C. PLAN CONTENT

1. **Factual Basis for the Plan.** Inventories and other forms of data are needed as the basis for the policies and other decisions set forth in the plan. The factual basis should include data on the following as they relate to the goals and policies and other provisions of the plan...(c) population and economic characteristics of the area...

The updated Housing Element will ensure a factual basis is provided for the subsequent decision-making consistent with the requirements of Goal 2.

Goal 14: Urbanization (OAR 660-015-0000(14))

While Statewide Planning Goal 14, Urbanization, itself doesn't specify requirements for conducting housing needs analysis, it does require that subsequent planning decisions address the following land need issues:

> **...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...(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)...

The Goal 14 Administrative Rule, OAR 660 Division 24, which clarifies procedures and requirements of Goal 14, does address housing needs analysis and contains provisions pertaining to land need. It provides more specific provisions than Goal 14 itself pertaining to housing and land needs.

OAR 660-024-0040(1) specifies:

> 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.

OAR 660-024-0040(4) specifies:

> 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 Goal 10, OAR 660, division 7 or 8, and applicable provisions of ORS 197,295 to 197.314 and 197.475 to 197.490.

OAR 660-024-0040(7) provides "safe harbors" that may be applied in determining housing needs. The proposed Housing Element uses the safe harbors consistent with OAR 660-024-0040(7).

The Housing Element provides the factual basis for the subsequent policy and planning work for urbanization, in accordance with the Goal 14 and associated administrative rules.

Goal 10: Housing (OAR 660-015-0000(10))

The updated Housing Element provides the needs analysis in accordance with Goal 10, the associated administrative rule interpreting Goal 10 Housing, and the related statutes. Findings are provided in the Housing Element.

The needs analysis completed in the Housing Element together with policy work and the work on land use planning and urbanization elements based on the Housing Element will fulfill these applicable requirements.

Goal 12: Transportation (OAR 660-015-0000(12))

ODOT requested that the City provide findings pertaining to the Transportation Planning Rule. The Transportation Planning Rule (OAR 660 Division 12) implements Goal 12. OAR 660-12-0060 pertains to Plan and Land Use Regulation Amendments. Subsection (1) of the rule specifies requirements for "amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility." Subsection (2) of the rule defines situations where a plan or land use regulation amendment "significantly affects a transportation facility."

The proposed amendment does not change the functional class of a transportation facility, change standards implementing a functional classification system, allow types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility, or reduce the performance standards of a facility below the minimum acceptable level identified in the TSP. Therefore, the proposed amendment does not significantly affect a transportation facility. Therefore, no actions specified in Subsection (1) of the rule are required at this time.

As addressed under Criterion (f), subsequent plan amendments that would result in impacts will require that public facility plans address any associated impacts of those amendments.

Criterion (c) is satisfied by providing a factual basis consistent with the requirements of the applicable Goals and Guidelines, Statutes and Administrative Rules outlined above. The Housing Element will also satisfy subsequent planning decisions that rely on the forecast, including the above requirements of Goal 2, Goal 14, and Goal 10.

CRITERION (d): Citizen review and comment.

City Council's Response: Satisfied.

A joint workshop was held with the City Council, Josephine County Board of Commissioners, and Urban Area Planning Commission on September 4, 2007. This was an open public meeting (not a public hearing) and was also attended by citizens and several of the Steering Committee members. Preliminary findings were discussed at that time.

The City has also conducted an online survey and a community workshop in Spring 2007 which were publicized and advertised in the newspaper, and there will be more opportunities for similar types of public involvement later in the process.

Steering Committee. The City Council appointed a Steering Committee made up of diverse community representatives to review materials and make recommendations to the Urban Area Planning Commission and Grants Pass City Council. In addition, Steering Committee meetings are open public meetings (not public hearings) that have been noticed on the City's web site and other locations. The agendas for their meetings include a time for input from the public and an opportunity to submit comments to the committee. The drafts were discussed and revised through the course of several Steering Committee meetings, and the final or near final drafts recommended by the Committee were made available and posted on the City's website. The Steering Committee recommended adoption of the new Housing Element presented in the November 16, 2007 draft.

Hearing Notice. The City provided notice 45-days in advance of the Planning Commission hearing to DLCD and Josephine County. Public notice is provided for the public hearings, and the City is also maintaining a list of parties who have expressed interest in the UGB evaluation process, who are notified of opportunities for information and involvement in the UGB evaluation process. The City also maintains a website pertaining to the UGB evaluation process with information, draft documents, and minutes of the Steering Committee meetings. Interested parties have also been notified of the information available on the website.

Planning Commission. Following the Steering Committee recommendation, the Chair of the Urban Area Planning Commission contacted staff with some additional questions and comments. In response, staff included some additional text to provide clarification regarding how some items in the report are addressed by the Census Bureau. In addition, some of the information that was presented in the tables, but not in the text, was incorporated into the narrative and findings. One graphic was also deleted to address concerns that it didn't sufficiently explain the complex information about "housing career" cycle that is already included in the narrative in more detail.

These changes were incorporated in the December 14, 2007 draft, and did not otherwise result in substantive changes to the outcomes identified in the November 16, 2007 document. The December 14 draft with the revisions

discussed above was made available on the City web site. On January 8, the Chair of the Urban Area Planning Commission provided additional comments, which were discussed at the hearing. Additional changes to address those comments were incorporated into the document recommended by the Urban Area Planning Commission. The January 16, 2008 draft incorporated those revisions. The Planning Commission heard and considered testimony presented at the hearing before making their recommendation to City Council, and written and oral testimony (minutes) were incorporated into the record.

City Council. On February 20, 2008, the City Council held a public hearing to consider the record, the recommendation of the Planning Commission, and testimony presented at the February 20 hearing. Based on testimony provided, City Council continued the hearing to April 2, 2008 and directed staff to make revisions to the January 16 draft and bring back additional information pertaining to the revisions.

Additional information was provided in a March 24 memo and a subsequent March 27, 2008 draft of the Housing Element that incorporated additional information and findings. The background sheet from the April 2, 2008 meeting also included information pertaining to the revisions and the Council's basis for the revisions. Council held the continued hearing on April 2, considered the additional information and the revised draft, took additional testimony, and approved the revised Housing Element dated March 27, 2008.

The process provides opportunity for citizen review and comment.

CRITERION (e): Review and comment from affected governmental units and other agencies.

City Council's Response: Satisfied. 45-day notice was provided to the Department of Land Conservation and Development (DLCD) in accordance with OAR 660 Division 18. OAR 660-18-0035 provides that if DLCD is participating in the proceeding, they shall notify the local government 15 days prior to the first evidentiary hearing. DLCD has not provided notification to the City.

> **OAR 660-018-0035. Department Participation**
> If the Department is participating in a local government proceeding for which notice was received under OAR 660-018-0020, the Department shall notify the local government. The Department notification shall occur at least 15 days prior to the first evidentiary hearing on adoption as specified in notice received under OAR 660-018-0020 and shall indicate any concerns with the proposal and recommendations considered necessary to address the concerns including, but not limited to, suggested corrections to achieve compliance with the Goals.

DLCD did not provide notification to the City. DLCD's Southern Oregon Field Representative has been attending and participating in Steering Committee meetings.

45-day notice was also provided to Josephine County in accordance with the 1998 Intergovernmental Agreement for the Urbanizing Area.

The Steering Committee includes representatives and liaisons from affected governmental units and agencies, providing an opportunity to participate as work products are developed.

Notice of the proposed amendment was provided to affected agencies and governmental units on the City's Site Plan Review distribution list. Notice of the proposed amendment was also provided to other agencies, including ODOT and the Oregon Housing and Community Services Department. By phone, ODOT staff requested that the City make findings pertaining to the Transportation Planning Rule. This comment is addressed under Criterion (c) above.

The process provides opportunity for review and comment from affected governmental units and other agencies.

CRITERION (f): A demonstration that any additional need for basic urban services (water, sewer streets, storm drainage, parks, and fire and police protection) is adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

City Council's Response: Satisfied. The proposed amendment provides information about trends and housing needs in Grants Pass. It does not make any changes to the land use plan or change any land use designations.

The updated Housing Element provides information that will be used to develop land use alternatives, policies, and efficiency measures to accommodate the additional needs. That work will be conducted as part of the work in updates to the Urbanization and Land Use Elements of the Comprehensive Plan. That work will include consideration and evaluation of alternatives and associated urban service needs and relative costs associated with the alternatives.

A proposal for changes to utility plans and service policies will be undertaken in coordination with subsequent comprehensive plan amendments for the preferred alternative.

The proposed amendment provides the foundation and factual basis on which subsequent planning actions will rely. It is the prerequisite to subsequent steps in the planning process.

The proposed amendment does not change the land use map, and does not result in additional need for basic urban services or changes to adopted utility plans and service policies. Prior to, or concurrent with, any subsequent changes to the plan that enable development with different need for basic urban services, the utility plans and service policies can be reviewed and modified as necessary at that time.

CRITERION (g): Additional information as required by the review body.

City Council's Response: Satisfied. Additional information was requested and provided. The City Council received sufficient information to take action on the amendment.

CRITERION (h): In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

City Council's Response: Not Applicable. Criterion (b) is applicable. The Plan was not adopted in error. The proposed amendments are adopted in response to a change in circumstances. See Criterion (b) for discussion of the change in circumstances.

VIII. DECISION AND SUMMARY:

The City Council found the applicable criteria were satisfied and **APPROVED** the Comprehensive Plan amendment and adopted the new Housing Element dated March 27, 2008 attached as *Exhibit "A" to the Ordinance in the April 2, City Council packet.*

This action repeals the existing Housing Element (Element 9) adopted by Ordinance 4471 and last amended by Ordinance 4795 in 1994.

IX. ADOPTED BY THE GRANTS PASS CITY COUNCIL this 16th day of April, 2008.

Len Holzinger, Mayor

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CITY OF GRANTS PASS COMMUNITY DEVELOPMENT DEPARTMENT

COMPREHENSIVE PLAN TEXT AMENDMENT
HOUSING ELEMENT
STAFF REPORT-CITY COUNCIL

Procedure Type:	Type IV: Planning Commission Recommendation and City Council Decision
Project Number:	07-40500007
Project Type:	Comprehensive Plan Text Amendment
Applicant:	City of Grants Pass
Planner Assigned:	Tom Schauer
Application Received:	November 16, 2007
Application Complete:	November 16, 2007
Date of Planning Commission Staff Report:	January 3, 2008
Date of Planning Commission Hearing:	January 9, 2008
Date of City Council Staff Report:	February 12, 2008
Date of City Council Hearing:	February 20, 2008

I. PROPOSAL:

Proposed amendment to the housing element of the Comprehensive Plan. ***See Exhibit "A" to the ordinance in the City Council packet for the proposed amendment.***

II. AUTHORITY AND CRITERIA:

The authority and criteria are provided in the Planning Commission's Findings of Fact.

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written decision.

IV. BACKGROUND AND DISCUSSION:

Detailed background and discussion is provided in the Planning Commission's Findings of Fact.

V. CONFORMANCE WITH APPLICABLE CRITERIA:

Detailed background and discussion is provided in the Planning Commission's Findings of Fact.

EXHIBIT A
TO CITY COUNCIL FINDINGS

VI. RECOMMENDATION:

The Urban Area Planning Commission finds the applicable criteria are satisfied and **RECOMMENDS APPROVAL** of the proposed comprehensive plan amendment to City Council, as presented in the January 16, 2008 document attached as Exhibit "A" to the Ordinance in the Council packet.

This action will repeal the existing Housing Element (Element 9) adopted by Ordinance #4471 in 1982 and last amended by Ordinance #4795 in 1994.

The substantive recommendation of the Planning Commission is consistent with the recommendation of the UGB Steering Committee, and the amendment also includes additional background information and narrative recommended by the Planning Commission.

VII. CITY COUNCIL ACTION:

A. Positive Action:

1. approve the proposal as recommended.
2. approve the proposal with revisions (list):

B. Negative Action: deny the request and adopt no amendment for the following reasons (list):

C. Postponement: Continue item

1. indefinitely.
2. to a time certain.

NOTE: *This is a legislative decision. State law does* ***not*** *require that a decision be made on the application within 120 days.*

VIII. INDEX TO EXHIBITS:

1. Planning Commission's Findings of Fact and the Attached Record
2. Additional Exhibits Submitted After Planning Commission Hearing:
   a. Letter dated February 4, 2008 submitted by Bill Peterson, Copeland Paving, Sand, and Gravel
   b. Letter dated February 4, 2008 submitted by John Chmelir

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Item: Ordinance Amending the Housing Element of the Comprehensive Plan. Date: February 20, 2008

RECOMMENDED ACTION:

The Urban Area Planning Commission unanimously recommended that City Council adopt the proposed amendment. The recommendation is consistent with the Steering Committee's recommendation.

PROCEDURE:

Follow procedure for an Ordinance.

BACKGROUND:

The proposed amendment will replace the existing Housing Element of the Comprehensive Plan, which was adopted in 1982 and last amended in 1994. The proposed element discusses the framework for housing needs analysis, historical development trends in Grants Pass, and housing demand and need. It also outlines land needs to meet housing needs. More detailed information is provided in the Planning Commission's Findings and the Housing Element document itself. The land needs may be affected by policy decisions discussed in the next steps of the process, and this will be addressed in the upcoming elements (Urbanization Element and Land Use Element).

Preliminary findings of the "urbanization study" work related to the UGB were presented to the City Council, Planning Commission, and Board of Commissioners at a joint workshop in the Anne Basker Auditorium on September 4, 2007. Steering Committee members were also invited to attend the workshop, and several members attended. The information presented and discussed at the workshop included information pertaining to the population, economic, and housing elements, as well as preliminary buildable lands inventory and land needs findings.

The Steering Committee has met about once a month to review work, provide guidance and feedback, and make recommendations. The minutes of the Steering Committee meetings are available on the City website on the UGB Evaluation project page. After several meetings of reviewing and working through the material, the Steering Committee recommended approval of the Housing Element on November 5, 2007. The motion was unanimously approved by the Steering Committee members present at the November 5 meeting.

The Urban Area Planning Commission liaison to the Steering Committee changed at about this time, and the Chair of the Planning Commission became the liaison to the Steering Committee. A revised draft dated December 14, 2007 was prepared in response to additional comments provided by the Chair. This included some revisions to the narrative but did not include changes to the substance of the Steering Committee's recommendation. This revised draft was presented to the Planning Commission for their January 9, 2008 meeting.

ITEM: 1.f. ORDINANCE AMENDING THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN

BACKGROUND (cont.):

In response to written comments submitted by the Chair on January 8, 2008, further revisions were presented by staff at the January 9 hearing. The Planning Commission considered testimony at the January 8 public hearing and unanimously recommended that City Council approve the proposed amendment with additional revisions. These were incorporated into the document dated January 16, 2008, which is the document the Planning Commission is recommending to City Council. Again, this did not include changes to the substance of the Steering Committee's recommendation. The changes provided additional clarification and documentation of demographic and housing trends and terminology.

Additional written materials which were received after the Planning Commission hearing in time for inclusion in the Council packet are attached as exhibits to the City Council staff report.

RELATIONSHIP TO COUNCIL GOALS:

This action relates to the Council goal of **GROWTH MANAGEMENT** by providing updated housing and demographic data and identification of housing needs and associated land needs for the planning period. This action completes part of the work in the City Council Work Plan related to UGB planning.

COST IMPLICATION:

There is no direct cost to the City to adopt the amendment.

ORDINANCE NO.

AN ORDINANCE AMENDING THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN

WHEREAS:

1. The Comprehensive Plan of the City of Grants Pass was adopted December 15, 1982. The Development Code of the City of Grants Pass was adopted August 17, 1983; and

2. The amendment updates the Housing Element of Comprehensive Plan, which was adopted by Ordinance #4471 in 1982 and amended by Ordinance #4795 in 1994; and

3. The amendment does not change the Housing Goal and Policies in the policies section of the Comprehensive Plan; and

4. The applicable criteria from the Comprehensive Plan are satisfied, and the amendment is recommended by the Planning Commission. The substantive recommendation of the Planning Commission is consistent with the recommendation of the UGB Steering Committee, and the amendment also includes additional background information and narrative recommended by the Planning Commission.

NOW, THEREFORE, THE CITY OF GRANTS PASS HEREBY ORDAINS:

Section 1: Element 9, Housing Element of the Comprehensive Plan is hereby repealed, and the new Element 9, Housing Element as set forth in Exhibit 'A', which is attached to and incorporated in this ordinance, is hereby adopted.

ADOPTED by the Council of the City of Grants Pass, Oregon, in regular session this 20th day of February, 2008.

SUBMITTED to and _____ by the Mayor of the City of Grants Pass, Oregon, this ____ day of February, 2008.

_____
Len Holzinger, Mayor

ATTEST:

_____
Finance Director

Date submitted to Mayor: _____

Approved as to Form, Kris Woodburn, City Attorney KLW

EXHIBIT A
TO ORDINANCE

1/16/08

9.00 HOUSING ELEMENT INDEX

9.10 PURPOSE

9.20 Framework for the housing needs analysis

- Methods
- Needed housing types
- Organization of this chapter

9.30 Historical Development Trends in Grants Pass

- Residential development trends
- Trends in housing mix
- Housing density

9.40 Housing demand and need

- Number of new housing units needed in the next 20 years
- National, state, and local demographic and economic trends and factors that may affect the types of housing built
- Demographic characteristics and housing trends related to demand for different types of housing
- Housing affordability
- Estimate of additional units needed by structure type
- Needed density range for residential development

9.50 Findings

- Population growth and demographic trends
- Development trends
- National, State, and Regional Trends
- Housing and household characteristics
- Housing affordability
- Projected housing needs

HOUSING ELEMENT

9.10 PURPOSE

The purpose of the Housing Element is to meet the requirements of Goal 10, OAR 660-008, and ORS 197.296. Within this policy context, the Housing Element must identify local housing needs. The primary goals of this chapter are to (1) describe characteristics of the existing mix and density of housing in Grants Pass, (2) describe recent residential development trends in the City, (3) evaluate housing affordability, and (4) project future need for housing in Grants Pass. The analysis presented in this chapter is used to evaluate the existing residential land supply within the Grants Pass Urban Growth Boundary to determine if it is adequate to meet that need based on the projected demand for housing. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

9.20 FRAMEWORK FOR THE HOUSING NEEDS ANALYSIS

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.

Goal 10 defines housing needs as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." In addition to other housing types, this definition includes government-assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS 197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use; and
- Government-assisted housing.

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 (197.296(3)(b)).

Grants Pass meets the population threshold for these statutory requirements. This chapter includes an analysis of housing mix by needed types, residential development trends and patterns, and a projection of needed housing units and land for the next 20 years.

9.21 Methods

The housing needs analysis presented in this chapter follows 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. 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).

9.22 Needed housing types

As described above, state policy establishes a framework of needed housing types. As provided in ORS 197.303 and ORS 197.475 to 197.490, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;

- Manufactured homes on individual lots planned and zoned for single-family residential use and in manufactured home parks; and

- Government-assisted housing.

Thus, the statutory definition can be interpreted as requiring cities to plan for all types of housing. The definition is general in the sense that it includes variations on single-family and multifamily housing that are common in Grants Pass. The Census reports housing types as "units in structure." According to the Census, a structure is defined as "a separate building that either has open spaces on all sides or is separated from other structures by dividing walls that extend from ground to roof.[1] The Census classifies structures into the following types:

- **1-unit, detached.** This is a 1-unit structure detached from any other house; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A 1-family house that contains a business is considered detached as long as the building has open space on all four sides. Mobile homes to which one or more permanent rooms have been added or built also are included.

- **1-unit, attached.** This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.[2]

- **2 or more units.** These are units in structures containing 2 or more housing units, further categorized as units in structures with 2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more units.

- **Mobile home.** Both occupied and vacant mobile homes to which no permanent rooms have been added are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

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[1] 2000 Census of Population and Housing, Summary File 3 Technical Documentation, page B-64

[2] The Census does not provide definitions for condominiums or townhouses. Common definitions are:

Townhouse: A townhouse is one of a row of homes sharing common walls. Differing from condominiums, townhouse ownership does include individual ownership of the land. There can also be common elements, such as a central courtyard, that would have shared ownership.

A condominium is one of a group of housing units where each homeowner owns their individual unit space, and all the dwelling share ownership of areas of common use. The individual units normally share walls, but that isn't a requirement. The main difference in condos and regular single homes is that there is no individual ownership of a plot of land. All the land in the condominium project is owned in common by all the homeowners. Usually, the exterior maintenance is paid for out of homeowner dues collected and managed under strict rules. The exterior walls and roof are insured by the condominium association, while all interior walls and items are insured by the homeowner. (http://realestate.about.com)

The Census classifications have specific meanings, but other commonly used terms to describe these housing types include:

- "Single-family dwelling", without specifying "attached" or "detached" is commonly used to refer to a *detached* single-family dwelling, which the Census Bureau defines as "one-unit detached." However, "single-family dwelling" more accurately describes both one-unit *detached* and one-unit *attached* units. When used in the tables in this report where the source is the Census Bureau, single-family dwelling includes both detached and attached. A "one-unit detached" dwelling is usually located on an individual lot, but there may be properties that contain multiple one-unit detached structures.
- "Townhouse" refers to a "one-unit attached" structure.
- "Multifamily dwelling", or "apartment" is commonly used to refer to "two or more units" as defined by the Census bureau. Duplex, Triplex, and Fourplex are often used to denote multifamily buildings with two, three, and four units respectively.
- "Condominium" or "condo" only describes the ownership pattern, and not the building type. Most people think of condominiums as apartments within a multi-unit structure; however, condominiums can be any type of structure, whether one-unit detached, one-unit attached, two or more units. Mobile home condominiums also exist, but the Census Bureau doesn't include these in its count of condominiums.
- "Accessory Dwelling" refers to a secondary dwelling on a property that is typically rented out or occupied by extended family. An accessory dwelling may be attached to or detached from the main dwelling.
- Housing types do not specify whether a unit is owner-occupied or renter-occupied.
- The Grants Pass Development Code uses some terms in a slightly different manner than common usage, relating to the site as well as the structure. For example, the definition of "Building Type, Multi-Dwelling" refers to a "structure or complex of structures containing at least three dwelling units in any vertical or horizontal arrangement, located on a lot or development site". Therefore, three units, whether attached or detached, on one lot, would be considered multi-dwelling for purposes of the Development Code.
- There are many names for different types of housing that accommodate a variety of household compositions and living arrangements, which are accommodated within one of the structure-type or group quarters categories defined by the Census Bureau (1-unit attached, 1-unit detached, 2 or more units, mobile home, or group quarters). Examples of these living arrangements include Assisted Living Facilities, Board and Care, Group Homes, Adult Foster Care, Congregate Housing, Independent Living, Supportive Seniors Housing, Cooperatives, Co-Housing, Naturally Occurring Retirement Communities, Commercial Retirement Communities, and Home Health Care.

ORS 197.295 defines government assisted housing as:

> "...housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.005, 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."

Government assisted housing can be any housing type.

9.23 Organization of this chapter

The remainder of this chapter is divided into sections.

- **Section 9.30** describes historical development trends in Grants Pass, including changes the housing mix during the 1990's, building permit activity between 2001 and 2006, and subdivision activity.
- **Section 9.40** presents a forecast of housing need for the 2007 to 2027 period, demographic trends that may affect demand for housing nationally and locally, an analysis of housing affordability in Grants Pass, and an estimate of new housing units needed by type and density ranges.
- **Section 9.50** identifies the key findings of this chapter for housing needs in Grants Pass.

9.30 HISTORICAL DEVELOPMENT TRENDS IN GRANTS PASS

Analysis of historical development trends in Grants Pass provides insights into how the local housing market functions. The housing type mix and density are also key variables in forecasting future land need. Moreover, such an analysis is required by ORS 197.296. The specific steps are described in Task 2 of the DLCD Workbook:

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

ORS 197.296 requires the analysis of housing mix and density to include the past five years or since the most recent periodic review, whichever time period is greater.[3] The City of Grants Pass used data from the 1999 to 2006 period for this analysis.

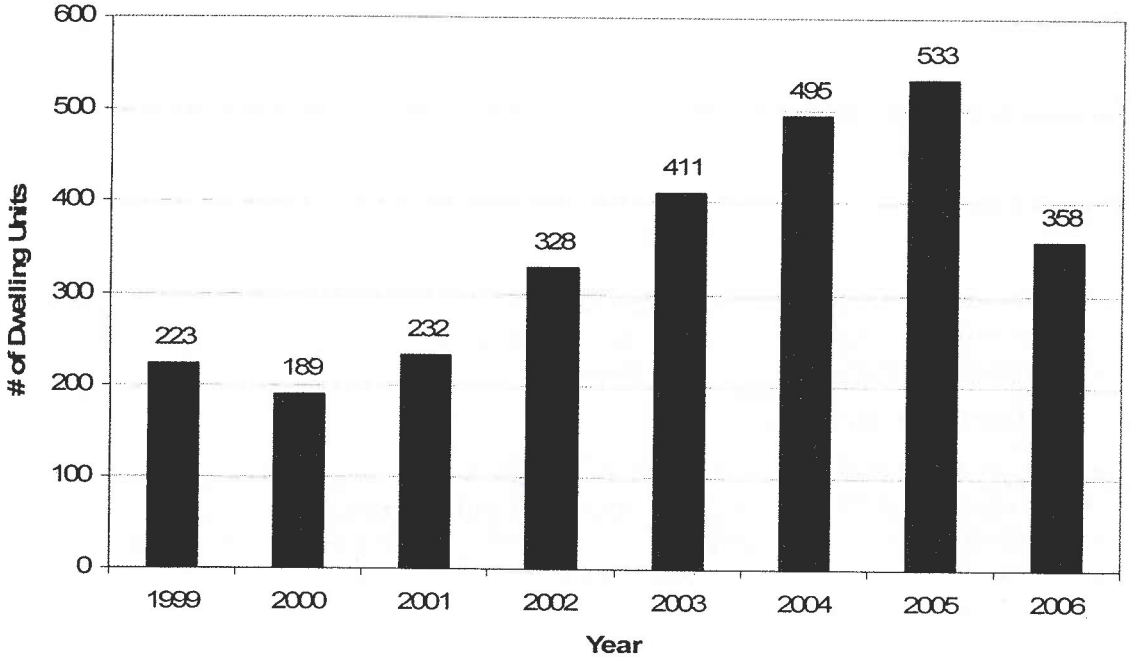
9.31 Residential development trends

Figure 9.30.1 shows dwelling units approved in the Grants Pass UGB between 1999 and 2006. Grants Pass approved 2,769 new dwellings during this eight-year period. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in development activity—the U.S. Census database of building permit activity shows that Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

[3] The statute provides an exception to this requirement. Specifically, ORS 197.296(5) (b) states: "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."

FIGURE 9.30.1

DWELLING UNITS APPROVED THROUGH BUILDING PERMITS ISSUED FOR NEW RESIDENTIAL CONSTRUCTION, Grants Pass UGB, 1999-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 shows the number of dwelling units approved for construction within the City of Grants Pass UGB by type for 2001-2006. During the six-year period, 2,357 residential permits were issued, with 71% of permits issued for single-family dwelling units, attached and detached. Table 9.30.1 shows that the percentage of single-family dwelling units permitted in the City has fluctuated over the years: single-family dwellings represented 91% of all approved dwelling units in 2001, and only 59% the following year. Development of multifamily housing increased in 2002 and accounted for an average of 25% of residential permits during the six-year period.

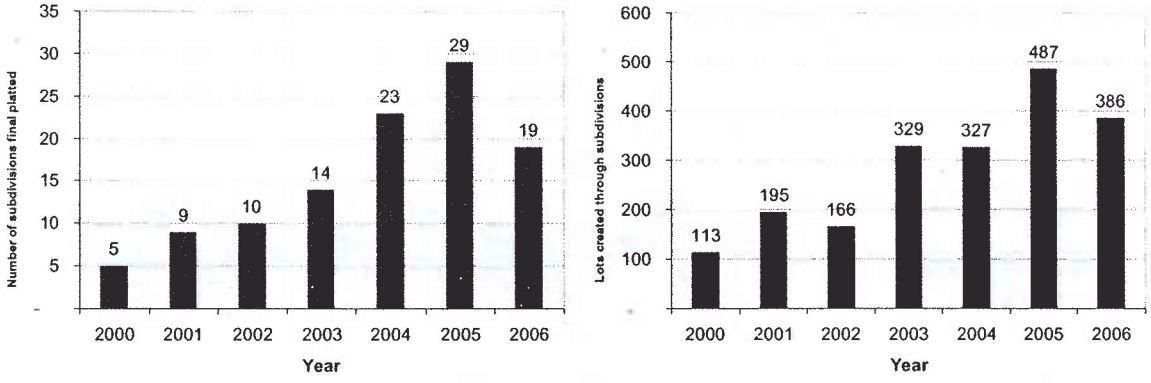
TABLE 9.30.1
PERMITTED DWELLING UNITS BY TYPE,
Grants Pass UGB, 2001-2006

	Single-family		Manufactured homes		Multi-family		
Year	Number	Percent	Number	Percent	Number	Percent	Total
2001	210	91%	15	6%	7	3%	232
2002	193	59%	21	6%	114	35%	328
2003	257	63%	25	6%	129	31%	411
2004	350	71%	20	4%	125	25%	495
2005	395	74%	11	2%	127	24%	533
2006	259	72%	10	3%	89	25%	358
Total	**1,664**	71%	**102**	4%	**591**	25%	**2,357**
Average	**277**		**17**		**99**		**393**

Source: City of Grants Pass Community Development Department;
Percentages calculated by ECONorthwest.

Figure 9.30.2 shows the number of subdivisions and lots created in Grants Pass UGB between 2000 and 2006. During the seven-year period, 109 subdivisions were final platted creating 2,003 lots. Figure 9.30.2 shows that the number of subdivisions created in Grants Pass increased between 2000 and 2006, peaking with 29 subdivisions in 2005. The number of lots created also increased during the six-year period, peaking at 487 lots created in 2005. In addition, 394 lots were created by minor land partitions between 2000 and 2006.

FIGURE 9.30.2
NUMBER OF SUBDIVISIONS AND LOTS CREATED,
Grants Pass UGB, 2000-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 and Figures 9.30.1 and 9.30.2 show that building permit and subdivision activity increased in Grants Pass' UGB between 2000 and 2005, and that an increase in single-family development made up the majority of that increase. Multifamily building remained at stable levels between 2000 and 2005, averaging 99 permits per year. Prior to 2002, the number of multifamily building permits issued was fewer than 99 permits per year.

9.32 Trends in housing mix and tenure

The housing mix by type (i.e., percentage of single family, multifamily, 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, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Table 9.30.2 shows changes in Grants Pass' housing mix from 1990-2000. Between 1990 and 2000, Grants Pass increased its housing stock by 32%, adding 2,383 dwelling units. The mix of housing did not change substantially. In 1990, 73% of dwelling units were single-family units (both detached and attached) not including manufactured dwellings, decreasing to 71% in 2000. Over the ten-year period, Grants Pass added more than 1,500 single- family detached dwellings (both detached and attached).

Thirty-six percent of the new dwelling units added between 1990 and 2000 were multifamily or manufactured. However, the share of these housing types did not increase substantially in Grants Pass over the ten-year period. In 1990, these housing types accounted for 27% of the housing stock and in 2000 they accounted for 29% of the housing stock.

Tenure did not change substantially between 1990 and 2000. About 54% of housing in Grants Pass city limits was owner-occupied in 1990 and 53% was owner-occupied in 2000. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000. The higher rates of homeownership in Josephine County may be attributable to differences in the mix of housing types. Josephine County had a much larger share of manufactured homes (20%) and a lower share of multifamily units (11%) than Grants Pass in 2000. The larger share of manufactured housing may provide more options for affordable housing for would-be homeowners and the lower share of multifamily units may provide fewer rental opportunities.

TABLE 9.30.2
DWELLING UNITS BY TYPE AND TENURE
Grants Pass City Limits, 1990-2000

	1990		2000		New DU 1990-2000	
	Number	Percent	Number	Percent	Number	% Change
Total Housing Units	7,480	100%	9,863	100%	2,383	32%
Single-family	5,484	73%	7,006	71%	1,522	28%
Multifamily	1,833	25%	2,547	26%	714	39%
Manufactured/Mobile	163	2%	310	3%	147	90%
Occupied Housing Units	7,145	100%	9,376	100%	2,231	31%
Owner Occupied	3,838	54%	4,986	53%	1,148	30%
Renter Occupied	3,307	46%	4,390	47%	1,083	33%

Source: US Census 1990 and 2000, Summary File 1; Percentages calculated by ECONorthwest.

Table 9.30.3 shows type of dwelling by tenure (owner/renter-occupied) in 2000. The results show that single-family and manufactured housing types have a much higher ownership rate than other housing types—about 97% of owner-occupied units were in these housing types.

Multifamily housing types, including duplexes were predominately renter occupied. It is also notable that 83% of the single-family attached dwellings were renter occupied. By contrast, 27% of single-family detached and 11% of mobile homes were renter occupied in 2000.

TABLE 9.30.3
HOUSING UNITS BY TYPE AND TENURE,
Grants Pass City Limits, 2000

	Owner Occupied			Renter Occupied			Total	
Housing type	Number	% by Tenure	% by Type	Number	% by Tenure	% by Type	Number	% by Type
Single-family detached	4,591	91%	73%	1,704	35%	27%	6,295	64%
Single-family attached	103	2%	17%	516	11%	83%	619	6%
Multifamily-Duplex	38	1%	4%	877	18%	96%	915	9%
Multifamily-3+ units	32	1%	2%	1,678	35%	98%	1,710	17%
Mobile Home	293	6%	89%	37	1%	11%	330	3%
Total	**5,057**	**100%**	**51%**	**4,812**	**100%**	**49%**	**9,869**	**100%**

Source: US Census 2000, Summary File 3; Percentages calculated by ECONorthwest.
Note: Total number of units is slightly different than reported in Table 9.30.2 due to different data sources (this table uses Summary File 3 sample data; Table 9.30.2 uses Summary File 1, 100% count data.

ORS 197.480 requires local governments to plan for mobile home parks and estimate the need for mobile homes over the planning period. Jurisdictions are required to inventory mobile home parks located in high-density residential, commercial, and industrial zones. Grants Pass has a total of 51 manufactured dwelling parks within the UGB, with 32 parks located in high-density residential, commercial, or industrial zones.[4]

9.33 Housing density

An analysis of actual housing density achieved in Grants Pass is helpful in evaluating development trends. Table 9.30.4 shows average residential density for dwelling units built in Grants Pass between 1999 and 2006 by plan designation and zoning district. The data indicate that Grants Pass had an average density of 5.1 dwelling units per net acre for new units built from 1999-2006. More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per net acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with an average of 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre. The average density for single-family detached dwellings, which were built in most plan designations, was 4.7 units per net acre.

[4] Josephine County Assessor's Database

TABLE 9.30.4
NET DENSITY OF NEW DWELLING UNITS
BY PLAN DESIGNATION AND ZONING DISTRICT
Grants Pass UGB, 1999-2006

Plan Designation	Dwelling Units (DU)	Net Acres	DU / Net Acre	Maximum Allowable Density
Low Density	1,107	311.3	3.5	
R-1-12	183	80.5	2.3	3.6
R-1-10	138	42.6	3.2	4.4
R-1-8	786	191.2	4.1	5.4
Moderate Density	646	102	6.3	
R-1-6	47	12.2	3.9	8.7
R-2	599	90.3	6.6	11.6
High Density	678	61.9	9.1	
R-3	678	71.9	9.4	17.4
High-Rise Density	62	2.4	26.4	
R-4	62	2.4	26.4	34.8
Commercial	90	11.8	7.6	
GC	90	11.8	7.6	
Total	**2,583**	**503**	**5.1**	

Source: City of Grants Pass
Notes: The majority of dwellings in commercial zones were covered by Josephine County zoning districts, which have been consolidated into the General Commercial zone.
The maximum allowable density is based on the Grants Pass zoning ordinance in 2007.

Table 9.30.5 provides information about typical densities associated with these common building types. The table shows net density, which accounts only for the lot size on which the dwellings exist, allowing for comparison between building types. Other density measures provide additional information, such as gross density which factors in right-of-way and is typically 20% lower than net density, but varies depending on whether the streets are pre-existing or are being built with the development. Neighborhood density also considers other amenities such as open space or common facilities located on separate lots.

TABLE 9.30.5
TYPICAL DENSITIES ASSOCIATED WITH COMMON BUILDING TYPES
Grants Pass

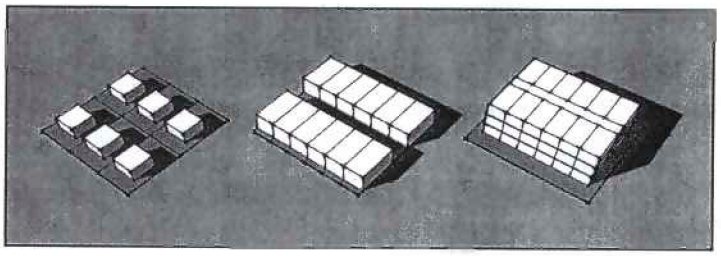
Housing Type	Net Density (du/acre)
Single-unit detached	
12,000 sf lot	3.63
10,000 sf lot	4.36
8,000 sf lot	5.44
6,000 sf lot	7.26
5,000 sf lot	8.71
Zero lot-line, detached	
5,000 sf lot	8.71
4,500 sf lot	9.68
4,000 sf lot	10.89
Zero lot-line, 2-unit attached	
4,000 sf lot	10.89
3,500 sf lot	12.45
3,250 sf lot	13.4
Two-unit detached (duplex)	
10,000 sf lot	8.71
8,000 sf lot	10.89
7,500 sf lot	11.62
7,000 sf lot	12.45
6,500 sf lot	13.4
5,000 sf lot (stacked duplex)	17.42
2 x Four-unit detached (2 x fourplex, stacked)	
20,000 sf lot	17.42
18,000 sf lot	19.36
Rowhouse/Townhouse (typ. 2 or 3 story)	
40x100 lots	10.89
35x100 lots	12.45
30x100 lots	14.52
25x100 lots	17.42
20x100 lots	21.78
18x100 lots	24.2
18x90 lots	26.8
Stacked Townhouse (typ. 3 or 4 story)	
40x100 lots	21.78
35x100 lots	24.9
30x100 lots	29
25x100 lots	34.84
20x100 lots (exceeds GP res. zone densities)	43.56
18x100 lots (exceeds GP res. zone densities)	48.4
18x90 lots (exceeds GP res. zone densities)	53.6
2-story/3-story apartments	
Varies (typical range for Grants Pass provided)	16 to 35

Source: City of Grants Pass; Two and three-story apartment estimates based on information from *Urban Land Use Planning* Fourth Edition, 1995 and local examples.

Figure 9.30.3 illustrates approximate density ranges typical of some common building types. These are typical of the density ranges found in Grants Pass and may differ from density ranges

for similar building types found in other communities. However, density ranges for some building types, especially multi-story apartment types, vary for different communities. The typical density ranges listed for apartments in Table 9.30.5, which are typical of Grants Pass, are lower than densities generally found in larger urban areas. This difference in densities may result, in part, from housing market factors but may also be a product of regulatory restrictions on density in Grants Pass because residential zoning standards limit maximum density.

FIGURE 9.30.3
TYPICAL DENSITIES ASSOCIATED WITH
COMMON BUILDING TYPES
NET DENSITY IN DWELLNG UNITS PER ACRE (DU/AC)
Grants Pass



Single-Family Homes	Townhouses	Multi-Story Apartments
(4-9 du/acre)	(16-24 du/acre)	(16-35 du/acre)

Source: City of Grants Pass

In this element, density refers only to dwelling units per acre. Density measures not used in this element include floor to area ratios (FARs), bulk, percentage of lot coverage, setbacks or other measures. However, these factors can influence perceptions regarding density. A separate document, *Examples of Residential Densities in Grants Pass and the Urbanizing Area, November 2007*, provides aerial and eye-level photos of examples of different developments and building types in Grants Pass. In comparing densities and building types, differences in these other factors are apparent.

9.40 HOUSING DEMAND AND NEED

Section 9.20 described the framework for conducting a housing "needs" analysis. ORS 197.296 (HB 2709) requires cities over 25,000 or fast growing cities to conduct a housing needs analysis. A recommended approach is described in Task 3 of the DLCD Workbook. The specific steps in the housing needs analysis are:

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

This section is organized according to these steps.

9.41 Number of new housing units needed in the next 20 years

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and estimates of new housing units needed in Grants Pass between 2007 and 2027. The forecast number of new housing units needed between 2007 and 2027 is calculated based on the population forecast, allocation of persons to residential units or group quarters, household size, and vacancy rates. Demographic and economic trends and factors that may affect the types of housing units built, and the needed mix of housing types, are presented later in this chapter.

Population

Population growth is the foundation of demand for new housing. Table 9.40.1 presents the Grants Pass UGB population forecast for 2007 to 2060. Table 9.40.1 shows that the Grants Pass UGB is forecasted to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%.

TABLE 9.40.1
POPULATION FORECAST
Grants Pass UGB, 2007-2060

Year	Population
2006	34,153
2007	37,460
2010	39,987
2015	44,584
2020	49,708
2025	55,422
2027	57,888
2030	59,737
2035	62,951
2040	66,337
2045	69,906
2050	73,667
2055	77,631
2057	79,275
2060	81,807
Change 2007 to 2027	
Number	20,428
Percent	55%
AAGR	2.20%
Change 2007 to 2057	
Number	41,815
Percent	112%
AAGR	1.51%

Source: ECONorthwest

Persons in group quarters

Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing need. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, need for these housing types will be met by institutions (colleges, state agencies, health-care corporations) operating outside what is typically defined as the housing market. Group quarters, however, require land and are typically built at densities that are comparable to multiple-family dwellings.

Table 9.40.2 shows the number of persons living in group quarters in 1990, 2000, and 2006 in Grants Pass. According to Census data, 835 persons lived in group quarters in Grants Pass in 2000, and City data shows this increased to 1,363 persons in 2006.

TABLE 9.40.2
PERSONS IN GROUP QUARTERS
Grants Pass City Limits, 1990, 2000, and 2006

	1990	2000	2006
Total Population	17,488	23,003	30,930
Persons in Group Quarters	749	835	1,363
Percent in Group Quarters	4.3%	3.6%	4.4%

Source: US Census of Population and Housing; 2006 data from City group quarters count. Percentages calculated by ECONorthwest.

For the purpose of estimating housing needs for Grants Pass, the analysis assumes that 3.6% of new persons (742 persons) will reside in group quarters. The majority of these new persons will live in assisted living quarters.

A final note on persons in group quarters: persons in group quarters require land. While the DLCD Workbook backs this component of the population out of total population that needs housing, it does not otherwise make accommodations for land demand for new group quarters. For the purpose of this analysis, we assume that persons in group quarters require land at approximately the same density as multiple family housing.

Household size

Table 9.40.3 shows the average household size for Grants Pass for owner- and renter-occupied units in 2000. Table 9.40.3 shows that the average household size in Grants Pass was 2.36. Owner occupied units in Grants Pass have larger average household sizes than renter-occupied units. The reverse is true for Josephine County.

OAR 660-024 established a "safe harbor" assumption for average household size—which is the figure from the most recent Census. The analysis of needed new units assumes an average household size of 2.36 persons per household.

TABLE 9.40.3
AVERAGE HOUSEHOLD SIZE
Grants Pass City Limits, 2000

	Persons per HH
Average household size	2.36
Owner-occupied units	2.43
Renter-occupied units	2.29
Single-family	2.54
Multifamily	1.78

Source: US Census 2000

Vacancy rate

Vacant units are the final variable in the basic housing need model. 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 9.40.4 shows that the average vacancy rate for Grants Pass was relatively similar in 1990 and 2000. The most recent Census showed an overall vacancy rate of 4.8% for Grants Pass, compared to a vacancy rate of 4.5% in 1990. The HCS housing needs model, however, requires separate vacancy rate figures for single-family and multifamily units. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

TABLE 9.40.4
VACANCY RATES
Grants Pass City Limits, 1990 and 2000

	1990	2000
Total housing units	7,480	9,885
Total occupied	7,145	9,392
Total vacant	335	471
Vacancy Rate	4.5%	4.8%
Single-family	na	4.0%
Multifamily	na	7.1%

Source: US Census 1990 and 2000; Calculations by ECONorthwest.

The forecast of new housing units needed between 2007 to 2027 uses an aggregated vacancy rate for single-family and multifamily housing of 5.3%. This assumption reflects vacancy rates in 2000 and the needed housing mix of 67% single-family and 33% multifamily.

Forecast of new housing units, 2007-2027

The preceding analysis leads to a forecast of new housing units likely to be built in Grants Pass for the period 2007-2027. Table 9.40.5 summarizes the analysis. Based on the assumptions shown in Table 9.40.5, Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. This figure does not include group quarters units.

The baseline forecast assumes 3.6% of new population (742 people) will be group quarters, and the remaining population will be single-family housing types (single-family detached, single-family attached and manufactured homes) or multifamily (duplex, triplex, quad-plex, and more than five units). The mix of housing types and the basis for the mix is addressed later in this chapter.

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will

not create additional demand for residential land. It also does not include a forecast of needed group quarters units. Section 9.46 includes a separate estimate of acreage needed for group quarters and assumes these facilities develop at multifamily densities and will be located in high-density plan designations.

TABLE 9.40.5
FORECAST OF NEW HOUSING UNITS
Grants Pass, 2007-2027

Variable	Baseline Estimate of Housing Units (2007-2027)
Change in persons	20,428
minus Change in persons in group quarters	742
equals Persons in households	19,686
Average household size	2.36
New occupied DU	8,342
times Aggregate vacancy rate	5.3%
equals Vacant dwelling units	440
Total needed new dwelling units (2007-2027)	8,782
equals Total new dwelling units	**8,782**
Dwelling units needed annually	**439**

Source: ECONorthwest

9.42 National, state, and local demographic and economic trends and factors that may affect the types of housing built

National housing trends

The evaluation of housing trends that follows is based on previous research conducted by ECONorthwest for other housing needs studies as well as new research to update the evaluation of trends that may affect housing mix. Previous work by ECO and conclusions from The State of the Nation's Housing 2007 report from the Joint Center for Housing Studies of Harvard University inform the national, state, and local housing outlook for the next decade. The Joint Center for Housing Studies of Harvard University's The State of the Nation's Housing, 2007 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 trends in more detail.

Long run trends in home ownership and demand

The year 2006 was a significant departure from the recent housing boom that had lasted for 14 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 house price 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 7-month supply.

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

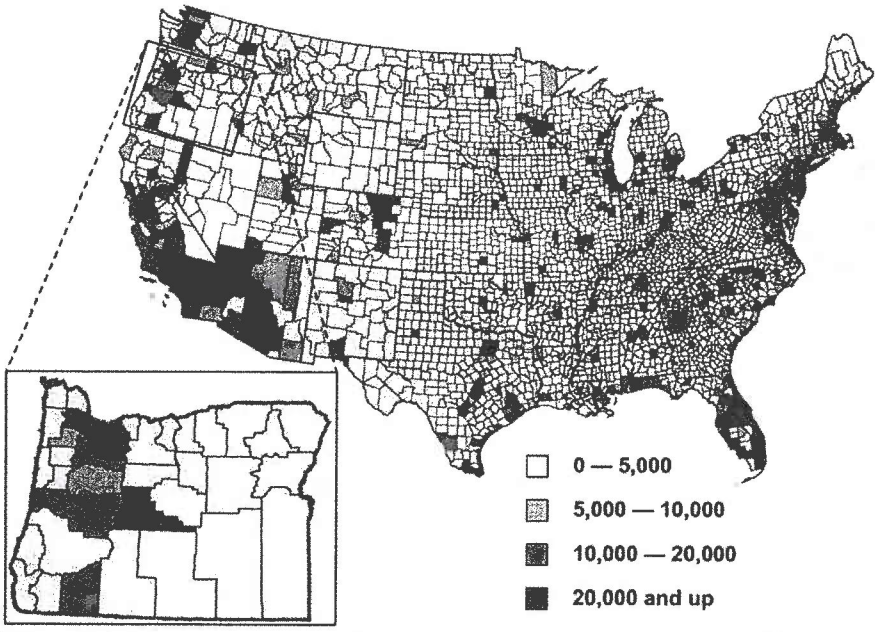
be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from central business districts (CBDs) for more than a century: the number of the country's largest metropolitan areas with more than half of their households living at least 10 miles from the 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.

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. 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 among the more robust housing markets in the nation and in Oregon, issuing between 10,000 to 20,000 or more building permits over the 1994-2003 period (see Figure 9.40.1).

FIGURE 9.40.1
HOUSING PERMITS ISSUED BY COUNTY
US, 1994-2003



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 found 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.[5] The challenges that seniors face as they age in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[6] 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.

- 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

Over the longer term, the Joint Center for Housing studies expects rental housing demand to increase. 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

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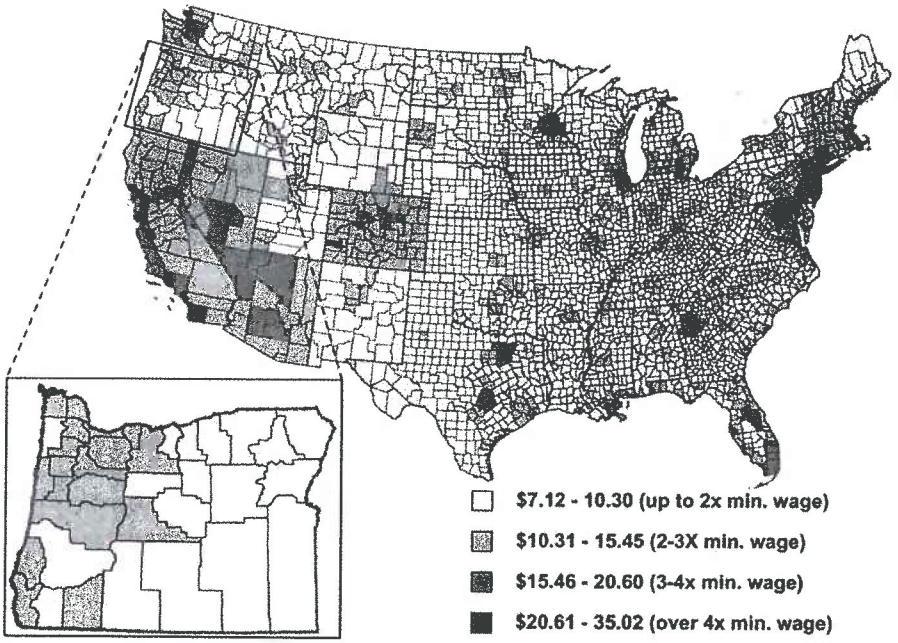
[5] A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See http://www.aarp.org/research.

[6] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

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%.

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 9.40.2
HOURLY WAGES NEEDED TO AFFORD RENT BY COUNTY
US, 2004



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 record breaking housing prices, residential investment, and home sales of 2005 mentioned above, although indicative of strong housing demand nationally, have negative implications for lower income populations and first time home buyers. Higher short-term interest rates made it

more difficult for first-time buyers to break into the market. Subprime 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 subprime 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. 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 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.

- 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 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.

9.43 Demographic characteristics and housing trends related to demand for different types of housing

State and regional demographic and housing trends are important to a thorough understanding of the dynamics of the Grants Pass housing market. Grants Pass exists in a regional economy; trends in the region impact the local housing market. This section documents state and regional demographic and housing trends relevant to Grants Pass and factors that influence households' locational choices.

Demographic trends

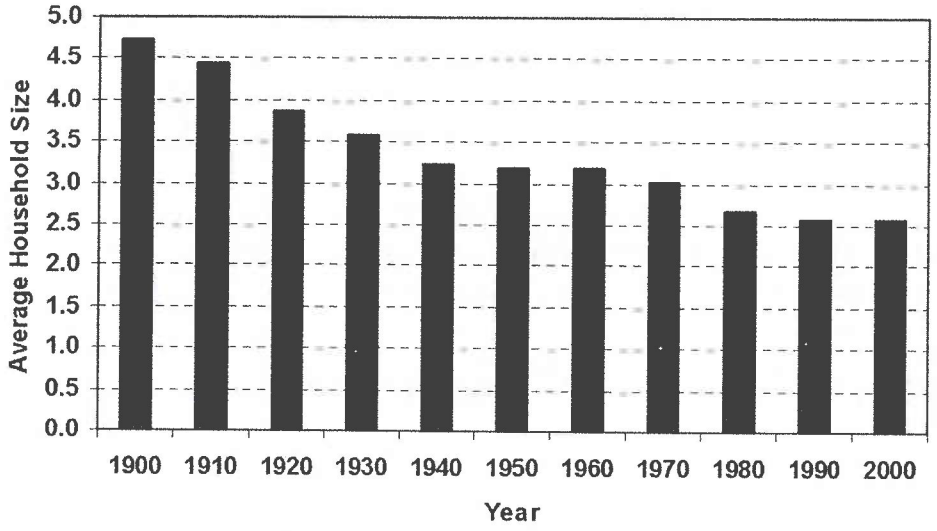
This section reviews historical demographic trends in Oregon, Josephine County, and Grants Pass. Demographic trends provide a broader context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and shape future growth. To provide context, we compare Grants Pass (city limits) with Josephine County and Oregon where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

State Demographic Trends

The April 2003 edition of Oregon Outlook produced by the Population Research Center at Portland State University provides a report entitled *Oregon's Major Population Trends* by Barry Edmonston, Director of Oregon's Population Research Center. It describes Oregon's major population trends through 2000, including Oregon's population growth, changes in the state's age composition, shifts on ethnic diversity, and trends in household size and composition. The report also highlights implications of these trends.

The average household size in Oregon has decreased over the past five decades, with the rate of decrease slowing during this period. Figure 9.40.3 shows that the average household size in Oregon was 2.60 in 1980, 2.52 in 1990 and 2.5 in 2000. This trend is likely to continue, with average household size continuing to decrease, but at a slowing rate. Unlike the state, Grants Pass experienced a small increase in household size from 2.34 in 1990 to 2.36 in 2000.

FIGURE 9.40.3
AVERAGE HOUSEHOLD SIZE
Oregon, 1900-2000



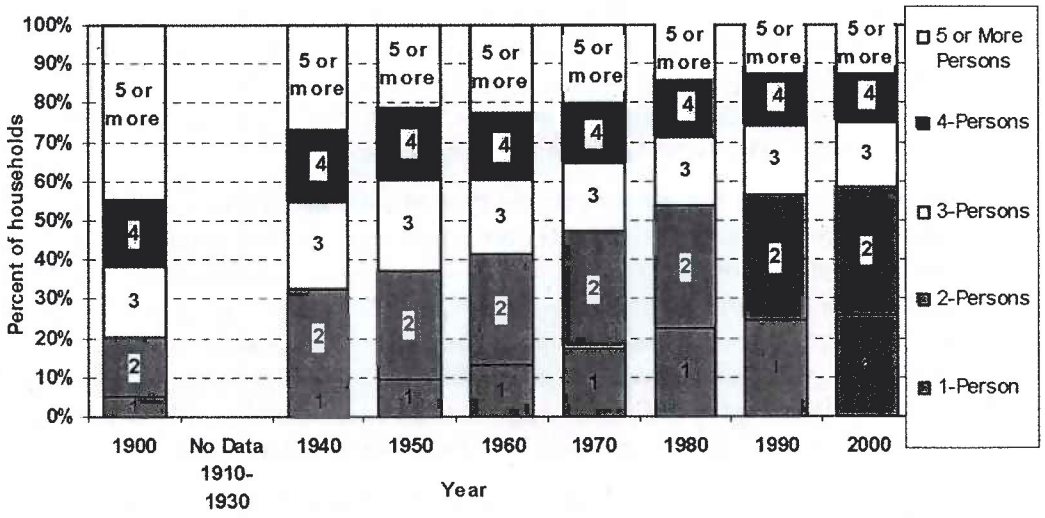
Source: Oregon's Major Population Trends, April 2003, Barry Edmonston

Figure 9.40.4 shows change in distribution of households by size in Oregon from 1900 to 2000. Households with three or more people made up the majority of Oregon households through

1970. The share of Oregon households with three or more people decreased between 1970 and 2000, while the share of one and two person households increased. By 1980, one and two person households accounted for more than 50% of Oregon households, increasing to over 60% of Oregon households by 2000.

Compared to the state, Josephine County and Grants Pass had a larger share of one and two person households in 1990 and 2000. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more housing units, even if population were not growing. More housing units are needed to house the same number of people.

FIGURE 9.40.4
DISTRIBUTIONS OF HOUSEHOLD BY SIZE
Oregon, 1900-2000



Source: Oregon's Major Population Trends, April 2003, Barry Edmonston

The changing composition of households that accounts for smaller average household size is also important in understanding housing need. Household size changed in the following ways between 1950 and 2000.

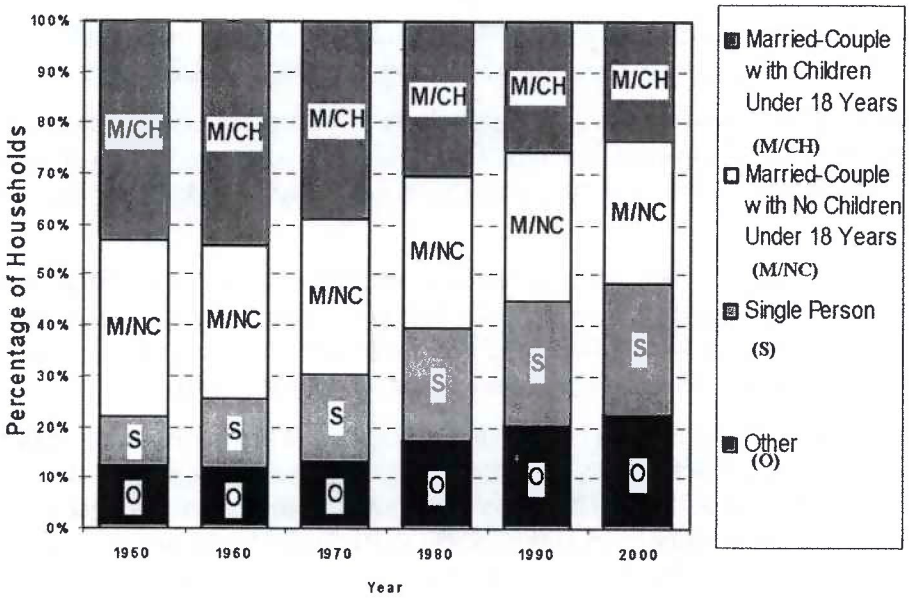
- **Two-person households grew increasingly common.** By 1950, two-person households were the most common household size in Oregon, accounting for about one-quarter of households. The share of two-person households continued to grow and by 2000 two-person households accounted for about one-third of Oregon households.
- **The share of one-person households increased.** The share of one-person households also increased substantially between 1950 and 2000. In 1950, about 10% of Oregon households were non-family households, and almost all were single persons. By 2000, non-family households had increased to almost one-third of households, and about one-quarter of Oregon households in 2000 were single persons.

- **Households with three or more people became less common.** The share of households with three or more people decreased from more than 60% of households to about 40% of households in 2000. This was most pronounced in households with five or more people, which decreased from about 20% to 10% of households.

Figure 9.40.5 shows trends in household type in Oregon from 1950 through 2000. The composition of households changed in the following ways between 1950 and 2000:

- **Single persons are the most common type of *non-family* household in Oregon.** By 2000, for the first time, the number of one-person households exceeded the number of households comprised of married couples with children. As Oregon's population grows older during the next several decades, there is likely to be a further increase in the number and proportion of single person households. *See Figure 9.40.5 and Figure 9.40.9.*
- **Married-couples account for a decreasing share of households in Oregon.** While the number of married couple households in Oregon has increased in absolute numbers since 1950, they have decreased substantially as a proportion of all households, especially since 1970. In 1950, married couples accounted for more than three-quarters of all Oregon households. By 2000, married couples accounted for a little more than one-half of all Oregon households, a decrease of about 25% since 1950.
- **Married couples remain the most common type of *total* households and *family* households in Oregon and the United States**. Compared to other states, Oregon's population has slightly more married couples as a share of all households. In 2000, 51.9% of Oregon households were married couples, compared to a national average of 51.7%. In 2000, the share of married couples was higher that the state average in Josephine County, with married couples accounting for 56% of households. However, for Grants Pass, married couples comprised a lower share of households compared to the state average in 2000, accounting for 46% of households in Grants Pass.
- **The share of households with married couples with children declined between 1950 and 2000.** In 1960, at the peak of the baby boom years, more than 40% of Oregon households were married couples with one or more children under 18 years at home, decreasing to about 22% of households in 2000. In 2000, for Josephine County, the percentage of married couples with children was 19% in 2000. For Grants Pass, that percentage was 21%.
- **The share of married couples with no children declined between 1950 and 2000.** In 1950 married couples with no children under 18 years accounted for about one-third of households and declined to more than one-quarter of households in 2000.

FIGURE 9.40.5
DISTRIBUTION OF HOUSEHOLDS BY TYPE
Oregon, 1950-2000



Source: *Oregon's Major Population Trends*, April 2003, Barry Edmonston

Oregon's *2006-2010 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.[7] The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide:

- 11th fastest growing population in the United States
- Facing dramatic housing cost increases
- Facing median and adjusted incomes less than those of 1999
- Growing faster than national rates: 4.0% v. 3.3% and expecting a non-entitlement growth during this consolidated plan of about 6%, 82% of which will come from in-migration.
- Increasingly older
- Increasingly diverse
- Increasingly less affluent[8]

[7] http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

[8] State of Oregon Consolidated Plan, 2006-2010, pg. 23.

Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, 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 Bjelland's most significant findings are summarized below:

- Oregon's **minority population is growing** quickly. Minorities made up 9.2% of the population in 1990 and 16.5% of the population in 2000, a 52% increase.
- **Hispanics and Latinos make up a large share of that population** and their growth rate is higher than non-Hispanics/ Latinos. The growth rate of Oregon's non-Hispanic/ Latino population between 1990 and 2000 was 15.3% compared to 144.3% for Hispanics and Latinos.
- 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. Table 9.40.6 shows that Hispanic/ Latino Oregonians under 45 have higher homeownership rates than non-Hispanic/ Latino residents.

TABLE 9.40.6
HOMEOWNERSHIP RATES BY AGE AND ETHNICITY OF HOUSEHOLDER
Oregon, 2000

Age of householder	Non-Hispanic/ Latino	Hispanic/ Latino
25-34	10.2%	25.7%
35-44	20.6%	31.0%
45 and older	68.1%	39.4%

Source: Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, "Changing Demographics: Impacts to Oregon and the US" 2006. He obtained his data from US Census 2000

Regional Demographic Trends

Regional demographic trends largely follow the statewide trends discussed above, but provide additional insight into how demographic trends might affect housing in Grants Pass.

Population growth in Oregon tends to follow economic cycles. Oregon's economy is generally more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. This pattern is shown in Table 9.40.7, which presents data on population in the U.S., Oregon, and Southern Oregon, and Jackson and Josephine Counties and selected cities in Southern Oregon over the 1980–2006 period.

Table 9.40.7 shows population growth in Oregon, Jackson and Josephine Counties, and selected cities over the 1980–2006 period. Table 9.40.7 shows that Josephine County's population grew by more than 22,000 people over the twenty-six year period at an average annual rate of 1.29%. Over the same period, Jackson County's population grew by about 62,000 residents at an average annual rate of 1.55%.

The majority of population growth in Southern Oregon occurred in the cities of Medford, Ashland, Central Point, and Grants Pass. These cities grew by about 62,000 people, accounting for about two-thirds of the population growth in Southern Oregon over the 1980 to 2006 period.

Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.

TABLE 9.40.7
HISTORIC POPULATION CHANGE
Oregon, Jackson and Josephine Counties, and Selected Cities, 1980 - 2006

	Population				Change 1980 to 2006		
Area	1980	1990	2000	2006	Number	Percent	AAGR
Oregon	2,639,915	2,842,321	3,421,399	3,690,505	988,785	37%	1.28%
Jackson County	132,456	146,389	181,269	198,615	62,059	47%	1.55%
Medford	39,746	46,951	63,154	73,960	31,109	78%	2.34%
Ashland	14,943	16,234	19,522	21,430	5,937	40%	1.35%
Central Point	6,357	7,509	12,493	16,550	9,283	146%	3.67%
Josephine County	58,855	62,649	75,726	81,125	22,270	38%	1.29%
Grants Pass	15,032	17,488	23,003	30,930	15,898	106%	2.93%
Cave Junction	1,023	1,126	1,363	1,600	577	56%	1.81%

Source: U.S. Census, Population Research Center, and calculations by ECONorthwest

Between 1990 and 1999, almost 70% of Oregon's total population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths).[9] Migrants to Oregon tend to have many characteristics in common with existing residents, with some differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally mirrors Oregon's established pattern, with one exception: Hispanics make up more than 7% of

[9] Portland State University, Population Research Center, 2000. *1990-2000 Components of Population Change*

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.[10]

The Census collects information about migration patterns. Specifically, it asks households where their residence was in 1995 (5 years prior to the Census count). Table 9.40.8 shows the place of residence in 1995 for Oregon, Josephine County, and Grants Pass. Table 9.40.8 shows that residents of Grants Pass were more mobile than the County or State averages. Residents of Grants Pass were more likely to have lived in a different state in 1995. Sixty-percent of Grants Pass residents lived in a different house in 1995, compared with 49% of Josephine County residents and 53% of Oregon residents. Seventeen percent of Grants Pass residents lived in a different state in 1995, compared with 15% of Josephine County and 12% of Oregon residents.

TABLE 9.40.8
PLACE OF RESIDENCE IN 1995, PERSONS 5 YEARS AND OVER
Oregon, Josephine County, and Grants Pass

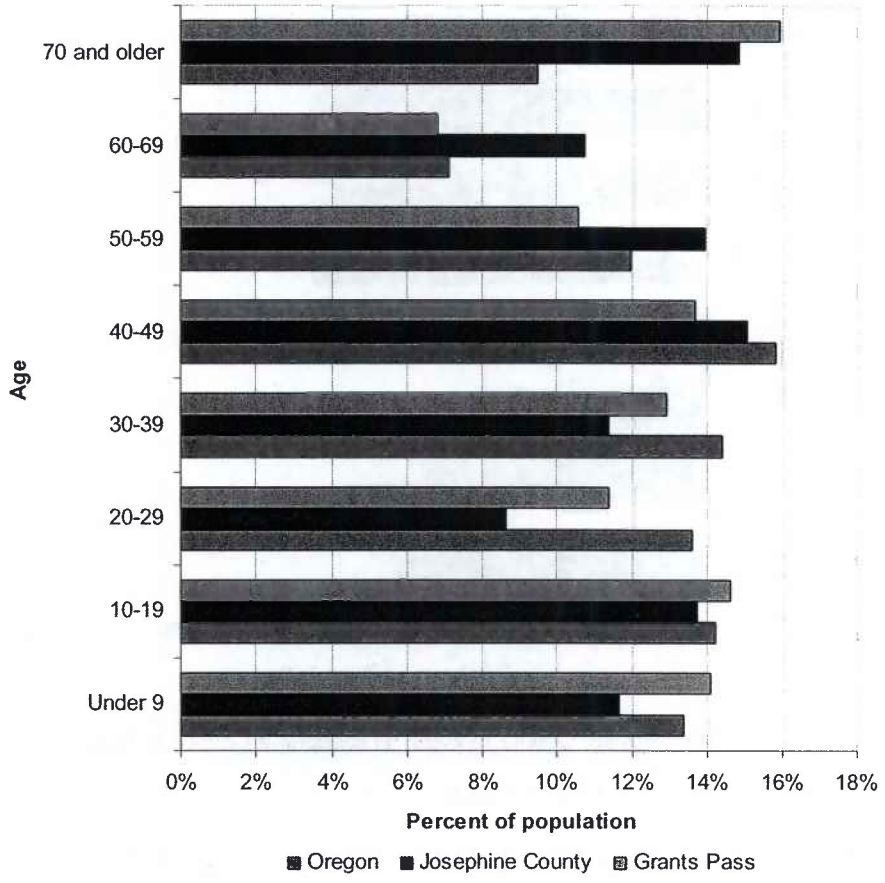
	Oregon		Josephine County		Grants Pass	
Location	Persons	Percent	Persons	Percent	Persons	Percent
Population 5 years and older	3,199,323	100%	71,725	100%	21,283	100%
Same house in 1995	1,496,938	47%	36,636	51%	8,570	40%
Different house in 1995:	1,702,385	53%	35,089	49%	12,713	60%
Same county	863,070	27%	18,814	26%	7,087	33%
Different county:	755,954	24%	15,946	22%	5,531	26%
Same state	356,626	11%	5,207	7%	1,865	9%
Different state	399,328	12%	10,739	15%	3,666	17%

Source: US Census 2000

Figure 9.40.6 shows the age distribution of residents of Oregon, Josephine County, and Grants Pass for 2000. Grants Pass and Josephine County had a smaller share of population aged 20 to 59 than the state average. Grants Pass had a larger share of residents aged 20 to 39 years than the County average. Grants Pass had a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These trends suggest that Grants Pass attracted retirees and families with children.

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

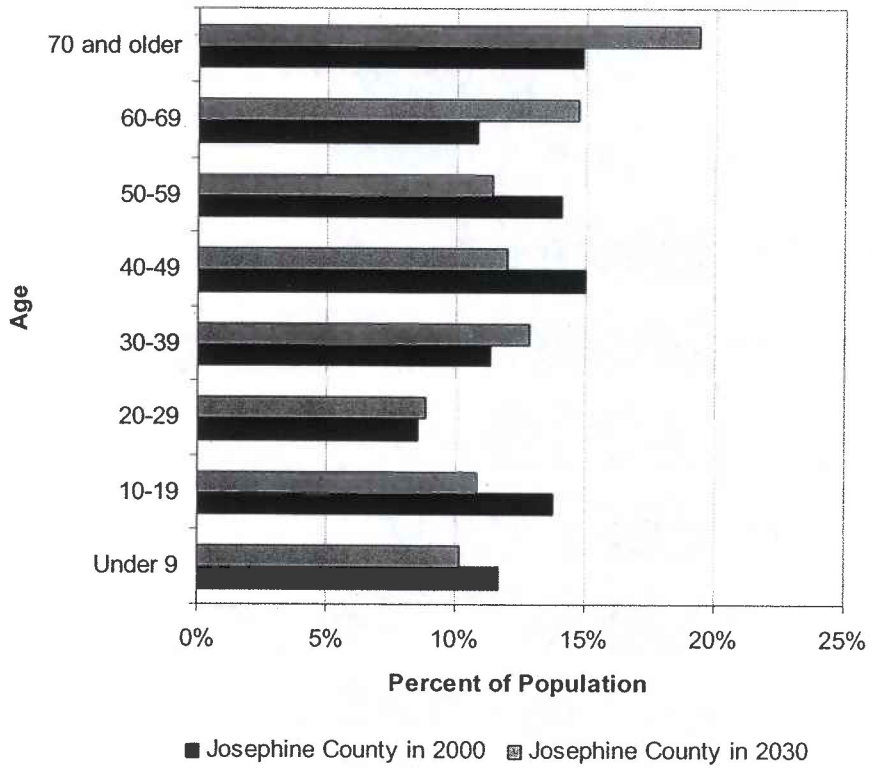
FIGURE 9.40.6
POPULATION BY AGE
Oregon, Josephine County, and Grants Pass, 2000



Source: US Census 2000

Figure 9.40.7 shows the Office of Economic Analysis's (OEA) forecast of population by age group for 2000 to 2025. Figure 9.40.7 shows that the OEA forecasts that Josephine County will experience growth in all age groups, with the greatest growth in people 60 years and older, a group that is forecast to increase by 75%. Slowest growth is forecast for people younger than 29 years.

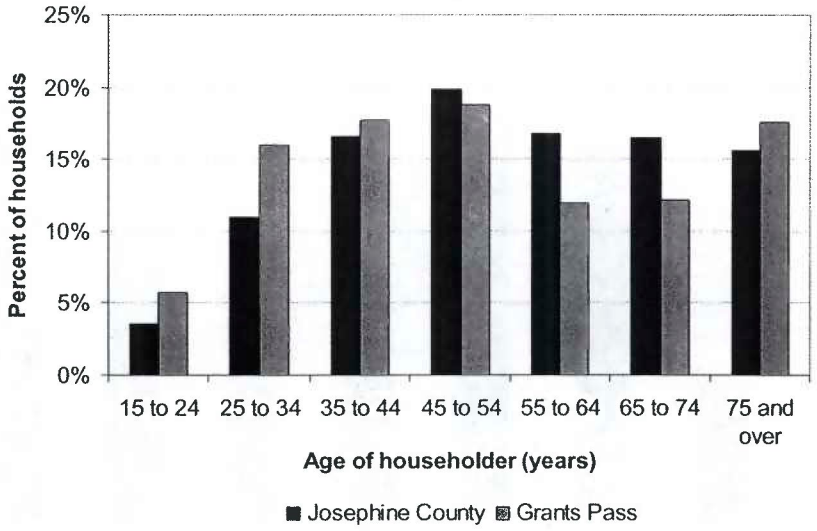
FIGURE 9.40.7
CHANGE IN POPULATION BY AGE
Josephine County, 2000-2025



Source: Oregon Office of Economic Analysis, 2004

Figures 9.40.7 through 9.40.10 show different characteristics of households by age of householder for Grants Pass, including number of households, size of households, tenure. Figure 9.40.8 shows that householders are aged 35 to 54 accounts for more than one-third of households in Grants Pass and Josephine County. Grants Pass has a larger share householders aged 34 and younger (22%) compared to Josephine County (15%).

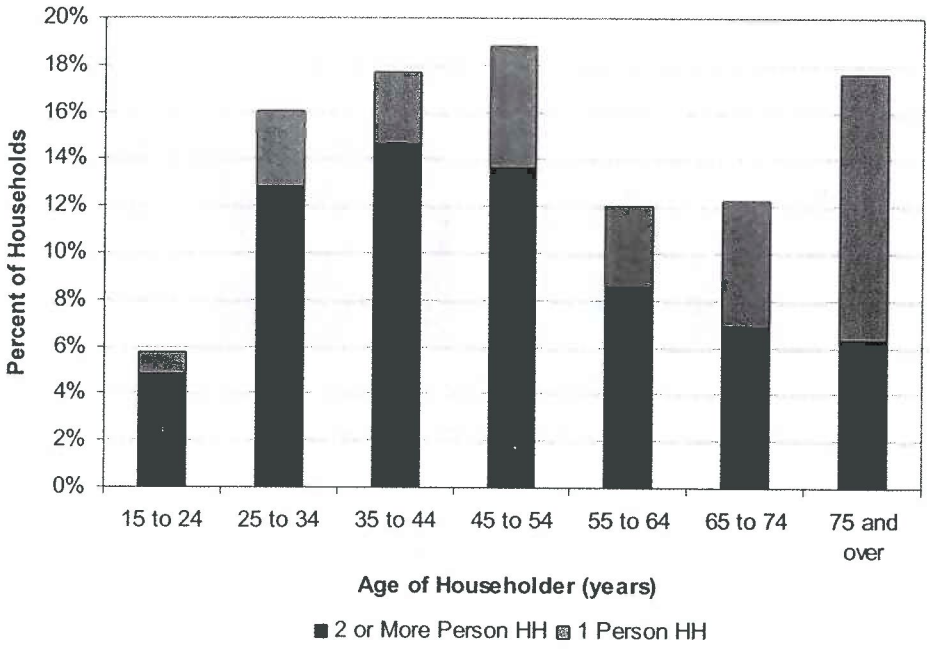
FIGURE 9.40.8
HOUSEHOLDS BY AGE OF HOUSEHOLDER
Josephine County and Grants Pass, 2000



Source: US Census 2000

Figure 9.40.9 shows households by household size and age of householder. The majority of households have two or more persons, except for householders 75 years and older. Younger householders are more likely to have households with two or more people. The share of households with two or more people peaks with householders aged 25 to 54. The share of one-person households is greatest for householders 75 years and older.

FIGURE 9.40.9.
NUMBER OF HOUSEHOLDS BY HOUSEHOLD SIZE AND AGE OF HOUSEHOLDER
Grants Pass, 2000

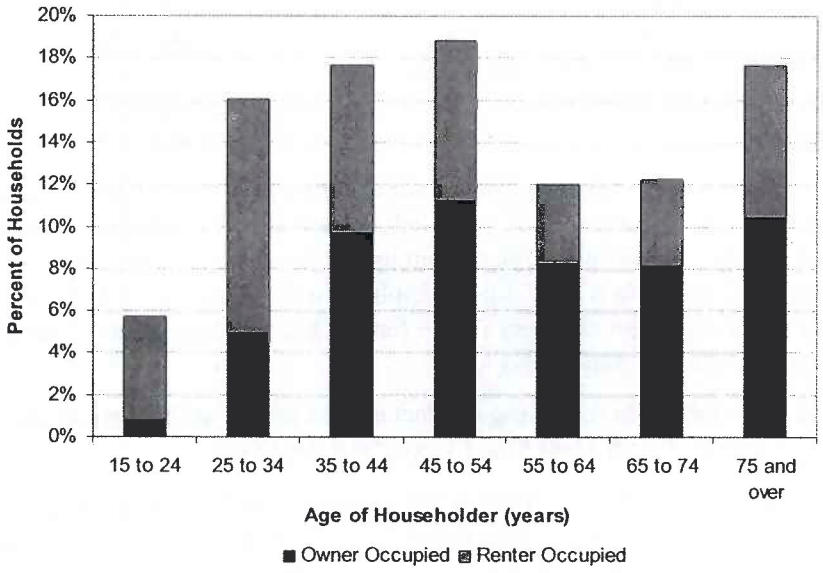


Source: US Census 2000

Figure 9.40.10 shows households by tenure and age of householder and Figure 9.40.11 shows households by household size, tenure, and age of householder. Grants Pass had more owner-occupied units than renter-occupied households in all age cohorts other than 15-24 and 25-34. Owner occupied households are generally older. The share of owner-occupied one-person households increased with age, while the share of owner-occupied households with two or more persons decreased with age. The share of one-person owner-occupied households exceeded the number of two or more person owner-occupied households over age 74

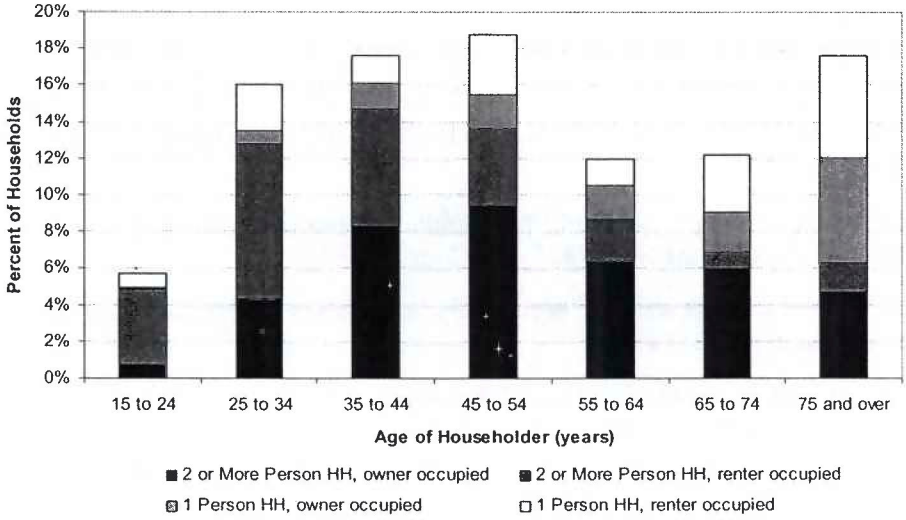
Renter occupied households were generally younger. The share of renter occupied units was largest for people aged 25 to 34 years. Over age 64, the number of one-person renter-occupied households increased. The number of two or more person renter-occupied households declined over age 34 through age 74, then increased over age 74.

FIGURE 9.40.10
HOUSEHOLDS BY TENURE AND AGE OF HOUSEHOLDER
Grants Pass, 2000



Source: US Census 2000

FIGURE 9.40.11
HOUSEHOLDS BY HOUSEHOLD SIZE, TENURE, AND AGE OF HOUSEHOLDER
Grants Pass, 2000



Source: US Census 2000

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 9.40.9 shows household composition and Table 9.40.10 shows household size for Oregon, Josephine County, and Grants Pass. In 2000, 69% of Oregon households were households with no children. Of Oregon households with no children, 43% of these were married couples, 8% were other family households, and 49% were non-family households. Josephine County had a higher percentage of households with no children (73%), with a higher percentage of these (51%) being married couples.

In 2000, 31% of Oregon households were households with children. Of Oregon households with children, 72% were married couples, 20% were female householder with no husband present, and 8% were other family households. The percentage of households with children for Josephine County was lower, at 27%, while it was slightly higher for Grants Pass, at 32%. Grants Pass had a higher share of households with children with a female householders and no husband present (9%), than either the County or State (6%).

Grants Pass households show the following characteristics related to household size and composition when compared with Josephine County and the State:

- Grants Pass had fewer people per household, with an average household size of 2.36 people, compared to the County average of 2.41 and State average of 2.51 people per household.
- Compared to the State share of 1-person and 2-person households (62%), Josephine County and Grants Pass had larger shares, with Grants Pass (65%) slightly below Josephine County 66%).
- Grants Pass had a larger share of 1-person households (32%) than the State (26%) or County (25%).
- Grants Pass had a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass also had a larger share of female householders with children and no husband, 9% compared with the County and State averages of 6%.
- Grants Pass had a smaller share of households with married couples (46%), with and without children, than the State (52%) or County (56%).
- Grants Pass had a larger share of non-family households (36%) than the County average (30%) or State average (34%).
- Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. In Grants Pass, 21% of households are "traditional" families (married couples with children living at home). This means that all other family and non-family households make up 79% of all households. 68% of Grants Pass households have no children, 36% are composed of two or more unrelated adults, 54% do not have a married couple in the household, and 25% are married couples without children.

TABLE 9.40.9
HOUSEHOLD COMPOSITION
Oregon, Josephine County, and Grants Pass, 2000

Household Type	Oregon		Josephine County		Grants Pass	
	Number	Percent	Number	Percent	Number	Percent
Households with children	**410,803**	**31%**	**8,454**	**27%**	**3,003**	**32%**
Married couples	296,404	22%	5,929	19%	1,980	21%
Female householder, no husband present	83,131	6%	1,929	6%	865	9%
Other families	31,268	2%	596	2%	158	2%
Households without children	**922,920**	**69%**	**22,573**	**73%**	**6,442**	**68%**
Married couples	396,128	30%	11,458	37%	2,393	25%
Other families	70,740	5%	1,657	5%	628	7%
Nonfamilies	456,052	34%	9,458	30%	3,421	36%
Total Households	**1,333,723**	**100%**	**31,027**	**100%**	**9,445**	**100%**
Average Household Size	2.51		2.41		2.36	
Average Family Size	3.02		2.85		2.94	

Source: U.S. Census, 2000[11]

TABLE 9.40.10
HOUSEHOLD SIZE
Oregon, Josephine County, and Grants Pass, 1990 and 2000

Number of Persons in Household	Oregon		Josephine County		Grants Pass	
	Number	Percent	Number	Percent	Number	Percent
1990						
1-person	277,631	25%	5,874	23%	2159	30%
2-persons	393,755	36%	10,235	41%	2534	35%
3 or more	433,976	39%	8,984	36%	2476	35%
Total	**1,105,362**	**100%**	**25,093**	**100%**	**7169**	**100%**
2000						
1-person	347,547	26%	7,863	25%	3,018	32%
2-persons	477,561	36%	12,621	41%	3,159	33%
3 or more	510,001	38%	10,543	34%	3,268	35%
Total	**1,335,109**	**100%**	**31,027**	**100%**	**9,445**	**100%**

Source: U.S. Census, 1990 and 2000

Some people living in Grants Pass and Josephine County do not have a place to live. The State 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, unemployment, housing affordability, criminal history, domestic violence, and other reasons. Table 9.40.11 shows a snap-shot of the total number of homeless people in (or turned away from) shelters in Josephine County on one specific night. Between 2001 and 2007, Josephine County had an average of 245 people, including 75 children, staying in homeless shelters (or

[11] According to US Census Bureau definitions, households are classified as either family or non-family households. Family households are comprised of two or more people who are related by marriage, birth, or adoption. Non-family households are comprised of single persons, or two or more people who are not related.

turned away from shelter). It is difficult to determine if the number of homeless people have increased over the seven 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 9.40.11
PEOPLE STAYING IN OR TURNED AWAY FROM HOMELESS SHELTERS
Josephine County, 2001-2007

Year	Total	Children
2001	151	64
2002	237	78
2003	181	58
2004	213	60
2005	380	120
2006	229	57
2007	326	88
Average	245	75

Source: Homeless Shelter Nightcount reports for 2001-2007, Oregon Housing and Community Services
Note: The Nightcount was conducted at the end of March for 2001 through 2004. From 2005 to 2007, the Nightcount was conducted at the end of January.

The State also collects information about homeless children and youth enrolled in schools. Table 9.40.12 shows homeless children and youth attending school in the Grants Pass SD 7 and Three Rivers school districts. Table 9.40.12 shows that Grants Pass and Josephine County have homeless students in all grade levels, from kindergarten through high school. The number of homeless children and youth enrolled in SD 7 has varied from 71 students to 173 students. The number of homeless children and youth enrolled in Three Rivers School District has remained relatively stable, varying from 232 students and 287 students.

TABLE 9.40.12
HOMELESS CHILDREN AND YOUTH ENROLLED IN SCHOOL AT SD7 AND THREE RIVERS SCHOOL DISTRICTS
Josephine County and Grants Pass,
School Years 2004-2005 through 2006-2007

School Type	2004 to 2005	2005 to 2006	2006 to 2007
Grants Pass SD 7			
Elementary (Grades K-5)	39	40	72
Middle (Grades 6-8)	20	16	56
High (Grades 9-12)	24	15	45
SD 7 Total	**83**	**71**	**173**
Three Rivers School District			
Elementary (Grades K-5)	146	166	179
Middle (Grades 6-8)	76	80	25
High (Grades 9-12)	31	41	28
Three Rivers Total	**253**	**287**	**232**

Source: SD 7 and Three Rivers school districts

Table 9.40.13 shows the number of persons of Hispanic or Latino origin in Oregon, Josephine County, and Grants Pass for 1990 and 2000. The Census data show that Grants Pass had a larger share of Hispanic population (5.4%) compared to the County (4.3%) but a smaller share compared to the State (8.0%). Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%.

The Hispanic population grew faster in Grants Pass than the overall population, which is similar to State trends. National demographic trends suggest that this trend will continue in Grants Pass. By 2050, the Census forecasts that Hispanics will account for 24% of the population nationwide.

TABLE 9.40.13
PERSONS OF HISPANIC OR LATINO ORIGIN
Oregon, Josephine County, and Grants Pass, 1990 and 2000

	Oregon	Josephine County	Grants Pass
1990			
Total Population	2,842,321	62,649	17,488
Hispanic or Latino	112,707	1,749	494
Percent Hispanic or Latino	4.0%	2.8%	2.8%
2000			
Total Population	3,421,399	75,726	22,865
Hispanic or Latino	275,314	3,229	1,236
Percent Hispanic or Latino	8.0%	4.3%	5.4%
Change 1900-2000			
Hispanic or Latino	162,607	1,480	742
Percent Hispanic or Latino	144%	85%	150%

Source: U.S. Census, 1990 and 2000

In conclusion, in addition to the household size and composition trends described above, the following trends influence housing need in Grants Pass and Josephine County:

- Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These demographic changes will impact the types of housing needed in Grants Pass over the next 20-years.
- Migration is an important contributor to population growth. A larger share of residents of Grants Pass moved to the city from out of state, compared with the County average.
- Josephine County and Grants Pass have a homeless population, which includes children. On average, the County has had 245 homeless people including 75 children staying in or turned away from a shelter on a given day between 2001 to 2007. The Three Rivers School District had between 232 and 287 homeless students for the 2004 to 2005 through 2006 to 2007 school years. SD 7 had between 71 and 173 homeless students for the same school years.
- Grants Pass is becoming more ethnically diverse. Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. National trends suggest that Grants Pass will continue to become more ethnically diverse. Hispanic residents tend to become homeowners at a younger age than non-Hispanic residents.

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.[12] ECONorthwest used Public Use Microsample (PUMS) data from the 2000 Census to describe the relationship between selected demographic characteristics and housing choice.[13] This analysis identified several key relationships:

- Homeownership rates increase as income increases;
- Homeownership rates generally 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 strong determinate of tenure and housing type choice for all age categories.

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[12] This linkage is identified in the DLCD Workbook. It is described in detail in *Households and Housing: Choice and Outcomes in the Housing Market,* Clark and Dieleman, Center for Policy Research, 1996.

[13] ECO used the 5% Public Use Microsample (PUMS) data set for this analysis. A description of the PUMS data can be found at www.census.gov.

Demographic trends in Grants Pass have been similar to state and national trends, with increases in people aged 45 to 64, and people aged 5 to 17 (in families with children), and increases in Hispanic population. If these trends continue, housing demand is likely to change in Grants Pass.

- Demand for multi-family and single-family attached housing is likely to increase with the increase in low and moderate income residents and non-traditional families (those other than married couples with children living at home). As the population ages and housing becomes more expensive, demand for high amenity multi-family housing may increase as the baby boomers begin to downsize.

- Demand for single-family detached housing is likely to continue, especially from families with children and in-migrants.

- Demand for group quarters for retirees, such as an active retirement community, is likely to increase. Recent trends have included "transitional living" communities with a combination of independent and assisted-living facilities, including a mix of multi-family or single-family attached units and group quarters units that allow for "aging in place".

- Demand for ownership products will likely increase due to ongoing in-migration and the City's relatively low ownership rate.

Factors that influence households' locational choices

Residential choice means the choice of both a location and a housing type. Households consider many factors in making housing choices: views, neighborhood characteristics, quality of schools, tax rates, and commute time. All of these factors relate to location. Housing type is defined by many attributes, the most important of which are structure type (e.g., single-family, multifamily) and size, lot size, quality and age, price, and tenure (own/rent). All of these attributes—what real estate economists refer to as the *bundle of goods* that one purchases when making a housing choice—affect residential choice.

Households value a variety of site and structure characteristics, including:

- **Access to work.** At least one member of each household, and often two members, commutes to work daily. Recent research into household location questions the emphasis early studies placed on commuting to work. There is no doubt that other factors influence location decisions, or that the automobile gives households considerable flexibility in choosing a location, but access to work remains an important determinant of household location.

- **Access to shopping, recreation, friends.** Recent research reveals that about 70% of all household travel is for non-work purposes. People travel from their homes to shopping, recreation, and other neighborhoods. Households value access to a variety of destinations.

- **Public services.** Households value a variety of public services, some of which vary by location. The quality and price of water, sewer, drainage, and power service typically vary little within an urban area. The quality of other public services, especially schools

and police and fire protection can often vary substantially, and have a large impact on a household's location decision.

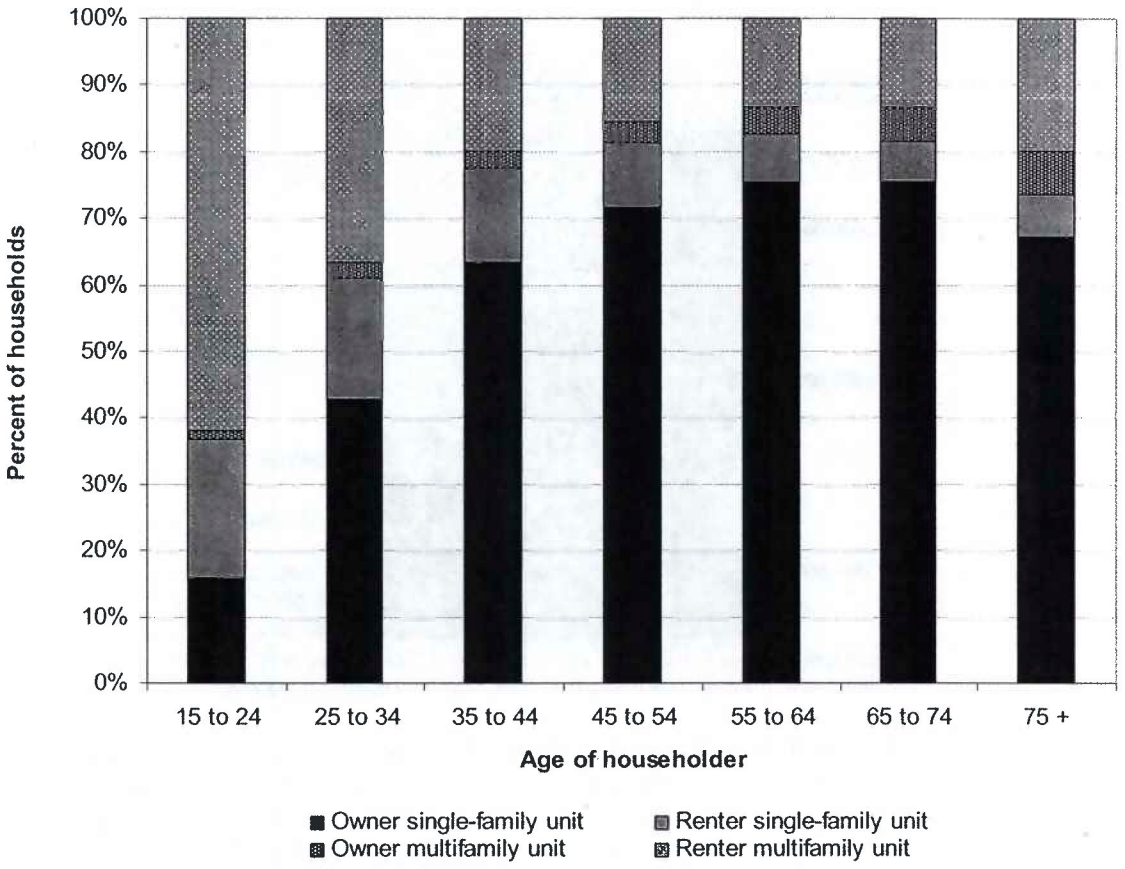
- **Neighborhood characteristics.** Characteristics of residential neighborhoods—character of development, income, age, size of households, and environmental quality—vary dramatically within a metropolitan area, and are important to households.
- **Land and improvements.** As with businesses, the desire for space varies by household, and households are willing to trade-off space for other attributes, such as accessibility and amenities. Some families, for example, are willing to pay more for space, and use less of it, in areas with especially good schools.

The literature is inconclusive on the relative weight of site and structure characteristics in housing location choice. No one disagrees that travel time is an important variable that households consider when making a residential location choice. Casual observation of the choices of one's self and one's acquaintances confirms the point; the field of urban economics is based on the presumed tradeoff between travel time and land prices (which generally decrease with distance from places that a lot of people want to be).

Housing preference can impact a household's decision to live in a community. Households will base their decision to move to Grants Pass, in part, on the types of housing available in the City. Housing preferences change throughout a person's lifetime. The type of housing preferred by young, single people is different than housing preferences of middle-aged people with children or elderly people. Three housing characteristics that are strongly related to housing location and housing type are: age of the head of household, size of the household; and income.

Figure 9.40.12 illustrates the relationship between age, housing type, and housing tenure. People younger than 25 typically have greater mobility and less income than people who are older. They are also less likely to have children. As a result, people in this age group are more likely to be renters, and renters are more likely to live in multifamily housing. Homeownership rates increase with the age until age 75, when homeownership rates begin to decrease. Ownership of single-family housing types is greatest for people aged 45 to 74. While single-family housing ownership declines over age 75, ownership of multifamily units continues to increase. Figure 9.40.12 shows these general patterns but also shows that these patterns are not absolute.

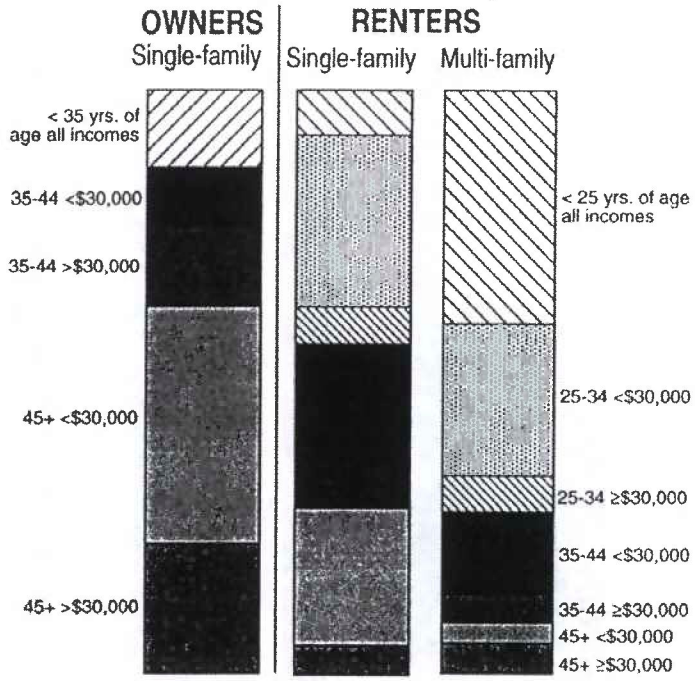
FIGURE 9.40.12
TENURE AND HOUSEHOLD TYPE BY
AGE OF HOUSEHOLD HEAD, U.S., 2000



Source: U.S. Census, 2000
Note: Single-family units include single-family attached and detached units and manufactured and mobile homes. Multifamily units include structures with two or more units per structure.

Figure 9.40.13 shows the effects of age and income on the choice of housing type and tenure in the U.S. in 1990. Figure 9.40.13 shows a strong preference for single-family housing and housing ownership when income allows, regardless of age.

FIGURE 9.40.13
COMPOSITION OF OWNER AND RENTER TENURES FOR U.S. HOUSEHOLDS, 1990



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

Figures 9.40.4 and 9.40.5 illustrate demographic relationships that can help to estimate future housing demands because housing life cycle and housing choice interact in predictable ways. The age of the household head is related with household size and income, which affect housing preferences. Income affects the ability of a household to afford their preferred housing type.

9.44 Housing affordability

Income is one of the key determinants in housing choice and households' ability to afford housing. This section presents estimates of housing affordability based on housing costs and the income of current households in the community.

A typical standard used to determine housing affordability is that a household should pay no more than 30% of its total monthly household income for housing, including utilities. According to the U.S. Census, nearly 19,000 households in the region—about one-third—paid more than 30% of their income for housing in 2000.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Table 9.40.14 shows an analysis of affordable housing wage and rent gap for households in Grants Pass at different percentages of median family income (MFI). The data are for household living in a two bedroom unit. Households earning less than approximately $20,850 annually are not able to afford a two-bedroom dwelling that rents for HUD's fair market rent

($639 per month). The results indicate that a household must earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

TABLE 9.40.14
ANALYSIS OF AFFORDABLE HOUSING WAGE AND RENT GAP BY HUD INCOME CATEGORIES
Josephine County, 2007

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Derived Hourly Wage	$7.25	$6.00	$10.00	$15.99	$19.99	$23.99
Annual Wage At Minimum Wage	$15,124	$12,510	$20,850	$33,360	$41,700	$50,040
Annual Affordable Rent	$4,537	$3,753	$6,255	$10,008	$12,510	$15,012
Monthly Affordable Rent	$378	$313	$521	$834	$1,043	$1,251
HUD Fair Market Rent (2 Bedroom)	$639	$639	$639	$639	$639	$639
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	Yes	No	No	No
Rent Paid Monthly OVER 30% of Income	$261	$326	$118	na	na	na
Rent Paid Annually OVER 30% of Income	$3,131	$3,915	$1,413	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	21%	31%	7%	na	na	na
Total Spent on Housing	51%	61%	37%	23%	18%	15%
For this area what would the "Affordable Housing Wage" be?	$12.25	$12.25	$12.25	$12.25	$12.25	$12.25
The Affordable Housing Wage Gap IS:	**$5.00**	**$6.26**	**$2.26**	**na**	**na**	**na**

Source: HUD, Oregon office; analysis by ECONorthwest
MFI: Median family income

The total amount a household spends on housing is referred to as cost burden. Total housing expenses are generally defined to include payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

Table 9.40.15 shows housing costs as a percent of income by tenure for Grants Pass households in 2000. The data show that about 39% of Grants Pass households experienced cost burden in 2000. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

TABLE 9.40.15
HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME
Grants Pass City Limits, 2000

	Owners		Renters		Total	
Percent of Income	Number	Percent	Number	Percent	Number	Percent
Less than 20%	1,012	33%	1,091	26%	2,103	29%
20% - 24%	587	19%	603	15%	1,190	17%
25% - 29%	487	16%	571	14%	1,058	15%
30% - 34%	339	11%	290	7%	629	9%
35% or more	625	20%	1,584	38%	2,209	31%
Total	3,050	100%	4,139	100%	7,189	100%
Cost Burden	**964**	**32%**	**1,874**	**45%**	**2,838**	**39%**

Source: US Census 2000

Table 9.40.16 shows a rough estimate of affordable housing cost and units by income levels for Grants Pass in 2000. 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, affordable 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 9.40.16 indicate that in 2000:

- More than 25% of Grants Pass households could not afford a studio apartment according to HUD's estimate of $461 as fair market rent;

- Approximately 30% of Grants Pass households could not afford a one-bedroom apartment at HUD's fair market rent level of $528

- Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639;

- A household earning median family income ($41,700) could afford a home valued up to about $104,250.

TABLE 9.40.16
ROUGH ESTIMATE OF HOUSING AFFORDABILITY
Grants Pass, 2000

Income Level	Number 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	1,303	13.8%	$0 to $250	$0 to $25,000	119	459	-724	
$10,000 to $14,999	915	9.7%	$250 to $375	$25,000 to $37,000	69	404	-442	
								HUD FMR Studio: $461;
$15,000 to $24,999	1,886	20.0%	$375 to $625	$37,500 to $62,500	171	2197	482	1 bdrm: $528
$25,000 to $34,999	1480	15.7%	$625 to $875	$62,500 to $87,500	985	865	370	HUD FMR 2 bdrm: $639
$35,000 to $49,000	1677	17.8%	$875 to $1,250	$87,500 to $125,000	1964	241	528	4 bdrm: $1008
Josephine County MFI: $41,700			$1,043	$104,250			0	
$50,000 to $74,999	1265	13.4%	$1,250 to $1,875	$125,000 to $187,500	1366	107	208	
$75,000 to $99,999	519	5.5%	$1,875 to $2,450	$187,500 to $245,000	276	10	-233	
$100,000 to $149,999	264	2.8%	$2,450 to 3,750	$245,000 to $375,000	168	0	-96	
$150,000 or more	136	1.4%	More than $3,750	More than $375,000	42	0	-94	
Total	9,445	100.0%			5,160	4,285	0	

Source: 2000 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-Fair market rent

The conclusion based on the data presented in Table 9.40.16 is that in 2000 Grants Pass had a significant deficit of more than 1,100 affordable housing units for households that earn less than $15,000 annually. Housing prices have increased significantly in the past five years; the affordability gap for lower income households has probably increased considerably.

Housing prices have increased across all of Oregon since 2000. Prices have risen rapidly in Southern Oregon. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

Sales prices in Grants Pass increased at a slower rate than in Jackson County. Table 9.40.17 shows the change in average sales price in Grants Pass between 2000 and 2006 based on sales data from the Josephine County Assessor. The average sales price increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005. The number of houses sold peaked between 2002 and 2005.

TABLE 9.40.17
AVERAGE SALES PRICE
Grants Pass 2000 to 2006

Year	Number	Avg. Price	% Change
2000	423	$119,058	--
2001	473	$118,027	-0.9%
2002	637	$138,511	17.4%
2003	796	$201,935	45.8%
2004	959	$201,314	-0.3%
2005	1,008	$246,425	22.4%
2006	476	$273,404	10.9%
Change 2000-2006			
Value		$154,346	
Percent		130%	

Source: Josephine County Assessor's Database

A comparison of sales prices to household income highlights the increasing affordability gap. Table 9.40.18 shows a comparison of housing value and rent to household income for 2000 and 2006 in Josephine County.[14] The data show the median value of owner-occupied units increased 108% during this 6-year period, while the median rent increase 18%. Median household income increased 28% during the period. Thus, the affordability of ownership has decreased while rentals have become slightly more affordable.

[14] No comparable data for these time periods is available for Grants Pass. A review of Census data suggests that both housing costs and income are slightly lower in Grants Pass than the County average.

TABLE 9.40.18
COMPARISON OF SALES PRICE AND MONTHLY RENTS TO HOUSEHOLD INCOME
JOSEPHINE COUNTY 2000-2006

Year	Median Owner Value	Avg. Monthly Rent	Median HH Income	Ratio of Housing Price to Income	Ratio of Ann. Rent to Income
2000	$128,700	$534	$31,229	4.1	0.21
2006	$268,200	$628	$39,993	6.7	0.19
Change 2000-2005					
Value	$139,500	$94	$8,764		
Percent	108%	18%	28%		

Source: American Factfinder, 2006
Avg monthly rent: Gross rent as defined by the Census Bureau. Gross rent includes rent payment plus selected utility costs.

9.45 Estimate of additional units needed by structure type[15]

Step four of the housing needs analysis as described in the DLCD Workbook is to develop an estimate of need for housing by income and housing type. This requires some estimate of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The baseline forecast assumes 3.6% of new population (742 people) will be in group quarters, and the remaining population (19,686) will require dwelling units. The analysis (Table 9.40.5) indicated that Grants Pass needs 8,782 new dwelling units for the 2007-2027 period. The first step in estimating units by structure type is to evaluate income as it relates to housing affordability. Table 9.40.19 shows an estimate of needed dwelling units by income level for the 2007-2027 period. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 53% of households in Grants Pass could be considered high or upper-middle income in 2007 and that about 53% of the housing need will derive from households in these categories.

[15] Note: Manufactured dwellings are a permitted use in all residential zones that allow 10 or fewer dwellings per net buildable acre. As a result, Grants Pass is not required to estimate the need for manufactured dwellings on individual lots per OAR 660-024-0040 (7) (c).

TABLE 9.40.19
ESTIMATE OF NEEDED DWELLING UNITS BY INCOME LEVEL
Grants Pass 2007-2027

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products		
				Owner-occupied	Renter-occupied	
High (120% or more of MFI)	$55,800 or more	2,804	32%	All housing types; higher prices	All housing types; higher prices	↑ Primarily New Housing
Upper Middle (80%-120% of MFI)	$37,200 to $55,800	1,862	21%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI	$23,250 to $37,200	1,681	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	Primarily Used Housing
Low (30%-50% or less of MFI)	$13,950 to $23,250	883	10%	Manufactured in parks	Apartments; manufactured in parks; duplexes	↓
Very Low (Less than 30% of MFI)	Less than $13,950	1,552	18%	None	Apartments; new and used government assisted housing	

Source: ECONorthwest

Table 9.40.20 shows the number of new units needed by housing type (single-family or multi-family). Of the 8,782 housing units needed for the new 19,686 population from 2007-2027, 67% will be single-family housing types (single-family detached, single-family attached and manufactured homes) and 33% will be multifamily (duplex, triplex, quad-plex, and more than five units). This assumption is based on historical data and recent development trends. It is also based on national, state, and regional trends towards smaller lots, increasing need for more multifamily units, and the "needed" housing mix identified in this chapter

TABLE 9.40.20
FORECAST OF NEW HOUSING UNITS BY TYPE
Grants Pass, 2007-2027

Variable	Baseline Estimate of Housing Units (2007-2027)
Change in persons	20,428
minus Change in persons in group quarters	742
equals Persons in households	19,686
Average household size	2.36
New occupied DU	8,342
times Aggregate vacancy rate	5.3%
equals Vacant dwelling units	440
Total needed new dwelling units (2007-2027)	**8,782**
Single-family dwelling units	
Percent single-family DU	67%
Total new single-family DU	5,884
Multiple family dwelling units	
Percent multiple family DU	33%
New multiple family DU	2,898
Totals	
equals Total new occupied dwelling units	8,342
Aggregate household size (persons/occupied DU)	2.36
plus Vacant dwelling units	440
***equals* Total new dwelling units**	**8,782**
Dwelling units needed annually	**439**

Source: ECONorthwest

The next step in the analysis is to relate income levels to tenure and structure type. Table 9.30.3 showed tenure by structure type from the 2000 Census. Table 9.40.21 shows an estimate of needed housing by structure type and tenure for the 2007-2027 planning period. The housing needs analysis suggests that a higher percentage of multifamily units will be needed, thus, the housing mix for needed units from 2007 to 2027 is 67% single-family and 33% multi-family. While the housing mix identified in the 2000 Census data Summary File 3 (approximately 73% single-family, including manufactured and 27% multi-family) is for *City limits* rather than the UGB, it is possible to estimate the 2027 overall housing mix by adding to those figures the new development that has occurred in the UGB since the 2000 Census, plus the 67% single-family/33% multi-family mix for new units needed between 2007 and 2027. Doing so results in an overall housing mix in 2027 for the UGB of approximately 71% single-family, including manufactured, 29% multi-family. This average does not account for the development existing in the Urbanizing Area in 2000 (within the UGB outside City limits).

The housing needs analysis also suggests the City will see a higher rate of homeownership in the future. Thus, the tenure split is increased from 53% owner-occupied/47% renter occupied to 60% owner-occupied/40% renter occupied.

TABLE 9.40.21
ESTIMATE OF NEEDED DWELLING UNITS BY TYPE AND TENURE
Grants Pass 2007-2027

	Owner-Occupied		Renter-Occupied		Total	
Housing Type	**New DU**	**Percent**	**New DU**	**Percent**	**New DU**	**Percent**
Needed Units, 2007-2027						
Single-family types						
Single-family detached	4,426	84%	667	19%	5,093	58%
Manufactured in Parks	53	1%	35	1%	88	1%
Single-family attached	527	10%	176	5%	703	8%
Subtotal	5,006		878		5,884	67%
Multi-family						
Multifamily	263	5%	2,634	75%	2,898	33%
Subtotal	263		2,634		2,898	33%
Total	**5,269**	**60%**	**3,513**	**40%**	**8,782**	**100%**

9.46 Needed density range for residential development

Table 9.40.22 shows the forecast of needed housing units and density of needed units in Grants Pass for the period 2007-2027.

Grants Pass makes the following findings in support of the density assumptions used in Table 9.40.22:

- Grants Pass had an average residential density of 5.1 dwelling units per net acre or about 8,541 square feet of land per dwelling unit between 1999 and 2006 (Table 9.30.4). Average single-family detached density was 4.7 units per net acre. In the Low Density plan designation, single-family detached dwellings averaged 3.5 dwelling units per net residential acre, or about 12,446 square feet per dwelling unit. The moderate density designation averaged 6.3 dwellings per net acre (about 6,915 square feet per dwelling unit), the high density designation averaged 9.4 dwelling units per net residential acre (about 4,634 square feet per dwelling unit). The high-rise residential designation averaged the highest net density, with 26.4 units per net acre (about 1,650 square feet per dwelling unit).

- National homeownership rates have been increasing and reached nearly 70% in 2006. The homeownership rate in Grants Pass in 2000 was considerably lower at 53%. It is the policy of the City to provide homeownership opportunities to Grants Pass residents.

- National trends are towards larger units (both single-family and multifamily) on smaller lots.

- Nearly 27% of dwelling units in Grants Pass in 2000 were multifamily types.

- The "needed" density for new single-family dwellings for 2007-2027 in the housing needs analysis is 5.5 dwelling units per net acre. This assumption is an increase of about 15% over the historical density (actual built density, not zoned density) of 4.7 dwellings per net acre for single-family detached units in all plan designations. Increasing the average density of single-family detached dwellings should result in the provision of more affordable single-family detached units as a result of decreased lot sizes.

- Topography, lot configurations, and other factors typically reduce land use efficiency. The achieved density may be lower for single-family detached dwellings in areas with slopes.

- The City assumes an average multifamily density of 14.0 dwellings per net acre or a land area of about 3,111 square feet per dwelling unit. This assumption is an increase of about 50% over the historical density (actual built density, not zoned density) of 9.4 dwellings per net acre achieved in the High Density zone but lower than the historical density achieved in the High-Rise Density zone of 26.4 dwellings per net acre.

In summary, the City assumes that average densities for new residential units needed from 2007-2027 will increase significantly (by about 30% over average historical built densities from 1999 to 2006), that ownership rates will increase, and that the majority of households will choose single-family housing types. These assumptions are consistent with the housing needs analysis presented in this chapter. These findings support the City's overall density assumption of 7.2 dwelling unit per net acre.

The forecast indicates that Grants Pass would need about 1,226 net buildable residential acres, or about 1,498 gross residential acres to accommodate new housing between 2007 and 2027. This total could be change based on policy decisions. The effect of policy decisions on land needs is addressed in the Element 14, Urbanization. The forecast results in an average residential density of 7.2 dwelling units per net residential acre and of 5.9 dwelling units per gross residential acre. This represents a 30% increase in density for new residential units needed from 2007-2027 over the historical (built, not zoned) average of 5.1 dwelling units per net acre achieved during 1999 to 2006.

TABLE 9.40.22
FORECAST OF NEW DWELLING UNITS AND LAND NEEDED BY TYPE
Grants Pass 2007-2027

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Factor	Gross Res. Acres	Density (DU/gross res ac)
Single-family types							
Single-family detached	5,093	58%	5.5	926.1	20%	1,157.6	4.4
Manufactured in parks	88	1%	6.0	14.6	20%	18.3	4.8
Single-family attached	703	8%	9.0	78.1	15%	91.8	7.7
Subtotal	5,884	67%	5.8	1,018.8		1,267.7	4.6
Multi-family							
Multifamily	2,898	33%	14.0	207.0	10%	230.0	12.6
Subtotal	2,898	33%	14.0	207.0		230.0	12.6
Total	**8,782**	**100%**	**7.2**	**1,225.8**		**1,497.7**	**5.9**

Source: ECONorthwest

Table 9.40.23 provides an allocation of housing units by Grants Pass' four residential plan designations. Dwelling units were allocated to plan designations based, in part, on historic development trends within each plan designation and on the type of development allowed in each plan destination. Table 9.40.23 also provides an estimate of the gross acres required in each zone to accommodate needed housing units. The acreages are based on the gross density assumptions shown in Table 9.40.22. The residential land needs presented in Table 9.40.23 may change based on policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in the Element 14, Urbanization.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 67% single-family (including manufactured and condos and townhomes) and 33% multifamily.
- The density assumptions increase by plan designations as shown in Table 9.40.22.
- Forty-one percent of needed dwelling units will locate in the Low Density residential designation, which allows single-family detached and single detached manufactured. This designation also allows duplex, townhomes, and multifamily units in conjunction with a planned development.
- Twenty-two percent of needed dwellings will locate in the Moderate Density residential designation, which allows single-family detached, single-family attached, manufactured home parks, townhomes, duplexes, and multifamily in conjunction with a planned development.
- Thirty percent of needed dwelling units will locate in the High Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.

- Seven percent of needed dwellings will locate in the High-Rise Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.
- Manufactured units in parks will locate in each plan designation, except for Low Density.

TABLE 9.40.23
ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION
Grants Pass 2007-2027

	Plan Designation									
	Low Density		Moderate Density		High Density		High-Rise Density		Total	
Housing Type	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family										
Single-family detached	3,425	778.4	1,317	299.4	176	39.9	176	39.9	5,093	1,157.6
Manufactured in parks	0	0.0	88	18.3	0	0.0	0	0.0	88	18.3
Single-family attached	88	11.5	263	34.4	351	45.9	0	0.0	703	91.8
Subtotal	3,513	789.9	1,669	352.1	527	85.8	176	39.9	5,884	1,267.7
Multi-family										
Multi-family	88	7.0	263	20.9	2,108	167.3	439	34.8	2,898	230.0
Subtotal	88	7.0	263	20.9	2,108	167.3	439	34.8	2,898	230.0
Total	3,600	796.8	1,932	373.0	2,634	253.1	615	74.8	8,782	1,497.7
Percent of Acres and Units										
Single-family										
Single-family detached	39%	52%	15%	20%	2%	3%	2%	3%	58%	77%
Manufactured in parks	0%	0%	1%	1%	0%	0%	0%	0%	1%	1%
Single-family attached	1%	1%	3%	2%	4%	3%	0%	0%	8%	6%
Subtotal	40%	53%	19%	24%	6%	6%	2%	3%	67%	85%
Multi-family										
Multi-family	1%	0%	3%	1%	24%	11%	5%	2%	33%	15%
Subtotal	1%	0%	3%	1%	24%	11%	5%	2%	33%	15%
Total	41%	53%	22%	25%	30%	17%	7%	5%	100%	100%

Source: ECONorthwest

In addition to the housing types shown in Table 9.40.23, Grants Pass needs to plan for additional group quarters. The analysis assumes the City will add 742 persons in group quarters between 2007 and 2027.The City will need to add a similar number of group quarter units during this period. Assuming that group quarters achieve densities comparable to multifamily units, the City will need approximately 58 gross residential acres for these units (742 divided by 12.6 units per gross acre). The majority of these units will locate in the higher density residential plan designations or commercial plan designations.

9.50 FINDINGS

Population growth and demographic trends

1. Josephine County experienced substantial population growth between 1980 and 2006. Josephine County grew from 58,855 people in 1980 to 81,125 people in 2006, an increase of more than 22,000 people at an average annual growth rate of 1.29%. Over the twenty-six year period, Josephine County grew at approximately the same rate as the State average.

2. The majority of population growth in Josephine County occurred in Grants Pass. Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.
3. Migration was the largest source of population growth in Oregon and Josephine County. For the 1990 to 2006 period, about 70% of population growth in Oregon resulted from net migration. All population growth in Josephine County between 2000 to 2006 was the result of net migration because Josephine County experienced negative population growth from natural causes, with about 1,500 more deaths than births during this period. In addition, Census data show that residents of Grants Pass were more likely to have lived in a different state in 1995 compared with the County and State averages.
4. The Grants Pass UGB population is forecast to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%. This growth is significant in that the Grants Pass urban area will pass the 50,000 population mark within planning horizon and be designated as metropolitan area. With that designation comes CDBG Entitlement Community Status and the need to develop a housing plan and qualification to receive federal housing dollars.
5. Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. If Grants Pass continues attracting retirees, Grants Pass is likely to need additional housing for active retirees, such as high-amenity multifamily housing and active retirement communities.
6. The OEA forecasts that people aged 60 years and older will be the fastest growing age groups between 2000 and 2025, increasing by 75%. The groups forecast to grow slowest are people under 29 years old.
7. Grants Pass is becoming more ethnically diverse. Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. In 2000, Grants Pass had a lower share Hispanic residents (5.4%) compared to the State average (8.0%) but higher than Josephine County's average (4.3%). National trends suggest that Grants Pass will continue to become more ethnically diverse.
8. 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.

Development trends in Grants Pass

9. Grants Pass approved 2,769 dwellings in the UGB between 1999 and 2006. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in development activity—the U.S. Census database of building permit activity shows that

Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

10. Most of Grants Pass' housing stock is single-family housing. In 2000, single-family housing other than manufactured housing accounted for 71% of Grants Pass housing. Twenty-six percent of housing was multifamily housing and 3% was manufactured housing. The mix of housing did not change significantly during the 1990's; the share of single-family housing decreased by 2%.

11. Single-family housing continued to account for the majority of residential development between 2001 to 2006. About 71% of dwelling units permitted between 2001 and 2006 were for single-family units (detached and attached) other than manufactured, accounting for 1,664 units. The City issued permits for 591 for multifamily units (25% of units) over the five-year period.

12. Residential subdivision activity through 2005 suggested that residential development was likely to continue in Grants Pass. However, the housing slowdown also resulted in reduced subdivision activity in 2006. Between 2000 and 2006, Grants Pass had 109 subdivisions and more than 2,000 lots created through subdivisions, and almost 400 through partitions. The number of subdivisions and partitions platted and lots created peaked in 2005 and 2006.

13. The built density of residential development in Grants Pass between 1999 and 2006 was an average of 5.1 dwelling units per net acre. More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre.

National, State, and Regional Trends

14. 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.

15. 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.

16. 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.

17. 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.

18. Nationally, the market for rental housing will increase. 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.

19. 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.

20. 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.

21. 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.

Housing and household characteristics in Grants Pass

22. Tenure rates remained stable during the 1990's. In 1990, 54% of dwellings were owner-occupied and in 2000 53% of dwellings were owner occupied. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000.

23. Households in Grants Pass are smaller and have different composition than the State averages. Grants Pass has a smaller average household size (2.36) compared to the County (2.41) or State (2.51) averages. Grants Pass has a larger share of 1-person households (32%) compared with Josephine County (25%) and Oregon (26%). Grants Pass has a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass has a larger share of non-family households (36%) than the County average (30%) or State average (34%).

24. In Grants Pass, the share of households with married couples with children was 21% in 2000. All other family and non-family households in Grants Pass that were not married couples with children accounted for 79% of all households. Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. 68% of Grants Pass households have no children, 36% are composed of two or more unrelated adults, 54% do not have a married couple in the household, and 25% are married couples with no children.

25. According to the Census, vacancy rates in Grants Pass were similar in 1990 and 2000. The vacancy rate in 1990 was 4.5% and it was 4.8% in 2000. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

Housing affordability in Grants Pass

26. Housing affordability is a problem for households with low income. Households earning 50% of the HUD's estimated Median Family Income in Josephine County ($41,700 in 2007) may have problems affording housing in Grants Pass.

27. Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639. Households earning less than $20,850 annually were unable to afford a two-bedroom dwelling that rents for HUD's fair market rent. A household had to earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

28. In 2000 about 39% of Grants Pass households experienced cost burden. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

29. A household earning median family income ($41,700) could afford a home valued up to about $104,250.

30. Housing costs in Grants Pass have increased since 2000. The average sales price of a house in Grants Pass increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005.

31. Housing prices in Grants Pass have increased less than housing prices in Jackson County. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

Projected housing needs

32. Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. The baseline forecast assumes 67% of needed housing for 2007-2027 will be single-family housing types (single-family detached, single-family attached, and manufactured homes) and 33% will be multifamily (duplex, triplex, quadplex, and five or more units). When added to existing development, this results in an overall housing mix in 2027 estimated at about 71% single-family/29% multi-family.

33. Grants Pass would need about 1,226 net residential acres, or about 1,498 gross residential acres to accommodate new housing between 2007 and 2027. These residential land needs could be affected by policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in Element 14, Urbanization. The forecast results in an average residential density of 7.2 dwelling units per net residential acre and of 5.9 dwelling units per gross residential acre for new residential units built between 2007 and 2027. This represents a 30% increase in density over the historical average density (built, not zoned) of 5.1 dwelling units per net acre achieved 1999 to 2006.

34. Each plan designation will experience development. About 41% of housing (3,600 units) will locate in the Low Density residential designation. The Moderate Density designation will have 22% of residential development (1,932 units) and the High Density designation will have 30% of residential development (2,634 units). The High-Rise Density designation will experience the least development, with 7% of housing (615 units).

CITY OF GRANTS PASS COMMUNITY DEVELOPMENT DEPARTMENT

COMPREHENSIVE PLAN TEXT AMENDMENT
HOUSING ELEMENT
FINDINGS OF FACT - URBAN AREA PLANNING COMMISSION

Procedure Type:	Type IV: Planning Commission Recommendation and City Council Decision
Project Number:	07-40500007
Project Type:	Comprehensive Plan Text Amendment
Applicant:	City of Grants Pass
Planner Assigned:	Tom Schauer
Application Received:	November 16, 2007
Application Complete:	November 16, 2007
Date of Staff Report:	January 3, 2008
Date of Planning Commission Hearing:	January 9, 2008

I. PROPOSAL:

Proposed amendment to the Comprehensive Plan adopting a new updated Housing Element. *See Exhibit 1 to Planning Commission Staff Report.*

II. AUTHORITY AND CRITERIA:

Sections 13.5.5 and 13.8 of the Comprehensive Plan provide that joint review by the City Council and Board of County Commissioners shall be required for amendment and revision to Comprehensive Plan findings, goals, and policies.

The review shall be in accordance with the procedures of Section 13.8.3 of the Comprehensive Plan, which provides for a recommendation hearing by the Urban Area Planning Commission prior to a joint hearing of the City Council and Board of County Commissioners.

However, with adoption of the 1998 Intergovernmental Agreement, this provision requiring a joint hearing is modified with the result that City Council will make the decision, and the County will have automatic party status, as summarized below:

> Section III of the 1998 Intergovernmental Agreement (IGA) provides for transfer of authority for provision and management of planning services from the County to the City for the Urbanizing Area. It provides:
>
> > The City is hereby vested with the exclusive authority to exercise the County's legislative and quasi-judicial powers, rights, and duties within the Urbanizing Area..
>
> Section V of the IGA contains provisions pertaining to notification and appeals for quasi-judicial and legislative decisions within the Urbanizing Area. For legislative decisions, the IGA provides:

EXHIBIT 1
TO CITY COUNCIL STAFF REPORT

The City agrees to provide written notice of all proposed legislative actions to the County at least 45 days prior to the public hearing at which the action is first considered. The County shall be deemed to have automatic party status regarding all such decisions for the purposes of standing for appeals.

Section 13.8.3 of the Comprehensive Plan provides that notice shall be as provided in Section 2.060 of the Development Code for a Type IV procedure. Section 13.8.3 further provides that the hearing shall be conducted in accordance with the Legislative Hearing Guidelines of Section 9 of the Development Code.

Therefore, the application will be processed through a "Type IV" procedure, with a recommendation from the Urban Area Planning Commission and a final decision by City Council. The County has automatic party status for appeals.

The text of the Comprehensive Plan may be recommended for amendment and amended provided the criteria in Section 13.5.4 of the Comprehensive Plan are met.

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written decision.

IV. PROCEDURE:

A. The application was submitted on November 16, 2007. The application was deemed complete on November 16, 2007 and processed in accordance with Sections 13.5.5 and 13.8 of the Comprehensive Plan, Sections III and V of the 1998 Intergovernmental Agreement, and Section 2.060 of the Development Code.

B. Notice of the proposed amendment and the January 9, 2008 public hearing was mailed to the Oregon Department of Land Conservation and Development on November 16, 2007 in accordance with ORS 197.610 and OAR Chapter 660-Division 18.

C. Notice of the proposed amendment and the January 9, 2008 public hearing was provided to Josephine County on November 16, 2007 in accordance with the 1998 Intergovernmental Agreement.

D. Notice of the proposed amendment and the January 9, 2008 public hearing was mailed to the Oregon Housing and Community Services Department on November 16, 2007.

E. Public notice of the January 9, 2008 public hearing was published in the newspaper on January 2, 2008 in accordance with Sections 2.053 and 2.063 of the Development Code.

F. A public hearing was held by the Planning Commission on January 9, 2008 to consider the request and make a recommendation to City Council.

V. SUMMARY OF EVIDENCE:

A. The basic facts and criteria regarding this application are contained in the staff report, which is attached as Exhibit "A" and incorporated herein.

B. The minutes of the public hearing held by the Urban Area Planning Commission on January 9, 2008, which are attached as Exhibit "B", summarize the oral testimony presented and are hereby adopted and incorporated herein.

C. Comments from Loree Arthur dated January 8, 2008 are attached as Exhibit "C" and incorporated herein.

D. A document titled "Examples of Residential Densities in Grants Pass and the Urbanizing Area, November 2007" submitted by staff is attached as Exhibit "D" and incorporated herein.

E. A mark-up copy of the draft document presented by staff at the January 9, 2008 public hearing is attached as Exhibit "E" and incorporated herein.

VI. GENERAL FINDINGS - BACKGROUND AND DISCUSSION:

This proposal would replace the existing Housing Element of the Comprehensive Plan with the new Housing Element.

The Housing Element was last amended in 1994. However, the amendments at that time were limited to changes related to new population data in the Population Element that was also updated at the same time. Most of the other information in the Housing Element is data from the Comprehensive Plan adoption in 1982.

VII. FINDINGS OF CONFORMANCE WITH APPLICABLE CRITERIA:

For amending the findings, goals, policies, and Land Use Map of the Comprehensive Plan, the City Council and Board of County Commissioners shall base their conclusions upon, and adopt findings in consideration of, all of the following criteria:

CRITERION (a): Consistency with other findings, goals and policies in the Comprehensive Plan.

Planning Commission's Response: Satisfied. The proposed amendment replaces the old findings with updated findings, so the new Housing Element is internally consistent.

The new provisions of the Housing Element do not conflict with the existing Goal and Policies for Element 9, Housing. No changes are proposed to the Housing Goals and Policies as part of this proposed amendment at this time. That work will occur in subsequent actions. Adoption of the proposed amendment does not preclude subsequent updates to the Housing goals and policies or other Land Use or Urbanization goals and policies.

The updated Housing Element is consistent with other findings, goals and policies in the Comprehensive Plan.

CRITERION (b): A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

Planning Commission's Response: Satisfied. The amendments are proposed in response to a change in circumstances. The proposed amendment updates the data base to reflect current economic conditions and forecasts, which have changed substantially from the conditions of the 1970s and early 1980s, upon which the current element is predominantly based. These changes necessitate updated findings, which are included in the revised element.

The proposed amendment to the Housing Element is also consistent with the updated population element and forecast, and it provides an evaluation of housing needs through 2027 based on the population forecast.

The updated Housing Element documents a change in circumstances, validated by and supported by the updated data base, which also necessitates a change in findings.

CRITERION (c): Applicable planning goals and guidelines of the State of Oregon.

Planning Commission's Response: Satisfied. Applicable goals and guidelines include Goal 10: Housing (OAR 660-015-0000(10) and associated statutes and administrative rules, including ORS 197.296, ORS 197.303-307, ORS 197.475-490, OAR 660 Division 8 (Interpretation of Goal 10 Housing), and OAR 660-012-0060 which implements Goal 12: Transportation.

In addition, Goal 2 (Land Use Planning) and Goal 14 (Urbanization) require that land use planning and urbanization decisions to be based, in part, on housing needs analysis, and the work in the Housing Element has been completed in a manner that satisfies the requirements of the applicable goals when the subsequent work is conducted on the land use planning and urbanization elements.

Goal 10 Housing is "To provide for the housing needs of citizens of the state." It specifies, "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 commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Sections 9.10 and 9.20 of the proposed Housing Element summarize applicable provisions of the Statewide Planning Goals and related state law.

The proposed Housing Element includes the housing needs analysis. It identifies the number of new housing units needed in the next 20 years, and addresses the additional units needed by structure type and densities. The work is consistent with the applicable Goal, Statutes, and Administrative Rules. This analysis provides the basis for policy and planning work to be undertaken in the land use and urbanization elements.

The proposed amendment is consistent with applicable planning goals and guidelines of the State of Oregon.

Goal 2: Land Use Planning (OAR 660-015-0000(2))
While Goal 2 doesn't specify requirements for the housing needs analysis, it does require that the land use planning work that will be subsequently undertaken satisfies the requirements for the factual basis pertaining to housing needs.

> **Goal**
> **...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...
>
> **Guidelines**
> **...C. PLAN CONTENT**
> 1. **Factual Basis for the Plan.** Inventories and other forms of data are needed as the basis for the policies and other decisions set forth in the plan. The factual basis should include data on the following as they relate to the goals and policies and other provisions of the plan...(c) population and economic characteristics of the area...

The updated Element 9 will ensure a factual basis is provided for the subsequent decision-making consistent with the requirements of Goal 2.

Goal 14: Urbanization (OAR 660-015-0000(14))
While Statewide Planning Goal 14, Urbanization, itself doesn't specify requirements for conducting housing needs analysis, it does require that subsequent planning decisions address the following land need issues:

> **...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...(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)...

The Goal 14 Administrative Rule, OAR 660 Division 24, which clarifies procedures and requirements of Goal 14, does address housing needs analysis and contains provisions pertaining to land need. It provides more specific provisions than Goal 14 itself pertaining to housing and land needs.

OAR 660-024-0040(1) specifies:

> 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.

OAR 660-024-0040(4) specifies:

> 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 Goal 10, OAR 660, division 7 or 8, and applicable provisions of ORS 197,295 to 197.314 and 197.475 to 197.490.

OAR 660-024-0040(7) provides "safe harbors" that may be applied in determining housing needs. The proposed Housing Element uses the safe harbors consistent with OAR 660-024-0040(7).

The Housing Element provides the factual basis for the subsequent policy and planning work for urbanization, in accordance with the Goal 14 and associated administrative rules.

Goal 10: Housing (OAR 660-015-0000(10))

The updated Housing Element provides the needs analysis in accordance with Goal 10, the associated administrative rule interpreting Goal 10 Housing, and the related statutes.

The needs analysis completed in the Housing Element together with policy work and the work on land use planning and urbanization elements based on the Housing Element will fulfill these applicable requirements.

Goal 12: Transportation (OAR 660-015-0000(12))

ODOT requested that the City provide findings pertaining to the Transportation Planning Rule. The Transportation Planning Rule (OAR 660 Division 12) implements Goal 12. OAR 660-12-0060 pertains to Plan and Land Use Regulation Amendments. Subsection (1) of the rule specifies requirements for "amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility." Subsection (2) of the rule defines situations where a plan or land use regulation amendment "significantly affects a transportation facility."

The proposed amendment does not change the functional class of a transportation facility, change standards implementing a functional classification system, allow types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility, or reduce the performance standards of a facility below the minimum acceptable level identified in the TSP. Therefore, the proposed amendment does not significantly affect a transportation facility. Therefore, no actions specified in Subsection (1) of the rule are required at this time.

As addressed under Criterion (f), subsequent plan amendments that would result in impacts will require that public facility plans address any associated impacts of those amendments.

Criterion (c) is satisfied by providing a factual basis consistent with the requirements of the applicable Goals and Guidelines, Statutes and Administrative Rules outlined above. The Housing Element will also satisfy subsequent planning decisions that rely on the forecast, including the above requirements of Goal 2, Goal 14, and Goal 10.

CRITERION (d): Citizen review and comment.

Planning Commission's Response: Satisfied. The City Council appointed a Steering Committee made up of diverse community representatives to review materials and make recommendations to the Urban Area Planning Commission and Grants Pass City Council.

In addition, Steering Committee meetings are open public meetings (not public hearings) that have been noticed on the City's web site and other locations. The agendas for their meetings include a time for input from the public and an opportunity to submit comments to the committee. The drafts were discussed and revised through the course of several Steering Committee meetings, and the final or near final drafts recommended by the Committee have been available and posted on the City's website. The Steering Committee recommended adoption of the new Housing Element.

Following the Committee recommendation, the Chair of the Urban Area Planning Commission contacted staff with some additional questions and comments. In response, staff has included some additional text to provide clarification regarding how some items in the report are addressed by the Census Bureau. In addition, some of the information that was presented in the tables, but not in the text, has been incorporated into the narrative and findings. One graphic was also deleted to address concerns that it didn't sufficiently explain the complex information about "housing career" cycle that is already included in the narrative in more detail. These changes were incorporated in the December 14, 2007 draft, and did not otherwise result in substantive changes to the outcomes identified in the document. The revised document remains consistent with the substance of the Steering Committee's recommendation. The December 14 draft with the latest revisions discussed above has been available on the City web site. On January 8, the Chair of the Urban Area Planning Commission provided comments which were discussed at the hearing, and additional changes to address those comments were incorporated into the document recommended by the Urban Area Planning Commission.

A joint workshop was held with the City Council, Josephine County Board of Commissioners, and Urban Area Planning Commission on September 4, 2007. This was an open public meeting (not a public hearing) attended by citizens. Preliminary findings were discussed at that time.

So far, the City has also conducted an online survey and a community workshop which were publicized and advertised in the newspaper.
The City provided notice 45-days in advance of the Planning Commission hearing to DLCD and Josephine County. Public notice is provided for the public hearings, and the City is also maintaining a list of parties who have expressed

interest in the UGB evaluation process, and direct notice of the public hearing was provided to these interested parties. The City also maintains a website pertaining to the UGB evaluation process with information, draft documents, and minutes of the Steering Committee meetings. Interested parties have also been notified of the information available on the website.

The process provides opportunity for citizen review and comment.

CRITERION (e): Review and comment from affected governmental units and other agencies.

Planning Commission's Response: Satisfied. 45-day notice was provided to the Department of Land Conservation and Development (DLCD) in accordance with OAR 660 Division 18. OAR 660-18-0035 provides that if DLCD is participating in the proceeding, they shall notify the local government 15 days prior to the first evidentiary hearing. DLCD has not provided notification to the City.

> **OAR 660-018-0035. Department Participation**
> If the Department is participating in a local government proceeding for which notice was received under OAR 660-018-0020, the Department shall notify the local government. The Department notification shall occur at least 15 days prior to the first evidentiary hearing on adoption as specified in notice received under OAR 660-018-0020 and shall indicate any concerns with the proposal and recommendations considered necessary to address the concerns including, but not limited to, suggested corrections to achieve compliance with the Goals.

DLCD has not provided notification to the City. DLCD's Southern Oregon Field Representative has also been attending and participating in Steering Committee meetings.

45-day notice was also provided to Josephine County in accordance with the 1998 Intergovernmental Agreement for the Urbanizing Area.

The Steering Committee includes representatives and liaisons from affected governmental units and agencies, providing an opportunity to participate as work products are developed.

Notice of the proposed amendment was provided to affected agencies and governmental units on the City's Site Plan Review distribution list. Notice of the proposed amendment was also provided to other agencies, including ODOT and the Oregon Housing and Community Services Department. By phone, ODOT staff requested that the City make findings pertaining to the Transportation Planning Rule. This comment is addressed under Criterion (c) above.

The process provides opportunity for review and comment from affected governmental units and other agencies.

CRITERION (f): A demonstration that any additional need for basic urban services (water, sewer streets, storm drainage, parks, and fire and police protection) is

adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

Planning Commission's Response: Satisfied. The proposed amendment provides information about trends and housing needs in Grants Pass. It does not make any changes to the land use plan or change any land use designations.

The updated Housing Element provides information that will be used to develop land use alternatives, policies, and efficiency measures to accommodate the additional needs. That work will be conducted as part of the work in updates to the Urbanization and Land Use Elements of the Comprehensive Plan. That work will include consideration and evaluation of alternatives and associated urban service needs and relative costs associated with the alternatives.

A proposal for changes to utility plans and service policies will be undertaken in coordination with subsequent comprehensive plan amendments for the preferred alternative.

The proposed amendment provides the foundation and factual basis on which subsequent planning actions will rely. It is the prerequisite to subsequent steps in the planning process.

The proposed amendment does not change the land use map, and does not result in additional need for basic urban services or changes to adopted utility plans and service policies. Prior to, or concurrent with, any subsequent changes to the plan that enable development with different need for basic urban services, the utility plans and service policies can be reviewed and modified as necessary at that time.

CRITERION (g): Additional information as required by the review body.

Planning Commission's Response: Satisfied. The Planning Commission had sufficient information to make a recommendation to City Council.

CRITERION (h): In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

Planning Commission's Response: Not Applicable. Criterion (b) is applicable. The Plan was not adopted in error. The proposed amendments are adopted in response to a change in circumstances. See Criterion (b) for discussion of the change in circumstances.

VIII. RECOMMENDATION:

The Urban Area Planning Commission recommends that City Council approve the proposed comprehensive plan amendment and adopt the new Housing Element attached as *Exhibit 1 to the Planning Commission Staff Report,* with additional revisions.

The additional revisions are to respond to comments that were submitted and which were discussed at the hearing. The additional revisions are to be consistent with those

presented by staff at the hearing; to provide further clarification about household composition and trends, including a statement that 79% of households in Grants Pass are "non-traditional" families, meaning they are households other than married couples with children; and to make sure the information is presented within the document where it is readily apparent to the reader. The Planning Commission finds that the revised draft dated January 16, 2008 is consistent with the Planning Commission recommendation.

This action will repeal the existing Housing Element (Element 9) adopted by Ordinance 4471 and last amended by Ordinance 4795 in 1994.

This recommendation is also consistent with the substance of the Steering Committee recommendation.

IX. ADOPTED BY THE URBAN AREA PLANNING COMMISSION this 23rd day of January, 2008.

Loree Arthur

Loree Arthur, Chairperson
Urban Area Planning Commission

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City of
Grants Pass

MEMO

To: Urban Area Planning Commission
From: Tom Schauer 1/16/08
Re: Revised Housing Element
Date: January 16, 2008

Attached is the updated draft of the Housing Element, revised to address the issues identified in the decision approving the proposal with amendments.

The substantive findings have not changed. However, the revised draft includes additional information that elaborates on the trends that were the subject of discussion. There is also some reorganization of material to address the new material and place some figures where they relate better to the narrative context. Below is a summary of the major changes.

1. The text incorporates the revisions regarding "traditional" and "non-traditional" families specified in the Planning Commission's decision. It includes a bullet point and finding addressing this issue. The narrative now states that 79% of households are households other than married couples with children.
2. There was concern expressed that the data in the document didn't support the conclusion that household size was decreasing at a slower rate. Information and graphics from the Population Research Center at Portland State University and the Census Bureau has been added to Section 9.43 to document the state trend, and additional Census data has been provided for Josephine County and Grants Pass for comparison. This includes additional information about household size.
3. Table 9.40.5, which included information about number and mix of needed housing units has been moved and renumbered in a later section where the narrative discusses the needed housing mix. A new table that includes information only about number of needed units (and not mix) has been added at the table's original location consistent with the discussion in that section about number of needed units.
4. Information and graphics from the Population Research Center and the Census Bureau have been added to Section 9.43 under state demographic trends to help clarify the issues that were raised pertaining to trends in household composition. Additional data from the Census Bureau is provided for Josephine County and Grants Pass for comparison.
5. Additional information and graphs from the 2000 Census data were added to show the relationship between household size, tenure, and age of householder.
6. A footnote was added to Table 9.40.9 providing the Census Bureau definition of family and non-family household.
7. A new table 9.40.10 was added providing household size data for Oregon, Josephine County, and Grants Pass from the 1990 and 2000 Census.
8. When Table 9.40.5 was moved to another section, we noticed a correction needed in the table for consistency with all of the other tables. This was related to the vacancy rates as it related to the housing mix. The old Table 9.40.5, which has now moved to a later section and renumbered Table 9.40.20, has been corrected to apply the residential mix figure of (67%/33%) to total needed dwelling units (occupied and vacant) rather than only the needed (occupied) dwelling units. The total dwelling unit count in this table was consistent with the other tables, but this table had the number of multi-family units higher and single-family units lower than the other tables, and this has been corrected, with explanatory narrative.
9. The narrative clarifies that the mix of needed housing is for the new units from 2007-2027, not the resulting mix that will occur when that is added to existing development.

January 16, 2008 document is same as Exhibit "A" to Ordinance in City Council packet for the February 20, 2008 meeting and was not reproduced again at this location in the packet to reduce photocopies.

CITY OF GRANTS PASS COMMUNITY DEVELOPMENT DEPARTMENT

COMPREHENSIVE PLAN TEXT AMENDMENT
HOUSING ELEMENT
STAFF REPORT-URBAN AREA PLANNING COMMISSION

Procedure Type:	Type IV: Planning Commission Recommendation and City Council Decision
Project Number:	07-40500007
Project Type:	Comprehensive Plan Text Amendment
Applicant:	City of Grants Pass
Planner Assigned:	Tom Schauer
Application Received:	November 16, 2007
Application Complete:	November 16, 2007
Date of Staff Report:	January 3, 2008
Date of Planning Commission Hearing:	January 9, 2008

I. PROPOSAL:

Proposed amendment to the Comprehensive Plan adopting a new updated Housing Element. *See Exhibit 1.*

II. AUTHORITY AND CRITERIA:

Sections 13.5.5 and 13.8 of the Comprehensive Plan provide that joint review by the City Council and Board of County Commissioners shall be required for amendment and revision to Comprehensive Plan findings, goals, and policies.

The review shall be in accordance with the procedures of Section 13.8.3 of the Comprehensive Plan, which provides for a recommendation hearing by the Urban Area Planning Commission prior to a joint hearing of the City Council and Board of County Commissioners.

However, with adoption of the 1998 Intergovernmental Agreement, this provision requiring a joint hearing is modified with the result that City Council will make the decision, and the County will have automatic party status, as summarized below:

> Section III of the 1998 Intergovernmental Agreement (IGA) provides for transfer of authority for provision and management of planning services from the County to the City for the Urbanizing Area. It provides:
>
> > The City is hereby vested with the exclusive authority to exercise the County's legislative and quasi-judicial powers, rights, and duties within the Urbanizing Area...
>
> Section V of the IGA contains provisions pertaining to notification and appeals for quasi-judicial and legislative decisions within the Urbanizing Area. For legislative decisions, the IGA provides:

EXHIBIT A
TO UAPC FINDINGS

The City agrees to provide written notice of all proposed legislative actions to the County at least 45 days prior to the public hearing at which the action is first considered. The County shall be deemed to have automatic party status regarding all such decisions for the purposes of standing for appeals.

Section 13.8.3 of the Comprehensive Plan provides that notice shall be as provided in Section 2.060 of the Development Code for a Type IV procedure. Section 13.8.3 further provides that the hearing shall be conducted in accordance with the Legislative Hearing Guidelines of Section 9 of the Development Code.

Therefore, the application will be processed through a "Type IV" procedure, with a recommendation from the Urban Area Planning Commission and a final decision by City Council. The County has automatic party status for appeals.

The text of the Comprehensive Plan may be recommended for amendment and amended provided the criteria in Section 13.5.4 of the Comprehensive Plan are met.

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written decision.

IV. BACKGROUND AND DISCUSSION:

This proposal would replace the existing Housing Element of the Comprehensive Plan with the new Housing Element.

The Housing Element was last amended in 1994. However, the amendments at that time were limited to changes related to new population data in the Population Element that was also updated at the same time. Most of the other information in the Housing Element is data from the Comprehensive Plan adoption in 1982.

V. CONFORMANCE WITH APPLICABLE CRITERIA:

For amending the findings, goals, policies, and Land Use Map of the Comprehensive Plan, the City Council and Board of County Commissioners shall base their conclusions upon, and adopt findings in consideration of, all of the following criteria:

CRITERION (a): Consistency with other findings, goals and policies in the Comprehensive Plan.

Staff's Response: Satisfied. The proposed amendment replaces the old findings with updated findings, so the new Housing Element is internally consistent.

The new provisions of the Housing Element do not conflict with the existing Goal and Policies for Element 9, Housing. No changes are proposed to the Housing Goals and Policies as part of this proposed amendment at this time. That work will occur in subsequent actions. Adoption of the proposed amendment does not

preclude subsequent updates to the Housing goals and policies or other Land Use or Urbanization goals and policies.

The updated Housing Element is consistent with other findings, goals and policies in the Comprehensive Plan.

CRITERION (b): A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

Staff's Response: Satisfied. The amendments are proposed in response to a change in circumstances. The proposed amendment updates the data base to reflect current economic conditions and forecasts, which have changed substantially from the conditions of the 1970s and early 1980s, upon which the current element is predominantly based. These changes necessitate updated findings, which are included in the revised element.

The proposed amendment to the Housing Element is also consistent with the updated population element and forecast, and it provides an evaluation of housing needs through 2027 based on the population forecast.

The updated Housing Element documents a change in circumstances, validated by and supported by the updated data base, which also necessitates a change in findings.

CRITERION (c): Applicable planning goals and guidelines of the State of Oregon.

Staff's Response: Satisfied. Applicable goals and guidelines include Goal 10: Housing (OAR 660-015-0000(10) and associated statutes and administrative rules, including ORS 197.296, ORS 197.303-307, ORS 197.475-490, OAR 660 Division 8 (Interpretation of Goal 10 Housing), and OAR 660-012-0060 which implements Goal 12: Transportation.

In addition, Goal 2 (Land Use Planning) and Goal 14 (Urbanization) require that land use planning and urbanization decisions to be based, in part, on housing needs analysis, and the work in the Housing Element has been completed in a manner that satisfies the requirements of the applicable goals when the subsequent work is conducted on the land use planning and urbanization elements.

Goal 10 Housing is "To provide for the housing needs of citizens of the state." It specifies, "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 commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Sections 9.10 and 9.20 of the proposed Housing Element summarize applicable provisions of the Statewide Planning Goals and related state law.

The proposed Housing Element includes the housing needs analysis. It identifies the number of new housing units needed in the next 20 years, and addresses the

additional units needed by structure type and densities. The work is consistent with the applicable Goal, Statutes, and Administrative Rules. This analysis provides the basis for policy and planning work to be undertaken in the land use and urbanization elements.

The proposed amendment is consistent with applicable planning goals and guidelines of the State of Oregon.

Goal 2: Land Use Planning (OAR 660-015-0000(2))
While Goal 2 doesn't specify requirements for the housing needs analysis, it does require that the land use planning work that will be subsequently undertaken satisfies the requirements for the factual basis pertaining to housing needs.

> **Goal**
> **...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...
>
> **Guidelines**
> **...C. PLAN CONTENT**
> 1. **Factual Basis for the Plan.** Inventories and other forms of data are needed as the basis for the policies and other decisions set forth in the plan. The factual basis should include data on the following as they relate to the goals and policies and other provisions of the plan.. (c) population and economic characteristics of the area...

The updated Element 9 will ensure a factual basis is provided for the subsequent decision-making consistent with the requirements of Goal 2.

Goal 14: Urbanization (OAR 660-015-0000(14))
While Statewide Planning Goal 14, Urbanization, itself doesn't specify requirements for conducting housing needs analysis, it does require that subsequent planning decisions address the following land need issues:

> **...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...(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)...

The Goal 14 Administrative Rule, OAR 660 Division 24, which clarifies procedures and requirements of Goal 14, does address housing needs analysis and contains provisions pertaining to land need. It provides more specific provisions than Goal 14 itself pertaining to housing and land needs.

OAR 660-024-0040(1) specifies:

> 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.

OAR 660-024-0040(4) specifies:

> 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 Goal 10, OAR 660, division 7 or 8, and applicable provisions of ORS 197,295 to 197.314 and 197.475 to 197.490.

OAR 660-024-0040(7) provides "safe harbors" that may be applied in determining housing needs. The proposed Housing Element uses the safe harbors consistent with OAR 660-024-0040(7).

The Housing Element provides the factual basis for the subsequent policy and planning work for urbanization, in accordance with the Goal 14 and associated administrative rules.

Goal 10: Housing (OAR 660-015-0000(10))

The updated Housing Element provides the needs analysis in accordance with Goal 10, the associated administrative rule interpreting Goal 10 Housing, and the related statutes.

The needs analysis completed in the Housing Element together with policy work and the work on land use planning and urbanization elements based on the Housing Element will fulfill these applicable requirements.

Goal 12: Transportation (OAR 660-015-0000(12))

ODOT requested that the City provide findings pertaining to the Transportation Planning Rule. The Transportation Planning Rule (OAR 660 Division 12) implements Goal 12. OAR 660-12-0060 pertains to Plan and Land Use Regulation Amendments. Subsection (1) of the rule specifies requirements for "amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility." Subsection (2) of the rule defines situations where a plan or land use regulation amendment "significantly affects a transportation facility."

The proposed amendment does not change the functional class of a transportation facility, change standards implementing a functional classification system, allow types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility, or reduce the performance standards of a facility below the minimum

acceptable level identified in the TSP. Therefore, the proposed amendment does not significantly affect a transportation facility. Therefore, no actions specified in Subsection (1) of the rule are required at this time.

As addressed under Criterion (f), subsequent plan amendments that would result in impacts will require that public facility plans address any associated impacts of those amendments.

Criterion (c) is satisfied by providing a factual basis consistent with the requirements of the applicable Goals and Guidelines, Statutes and Administrative Rules outlined above. The Housing Element will also satisfy subsequent planning decisions that rely on the forecast, including the above requirements of Goal 2, Goal 14, and Goal 10.

CRITERION (d): Citizen review and comment.

Staff's Response: Satisfied. The City Council appointed a Steering Committee made up of diverse community representatives to review materials and make recommendations to the Urban Area Planning Commission and Grants Pass City Council.

In addition, Steering Committee meetings are open public meetings (not public hearings) that have been noticed on the City's web site and other locations. The agendas for their meetings include a time for input from the public and an opportunity to submit comments to the committee. The drafts were discussed and revised through the course of several Steering Committee meetings, and the final or near final drafts recommended by the Committee have been available and posted on the City's website. The Steering Committee recommended adoption of the new Housing Element.

Following the Committee recommendation, the Chair of the Urban Area Planning Commission contacted staff with some additional questions and comments. In response, staff has included some additional text to provide clarification regarding how some items in the report are addressed by the Census Bureau. In addition, some of the information that was presented in the tables, but not in the text, has been incorporated into the narrative and findings. One graphic was also deleted to address concerns that it didn't sufficiently explain the complex information about "housing career" cycle that is already included in the narrative in more detail. These changes did not otherwise result in substantive changes to the outcomes identified in the document. The revised document remains consistent with the substance of the Steering Committee's recommendation. The current draft with the latest revisions discussed above is available on the City web site.

A joint workshop was held with the City Council, Josephine County Board of Commissioners, and Urban Area Planning Commission on September 4, 2007. This was an open public meeting (not a public hearing) attended by citizens. Preliminary findings were discussed at that time.

So far, the City has also conducted an online survey and a community workshop which were publicized and advertised in the newspaper.

The City provided notice 45-days in advance of the Planning Commission hearing to DLCD and Josephine County. Public notice is provided for the public hearings, and the City is also maintaining a list of parties who have expressed interest in the UGB evaluation process, and direct notice of the public hearing was provided to these interested parties. The City also maintains a website pertaining to the UGB evaluation process with information, draft documents, and minutes of the Steering Committee meetings. Interested parties have also been notified of the information available on the website.

The process provides opportunity for citizen review and comment.

CRITERION (e): Review and comment from affected governmental units and other agencies.

Staff's Response: Satisfied. 45-day notice was provided to the Department of Land Conservation and Development (DLCD) in accordance with OAR 660 Division 18. OAR 660-18-0035 provides that if DLCD is participating in the proceeding, they shall notify the local government 15 days prior to the first evidentiary hearing. DLCD has not provided notification to the City.

> **OAR 660-018-0035. Department Participation**
> If the Department is participating in a local government proceeding for which notice was received under OAR 660-018-0020, the Department shall notify the local government. The Department notification shall occur at least 15 days prior to the first evidentiary hearing on adoption as specified in notice received under OAR 660-018-0020 and shall indicate any concerns with the proposal and recommendations considered necessary to address the concerns including, but not limited to, suggested corrections to achieve compliance with the Goals.

DLCD has not provided notification to the City. DLCD's Southern Oregon Field Representative has also been attending and participating in Steering Committee meetings.

45-day notice was also provided to Josephine County in accordance with the 1998 Intergovernmental Agreement for the Urbanizing Area.

The Steering Committee includes representatives and liaisons from affected governmental units and agencies, providing an opportunity to participate as work products are developed.

Notice of the proposed amendment was provided to affected agencies and governmental units on the City's Site Plan Review distribution list. Notice of the proposed amendment was also provided to other agencies, including ODOT and the Oregon Housing and Community Services Department. By phone, ODOT staff requested that the City make findings pertaining to the Transportation Planning Rule. Staff has addressed this comment under Criterion (c) above.

The process provides opportunity for review and comment from affected governmental units and other agencies.

CRITERION (f): A demonstration that any additional need for basic urban services (water, sewer streets, storm drainage, parks, and fire and police protection) is adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

Staff's Response: Satisfied. The proposed amendment provides information about trends and housing needs in Grants Pass. It does not make any changes to the land use plan or change any land use designations.

The updated Housing Element provides information that will be used to develop land use alternatives, policies, and efficiency measures to accommodate the additional needs. That work will be conducted as part of the work in updates to the Urbanization and Land Use Elements of the Comprehensive Plan. That work will include consideration and evaluation of alternatives and associated urban service needs and relative costs associated with the alternatives.

A proposal for changes to utility plans and service policies will be undertaken in coordination with subsequent comprehensive plan amendments for the preferred alternative.

The proposed amendment provides the foundation and factual basis on which subsequent planning actions will rely. It is the prerequisite to subsequent steps in the planning process.

The proposed amendment does not change the land use map, and does not result in additional need for basic urban services or changes to adopted utility plans and service policies. Prior to, or concurrent with, any subsequent changes to the plan that enable development with different need for basic urban services, the utility plans and service policies can be reviewed and modified as necessary at that time.

CRITERION (g): Additional information as required by the review body.

Staff's Response: Satisfied Contingent on Review Body Direction. Additional information will be provided if requested.

CRITERION (h): In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

Staff's Response: Not Applicable. Criterion (b) is applicable. The Plan was not adopted in error. The proposed amendments are adopted in response to a change in circumstances. See Criterion (b) for discussion of the change in circumstances.

VI. RECOMMENDATION:

Consistent with the Steering Committee recommendation, recommend that City Council approve the proposed comprehensive plan amendment and adopt the new Housing Element attached as *Exhibit 1*.

This action will repeal the existing Housing Element (Element 9) adopted by Ordinance 4471 and last amended by Ordinance 4795 in 1994.

VII. PLANNING COMMISSION ACTION:

A. Positive Action: Recommend approval of the request:

1. as submitted.
2. as modified by the Planning Commission with the following revisions (list):

B. Negative Action: Recommend denial of the request for the following reasons (list):

C. Postponement: Continue item

1. indefinitely.
2. to a time certain.

NOTE: This is a legislative decision. State law does ***not*** require that a decision be made on the application within 120 days.

VIII. INDEX TO EXHIBITS:

1. Proposed Text for new Housing Element

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9.00 HOUSING ELEMENT INDEX

9.10 PURPOSE

9.20 Framework for the housing needs analysis

- Methods
- Needed housing types
- Organization of this chapter

9.30 Historical Development Trends in Grants Pass

- Residential development trends
- Trends in housing mix
- Housing density

9.40 Housing demand and need

- Number of new housing units needed in the next 20 years
- National, state, and local demographic and economic trends and factors that may affect the types of housing built
- Demographic characteristics and housing trends related to demand for different types of housing
- Housing affordability
- Estimate of additional units needed by structure type
- Needed density range for residential development

9.50 Findings

- Population growth and demographic trends
- Development trends
- National, State, and Regional Trends
- Housing characteristics
- Housing affordability
- Projected housing needs

EXHIBIT 1
TO UAPC STAFF REPORT

HOUSING ELEMENT

9.10 PURPOSE

The purpose of the Housing Element is to meet the requirements of Goal 10, OAR 660-008, and ORS 197.296. Within this policy context, the Housing Element must identify local housing needs. The primary goals of this chapter are to (1) describe characteristics of the existing mix and density of housing in Grants Pass, (2) describe recent residential development trends in the City, (3) evaluate housing affordability, and (4) project future need for housing in Grants Pass. The analysis presented in this chapter is used to evaluate the existing residential land supply within the Grants Pass Urban Growth Boundary to determine if it is adequate to meet that need based on the projected demand for housing. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

9.20 FRAMEWORK FOR THE HOUSING NEEDS ANALYSIS

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.

Goal 10 defines housing needs as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." In addition to other housing types, this definition includes government-assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS 197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use; and
- Government-assisted housing.

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 (197.296(3)(b)).

Grants Pass meets the population threshold for these statutory requirements. This chapter includes an analysis of housing mix by needed types, residential development trends and patterns, and a projection of needed housing units and land for the next 20 years.

9.21 Methods

The housing needs analysis presented in this chapter follows 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. 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).

9.22 Needed housing types

As described above, state policy establishes a framework of needed housing types. As provided in ORS 197.303 and ORS 197.475 to 197.490, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use and in manufactured home parks; and
- Government-assisted housing.

Thus, the statutory definition can be interpreted as requiring cities to plan for all types of housing. The definition is general in the sense that it includes variations on single-family and multifamily housing that are common in Grants Pass. The Census reports housing types as "units in structure." According to the Census, a structure is defined as "a separate building that either has open spaces on all sides or is separated from other structures by dividing walls that extend from ground to roof.[1] The Census classifies structures into the following types:

- **1-unit, detached.** This is a 1-unit structure detached from any other house; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A 1-family house that contains a business is considered detached as long as the building has open space on all four sides. Mobile homes to which one or more permanent rooms have been added or built also are included.
- **1-unit, attached.** This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.[2]

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[1] 2000 Census of Population and Housing, Summary File 3 Technical Documentation, page B-64

[2] The Census does not provide definitions for condominiums or townhouses. Common definitions are:

Townhouse: A townhouse is one of a row of homes sharing common walls. Differing from condominiums, townhouse ownership does include individual ownership of the land. There can also be common elements, such as a central courtyard, that would have shared ownership.

A condominium is one of a group of housing units where each homeowner owns their individual unit space, and all the dwelling share ownership of areas of common use. The individual units normally share walls, but that isn't a requirement. The main difference in condos and regular single homes is that there is no individual ownership of a plot of land. All the land in the condominium project is owned in common by all the homeowners. Usually, the exterior maintenance is paid for out of homeowner dues collected and managed under strict rules. The exterior walls and roof are insured by the condominium association, while all interior walls and items are insured by the homeowner. (http://realestate.about.com)

- **2 or more units.** These are units in structures containing 2 or more housing units, further categorized as units in structures with 2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more units.
- **Mobile home.** Both occupied and vacant mobile homes to which no permanent rooms have been added are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

The Census classifications have specific meanings, but other commonly used terms to describe these housing types include:

- "Single-family dwelling", without specifying "attached" or "detached" is commonly used to refer to a *detached* single-family dwelling, which the Census Bureau defines as "one-unit detached." However, "single-family dwelling" more accurately describes both one-unit *detached* and one-unit *attached* units. When used in the tables in this report where the source is the Census Bureau, single-family dwelling includes both detached and attached. A "one-unit detached" dwelling is usually located on an individual lot, but there may be properties that contain multiple one-unit detached structures.
- "Townhouse" refers to a "one-unit attached" structure.
- "Multifamily dwelling", or "apartment" is commonly used to refer to "two or more units" as defined by the Census bureau. Duplex, Triplex, and Fourplex are often used to denote multifamily buildings with two, three, and four units respectively.
- "Condominium" or "condo" only describes the ownership pattern, and not the building type. Most people think of condominiums as apartments within a multi-unit structure; however, condominiums can be any type of structure, whether one-unit detached, one-unit attached, two or more units. Mobile home condominiums also exist, but the Census Bureau doesn't include these in its count of condominiums.
- "Accessory Dwelling" refers to a secondary dwelling on a property that is typically rented out or occupied by extended family. An accessory dwelling may be attached to or detached from the main dwelling.
- Housing types do not specify whether a unit is owner-occupied or renter-occupied.
- The Grants Pass Development Code uses some terms in a slightly different manner than common usage, relating to the site as well as the structure. For example, the definition of "Building Type, Multi-Dwelling" refers to a "structure or complex of structures containing at least three dwelling units in any vertical or horizontal arrangement, located on a lot or development site". Therefore, three units, whether attached or detached, on one lot, would be considered multi-dwelling for purposes of the Development Code.

- There are many names for different types of housing that accommodate a variety of household compositions and living arrangements, which are accommodated within one of the structure-type or group quarters categories defined by the Census Bureau (1-unit attached, 1-unit detached, 2 or more units, mobile home, or group quarters). Examples of these living arrangements include Assisted Living Facilities, Board and Care, Group Homes, Adult Foster Care, Congregate Housing, Independent Living, Supportive Seniors Housing, Cooperatives, Co-Housing, Naturally Occurring Retirement Communities, Commercial Retirement Communities, and Home Health Care.

ORS 197.295 defines government assisted housing as:

> "...housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.005, 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."

Government assisted housing can be any housing type.

9.23 Organization of this chapter

The remainder of this chapter is divided into sections.

- **Section 9.30** describes historical development trends in Grants Pass, including changes the housing mix during the 1990's, building permit activity between 2001 and 2006, and subdivision activity.
- **Section 9.40** presents a forecast of housing need for the 2007 to 2027 period, demographic trends that may affect demand for housing nationally and locally, an analysis of housing affordability in Grants Pass, and an estimate of new housing units needed by type and density ranges.
- **Section 9.50** identifies the key findings of this chapter for housing needs in Grants Pass.

9.30 HISTORICAL DEVELOPMENT TRENDS IN GRANTS PASS

Analysis of historical development trends in Grants Pass provides insights into how the local housing market functions. The housing type mix and density are also key variables in forecasting future land need. Moreover, such an analysis is required by ORS 197.296. The specific steps are described in Task 2 of the DLCD Workbook:

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

ORS 197.296 requires the analysis of housing mix and density to include the past five years or since the most recent periodic review, whichever time period is greater.[3] The City of Grants Pass used data from the 1999 to 2006 period for this analysis.

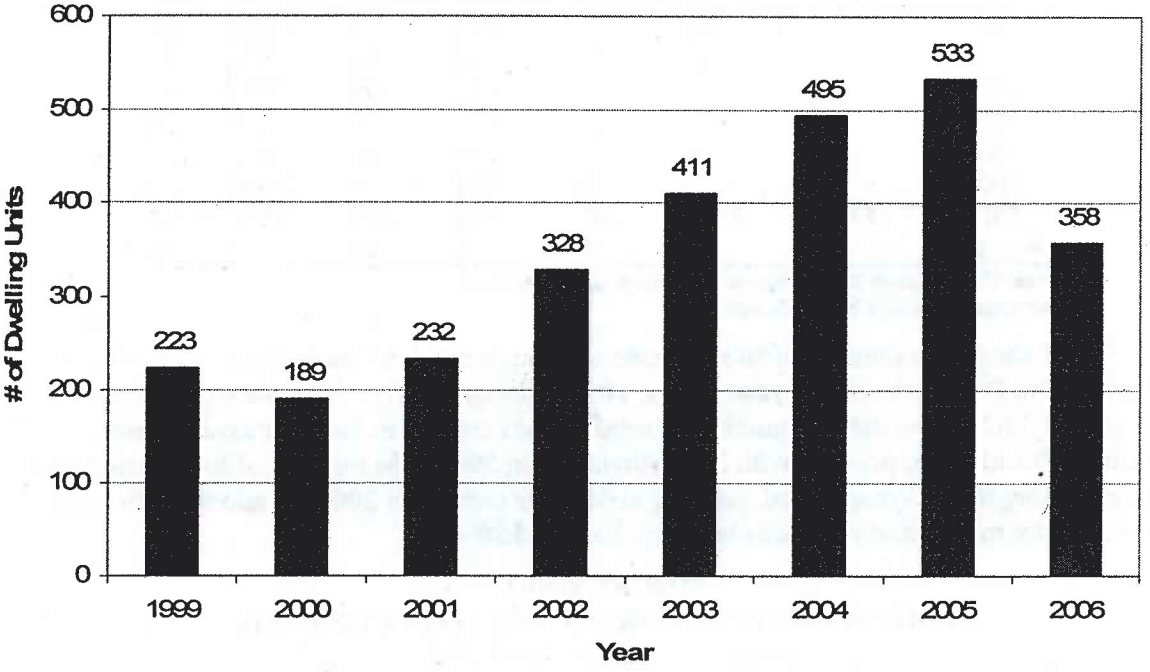
9.31 Residential development trends

Figure 9.30.1 shows dwelling units approved in the Grants Pass UGB between 1999 and 2006. Grants Pass approved 2,769 new dwellings during this eight-year period. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in development activity—the U.S. Census database of building permit activity shows that Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

[3] The statute provides an exception to this requirement. Specifically, ORS 197.296(5) (b) states: "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."

FIGURE 9.30.1

DWELLING UNITS APPROVED THROUGH BUILDING PERMITS ISSUED FOR NEW RESIDENTIAL CONSTRUCTION, Grants Pass UGB, 1999-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 shows the number of dwelling units approved for construction within the City of Grants Pass UGB by type for 2001-2006. During the six-year period, 2,357 residential permits were issued, with 71% of permits issued for single-family dwelling units, attached and detached. Table 9.30.1 shows that the percentage of single-family dwelling units permitted in the City has fluctuated over the years: single-family dwellings represented 91% of all approved dwelling units in 2001, and only 59% the following year. Development of multifamily housing increased in 2002 and accounted for an average of 25% of residential permits during the six-year period.

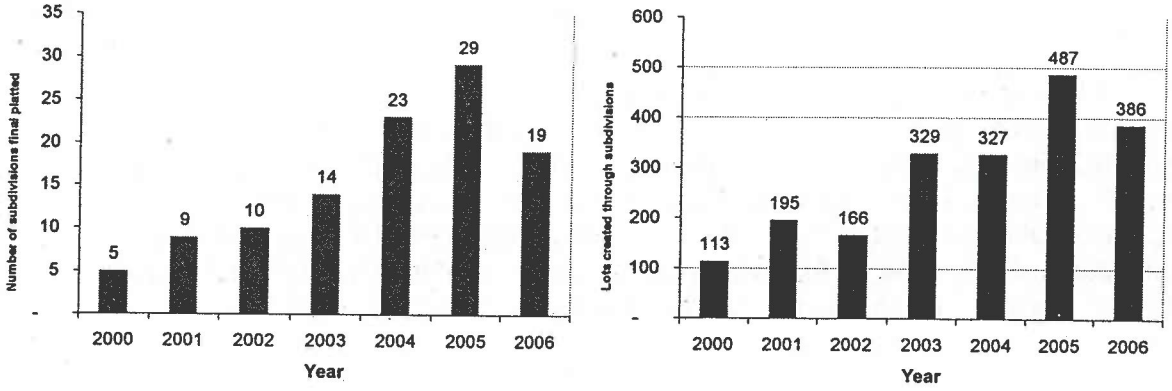
TABLE 9.30.1
PERMITTED DWELLING UNITS BY TYPE,
Grants Pass UGB, 2001-2006

	Single-family		Manufactured homes		Multi-family		
Year	Number	Percent	Number	Percent	Number	Percent	Total
2001	210	91%	15	6%	7	3%	232
2002	193	59%	21	6%	114	35%	328
2003	257	63%	25	6%	129	31%	411
2004	350	71%	20	4%	125	25%	495
2005	395	74%	11	2%	127	24%	533
2006	259	72%	10	3%	89	25%	358
Total	**1,664**	71%	**102**	4%	**591**	25%	**2,357**
Average	**277**		**17**		**99**		**393**

Source: City of Grants Pass Community Development Department;
Percentages calculated by ECONorthwest.

Figure 9.30.2 shows the number of subdivisions and lots created in Grants Pass UGB between 2000 and 2006. During the seven-year period, 109 subdivisions were final platted creating 2,003 lots. Figure 9.30.2 shows that the number of subdivisions created in Grants Pass increased between 2000 and 2006, peaking with 29 subdivisions in 2005. The number of lots created also increased during the six-year period, peaking at 487 lots created in 2005. In addition, 394 lots were created by minor land partitions between 2000 and 2006.

FIGURE 9.30.2
NUMBER OF SUBDIVISIONS AND LOTS CREATED,
Grants Pass UGB, 2000-2006



Source: City of Grants Pass Community Development Department, 2007

Table 9.30.1 and Figures 9.30.1 and 9.30.2 show that building permit and subdivision activity increased in Grants Pass' UGB between 2000 and 2005, and that an increase in single-family development made up the majority of that increase. Multifamily building remained at stable

levels between 2000 and 2005, averaging 99 permits per year. Prior to 2002, the number of multifamily building permits issued was fewer than 99 permits per year.

9.32 Trends in housing mix and tenure

The housing mix by type (i.e., percentage of single family, multifamily, 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, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Table 9.30.2 shows changes in Grants Pass' housing mix from 1990-2000. Between 1990 and 2000, Grants Pass increased its housing stock by 32%, adding 2,383 dwelling units. The mix of housing did not change substantially. In 1990, 73% of dwelling units were single-family units (both detached and attached), decreasing to 71% in 2000. Over the ten-year period, Grants Pass added more than 1,500 single- family detached dwellings (both detached and attached).

Thirty-six percent of the new dwelling units added between 1990 and 2000 were multifamily or manufactured. However, the share of these housing types did not increase substantially in Grants Pass over the ten-year period. In 1990, these housing types accounted for 27% of the housing stock and in 2000 they accounted for 29% of the housing stock.

Tenure did not change substantially between 1990 and 2000. About 54% of housing in Grants Pass city limits was owner-occupied in 1990 and 53% was owner-occupied in 2000. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000. The higher rates of homeownership in Josephine County may be attributable to differences in the mix of housing types. Josephine County had a much larger share of manufactured homes (20%) and a lower share of multifamily units (11%) than Grants Pass in 2000. The larger share of manufactured housing may provide more options for affordable housing for would-be homeowners and the lower share of multifamily units may provide fewer rental opportunities.

TABLE 9.30.2
DWELLING UNITS BY TYPE AND TENURE
Grants Pass City Limits, 1990-2000

	1990		2000		New DU 1990-2000	
	Number	Percent	Number	Percent	Number	% Change
Total Housing Units	7,480	100%	9,863	100%	2,383	32%
Single-family	5,484	73%	7,006	71%	1,522	28%
Multifamily	1,833	25%	2,547	26%	714	39%
Manufactured/Mobile	163	2%	310	3%	147	90%
Occupied Housing Units	7,145	100%	9,376	100%	2,231	31%
Owner Occupied	3,838	54%	4,986	53%	1,148	30%
Renter Occupied	3,307	46%	4,390	47%	1,083	33%

Source: US Census 1990 and 2000, Summary File 1; Percentages calculated by ECONorthwest.

Table 9.30.3 shows type of dwelling by tenure (owner/renter-occupied) in 2000. The results show that single-family and manufactured housing types have a much higher ownership rate than other housing types—about 97% of owner-occupied units were in these housing types. Multifamily housing types, including duplexes were predominately renter occupied. It is also notable that 83% of the single-family attached dwellings were renter occupied. By contrast, 27% of single-family detached and 11% of mobile homes were renter occupied in 2000.

TABLE 9.30.3
HOUSING UNITS BY TYPE AND TENURE,
Grants Pass City Limits, 2000

	Owner Occupied			Renter Occupied			Total	
Housing type	Number	% by Tenure	% by Type	Number	% by Tenure	% by Type	Number	% by Type
Single-family detached	4,591	91%	73%	1,704	35%	27%	6,295	64%
Single-family attached	103	2%	17%	516	11%	83%	619	6%
Multifamily-Duplex	38	1%	4%	877	18%	96%	915	9%
Multifamily-3+ units	32	1%	2%	1,678	35%	98%	1,710	17%
Mobile Home	293	6%	89%	37	1%	11%	330	3%
Total	**5,057**	**100%**	**51%**	**4,812**	**100%**	**49%**	**9,869**	**100%**

Source: US Census 2000, Summary File 3; Percentages calculated by ECONorthwest.
Note: Total number of units is slightly different than reported in Table 9.30.2 due to different data sources (this table uses Summary File 3 sample data; Table 9.30.2 uses Summary File 1, 100% count data.

ORS 197.480 requires local governments to plan for mobile home parks and estimate the need for mobile homes over the planning period. Jurisdictions are required to inventory mobile home parks located in high-density residential, commercial, and industrial zones. Grants Pass has a total of 51 manufactured dwelling parks within the UGB, with 32 parks located in high-density residential, commercial, or industrial zones.[4]

9.33 Housing density

An analysis of actual housing density achieved in Grants Pass is helpful in evaluating development trends. Table 9.30.4 shows average residential density for dwelling units built in Grants Pass between 1999 and 2006 by plan designation and zoning district. The data indicate that Grants Pass had an average density of 5.1 dwelling units per net acre for new units built from 1999-2006. More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per net acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with an average of 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre. The average density for single-family detached dwellings, which were built in most plan designations, was 4.7 units per net acre.

[4] Josephine County Assessor's Database

TABLE 9.30.4
NET DENSITY OF NEW DWELLING UNITS
BY PLAN DESIGNATION AND ZONING DISTRICT
Grants Pass UGB, 1999-2006

Plan Designation	Dwelling Units (DU)	Net Acres	DU / Net Acre	Maximum Allowable Density
Low Density	1,107	314.3	3.5	
R-1-12	183	80.5	2.3	3.6
R-1-10	138	42.6	3.2	4.4
R-1-8	786	191.2	4.1	5.4
Moderate Density	646	102.5	6.3	
R-1-6	47	12.2	3.9	8.7
R-2	599	90.3	6.6	11.6
High Density	678	71.9	9.4	
R-3	678	71.9	9.4	17.4
High-Rise Density	62	2.4	26.4	
R-4	62	2.4	26.4	34.8
Commercial	90	11.8	7.6	
GC	90	11.8	7.6	
Total	**2,583**	**503**	**5.1**	

Source: City of Grants Pass
Notes: The majority of dwellings in commercial zones were covered by Josephine County zoning districts, which have been consolidated into the General Commercial zone.
The maximum allowable density is based on the Grants Pass zoning ordinance in 2007.

Table 9.30.5 provides information about typical densities associated with these common building types. The table shows net density, which accounts only for the lot size on which the dwellings exist, allowing for comparison between building types. Other density measures provide additional information, such as gross density which factors in right-of-way and is typically 20% lower than net density, but varies depending on whether the streets are pre-existing or are being built with the development. Neighborhood density also considers other amenities such as open space or common facilities located on separate lots.

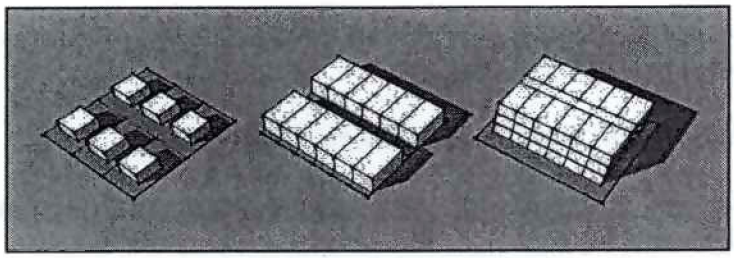
TABLE 9.30.5
TYPICAL DENSITIES ASSOCIATED WITH COMMON BUILDING TYPES
Grants Pass

Housing Type	Net Density (du/acre)
Single-unit detached	
12,000 sf lot	3.63
10,000 sf lot	4.36
8,000 sf lot	5.44
6,000 sf lot	7.26
5,000 sf lot	8.71
Zero lot-line, detached	
5,000 sf lot	8.71
4,500 sf lot	9.68
4,000 sf lot	10.89
Zero lot-line, 2-unit attached	
4,000 sf lot	10.89
3,500 sf lot	12.45
3,250 sf lot	13.4
Two-unit detached (duplex)	
10,000 sf lot	8.71
8,000 sf lot	10.89
7,500 sf lot	11.62
7,000 sf lot	12.45
6,500 sf lot	13.4
5,000 sf lot (stacked duplex)	17.42
2 x Four-unit detached (2 x fourplex, stacked)	
20,000 sf lot	17.42
18,000 sf lot	19.36
Rowhouse/Townhouse (typ. 2 or 3 story)	
40x100 lots	10.89
35x100 lots	12.45
30x100 lots	14.52
25x100 lots	17.42
20x100 lots	21.78
18x100 lots	24.2
18x90 lots	26.8
Stacked Townhouse (typ. 3 or 4 story)	
40x100 lots	21.78
35x100 lots	24.9
30x100 lots	29
25x100 lots	34.84
20x100 lots (exceeds GP res. zone densities)	43.56
18x100 lots (exceeds GP res. zone densities)	48.4
18x90 lots (exceeds GP res. zone densities)	53.6
2-story/3-story apartments	
Varies (typical range for Grants Pass provided)	16 to 35

Source: City of Grants Pass; Two and three-story apartment estimates based on information from *Urban Land Use Planning* Fourth Edition, 1995 and local examples.

Figure 9.30.3 illustrates approximate density ranges typical of some common building types. These are typical of the density ranges found in Grants Pass and may differ from density ranges for similar building types found in other communities. However, density ranges for some building types, especially multi-story apartment types, vary for different communities. The typical density ranges listed for apartments in Table 9.30.5, which are typical of Grants Pass, are lower than densities generally found in larger urban areas. This difference in densities may result, in part, from housing market factors but may also be a product of regulatory restrictions on density in Grants Pass because residential zoning standards limit maximum density.

FIGURE 9.30.3
TYPICAL DENSITIES ASSOCIATED WITH
COMMON BUILDING TYPES
NET DENSITY IN DWELLNG UNITS PER ACRE (DU/AC)
Grants Pass



Single-Family Homes	Townhouses	Multi-Story Apartments
(4-9 du/acre)	(16-24 du/acre)	(16-35 du/acre)

Source: City of Grants Pass

In this element, density refers only to dwelling units per acre. Density measures not used in this element include floor to area ratios (FARs), bulk, percentage of lot coverage, setbacks or other measures. However, these factors can influence perceptions regarding density. A separate document, *Examples of Residential Densities in Grants Pass and the Urbanizing Area, November 2007*, provides aerial and eye-level photos of examples of different developments and building types in Grants Pass. In comparing densities and building types, differences in these other factors are apparent.

9.40 HOUSING DEMAND AND NEED

Section 9.20 described the framework for conducting a housing "needs" analysis. ORS 197.296 (HB 2709) requires cities over 25,000 or fast growing cities to conduct a housing needs analysis. A recommended approach is described in Task 3 of the DLCD Workbook. The specific steps in the housing needs analysis are:

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

This section is organized according to these steps.

9.41 Number of new housing units needed in the next 20 years

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and estimates of new housing units needed in Grants Pass between 2007 and 2027.

Population

Population growth is the foundation of demand for new housing. Table 9.40.1 presents the Grants Pass UGB population forecast for 2007 to 2060. Table 9.40.1 shows that the Grants Pass UGB is forecasted to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%.

TABLE 9.40.1
POPULATION FORECAST
Grants Pass UGB, 2007-2060

Year	Population
2006	34,153
2007	37,460
2010	39,987
2015	44,584
2020	49,708
2025	55,422
2027	57,888
2030	59,737
2035	62,951
2040	66,337
2045	69,906
2050	73,667
2055	77,631
2057	79,275
2060	81,807
Change 2007 to 2027	
Number	20,428
Percent	55%
AAGR	2.20%
Change 2007 to 2057	
Number	41,815
Percent	112%
AAGR	1.51%

Source: ECONorthwest

Persons in group quarters

Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing need. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, need for these housing types will be met by institutions (colleges, state agencies, health-care corporations) operating outside what is typically defined as the housing market. Group quarters, however, require land and are typically built at densities that are comparable to multiple-family dwellings.

Table 9.40.2 shows the number of persons living in group quarters in 1990 and 2000 in Grants Pass. According to Census data, 835 persons lived in group quarters in Grants Pass in 2000.

TABLE 9.40.2
PERSONS IN GROUP QUARTERS
Grants Pass City Limits, 1990, 2000, and 2006

	1990	2000	2006
Total Population	17,488	23,003	30,930
Persons in Group Quarters	749	835	1,363
Percent in Group Quarters	4.3%	3.6%	4.4%

Source: US Census of Population and Housing; 2006 data from City group quarters count. Percentages calculated by ECONorthwest.

For the purpose of estimating housing needs for Grants Pass, the analysis assumes that 3.6% of new persons (742 persons) will reside in group quarters. The majority of these new persons will live in assisted living quarters.

A final note on persons in group quarters: persons in group quarters require land. While the DLCD Workbook backs this component of the population out of total population that needs housing, it does not otherwise make accommodations for land demand for new group quarters. For the purpose of this analysis, we assume that persons in group quarters require land at approximately the same density as multiple family housing.

Household size and composition

Twenty-five years ago, traditional families (married couple, with one or more children at home) accounted for 29% of all households in Oregon. By 1990 that percentage had dropped to 25%. It will continue to fall, but probably not as dramatically. The average household size has decreased over the past five decades and is likely to continue decreasing. The average household size in Oregon was 2.60 in 1980 and 2.52 in 1990 and 2.5 in 2000. One and two person households made up the majority of Oregon households in 1990. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more housing units even if population were not growing.

Table 9.40.3 shows the average household size for Grants Pass for owner- and renter-occupied units in 2000. Table 9.40.3 shows that the average household size in Grants Pass was 2.36. Owner occupied units in Grants Pass have larger average household sizes than renter-occupied units. The reverse is true for Josephine County.

OAR 660-024 established a "safe harbor" assumption for average household size—which is the figure from the most recent Census. The analysis of needed new units assumes an average household size of 2.36 persons per household.

TABLE 9.40.3
AVERAGE HOUSEHOLD SIZE
Grants Pass City Limits, 2000

	Persons per HH
Average household size	2.36
Owner-occupied units	2.43
Renter-occupied units	2.29
Single-family	2.54
Multifamily	1.78

Source: US Census 2000

Vacancy rate

Vacant units are the final variable in the basic housing need model. 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 9.40.4 shows that the average vacancy rate for Grants Pass was relatively similar in 1990 and 2000. The most recent Census showed an overall vacancy rate of 4.8% for Grants Pass, compared to a vacancy rate of 4.5% in 1990. The HCS housing needs model, however, requires separate vacancy rate figures for single-family and multifamily units. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

TABLE 9.40.4
VACANCY RATES
Grants Pass City Limits, 1990 and 2000

	1990	2000
Total housing units	7,480	9,885
Total occupied	7,145	9,392
Total vacant	335	471
Vacancy Rate	4.5%	4.8%
Single-family	na	4.0%
Multifamily	na	7.1%

Source: US Census 1990 and 2000; Calculations by ECONorthwest.

The forecast of new housing units needed between 2007 to 2027 used vacancy assumptions of 4% for single-family and 7% for multifamily.

Forecast of new housing units, 2007-2027

The preceding analysis leads to a forecast of new housing units likely to be built in Grants Pass for the period 2007-2027. Table 9.40.5 summarizes the analysis. Based on the assumptions shown in Table 9.40.5, Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. This figure does not include groups units.

The baseline forecast assumes 3.6% of new population (742 people) will be group quarters, and of the remaining population (19,686), 67% will be single-family housing types (single-family detached, single-family attached and manufactured homes) and 33% will be multifamily (duplex, triplex, quad-plex, and more than five units). This assumption is based on historical data and recent development trends. It is also based on national, state, and regional trends towards smaller lots, increasing need for more multifamily units, and the "needed" housing mix identified in this chapter.

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land. It also does not include a forecast of needed group quarters units. Section 9.46 includes a separate estimate of acreage needed for group quarters and assumes these facilities develop at multifamily densities and will be located in high-density plan designations.

TABLE 9.40.5
FORECAST OF NEW HOUSING UNITS
Grants Pass, 2007-2027

Variable	Baseline Estimate of Housing Units (2007-2027)
Change in persons, 2007-2027	20,428
-Change in persons in group quarters	742
=Persons in households	19,686
Average household size	2.36
New occupied DU	8,342
Single-family dwelling units	
Percent single-family DU	67%
New occupied single-family DU	5,589
Vacancy rate	4.0%
Total new single-family DU	5,822
Multiple family dwelling units	
Percent multiple family DU	33%
New occupied multiple-family DU	2,753
Vacancy rate	7.0%
New multiple family DU	2,960
Totals	
=Total new occupied dwelling units	8,342
Aggregate household size (persons/occupied DU)	2.36
+ Vacant dwelling units	440
=Total new dwelling units	8,782
Dwelling units needed annually 2007-2027	439

Source: ECONorthwest

9.42 National, state, and local demographic and economic trends and factors that may affect the types of housing built

National housing trends

The evaluation of housing trends that follows is based on previous research conducted by ECONorthwest for other housing needs studies as well as new research to update the evaluation of trends that may affect housing mix. Previous work by ECO and conclusions from The State of the Nation's Housing 2007 report from the Joint Center for Housing Studies of Harvard University inform the national, state, and local housing outlook for the next decade. The Joint Center for Housing Studies of Harvard University's The State of the Nation's Housing, 2007 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 trends in more detail.

Long run trends in home ownership and demand

Last year was a significant departure from the recent housing boom that had lasted for 14 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 house price 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 7-month supply.

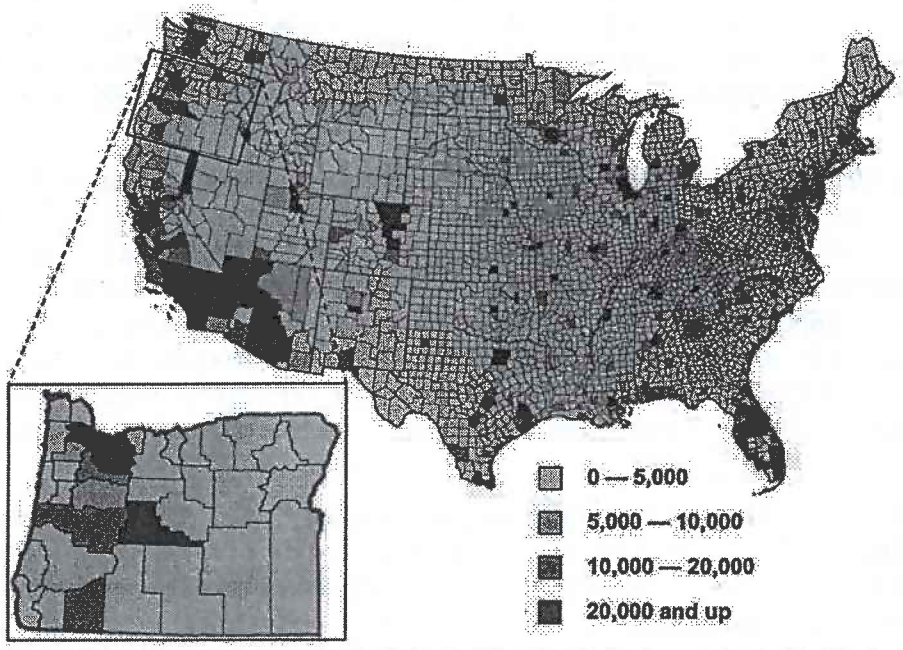
The Joint Center for Housing Studies indicates that demand for new homes could total as many as 19 million units nationally between 2005 and 2015. The vast majority of these homes will be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from 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, town homes, 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 among the more robust housing markets in the nation and in Oregon, issuing between 10,000 to 20,000 or more building permits over the 1994-2003 period (see Figure 9.40.1).

FIGURE 9.40.1
HOUSING PERMITS ISSUED BY COUNTY
US, 1994-2003



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 found 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.[5] The challenges that seniors face as they age in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[6] 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.

- 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

Over the longer term, the Joint Center for Housing studies expects rental housing demand to increase. 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.

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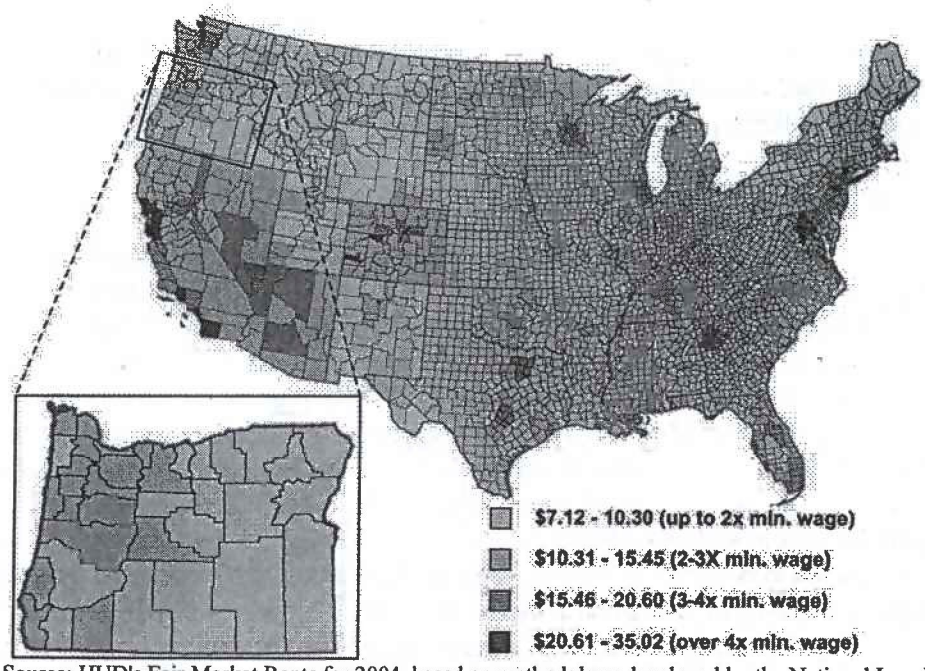
[5] A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See http://www.aarp.org/research.

[6] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

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%.

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 9.40.2
HOURLY WAGES NEEDED TO AFFORD RENT BY COUNTY
US, 2004



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 record breaking housing prices, residential investment, and home sales of 2005 mentioned above, although indicative of strong housing demand nationally, have negative implications for lower income populations and first time home buyers. Higher short-term interest rates made it more difficult for first-time buyers to break into the market. Subprime 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 subprime 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. 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 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.

- 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 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.

9.43 Demographic characteristics and housing trends related to demand for different types of housing

State and regional demographic and housing trends are important to a thorough understanding of the dynamics of the Grants Pass housing market. Grants Pass exists in a regional economy; trends in the region impact the local housing market. This section documents state and regional demographic and housing trends relevant to Grants Pass and factors that influence households' locational choices.

Demographic trends

This section reviews historical demographic trends in Josephine County and Grants Pass. Demographic trends provide a broader context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and shape future growth. To provide context, we compare Grants Pass (city limits) with Josephine County and Oregon where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

State Demographic Trends

Oregon's *2006-2010 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.[7] The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide:

- 11th fastest growing population in the United States
- Facing dramatic housing cost increases
- Facing median and adjusted incomes less than those of 1999
- Growing faster than national rates: 4.0% v. 3.3% and expecting a non-entitlement growth during this consolidated plan of about 6%, 82% of which will come from in-migration.
- Increasingly older
- Increasingly diverse
- Increasingly less affluent[8]

Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, analyzed recent demographic changes taking place in Oregon and discussed

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[7] http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

[8] State of Oregon Consolidated Plan, 2006-2010, pg. 23.

their implications in a 2006 presentation "Changing Demographics: Impacts to Oregon and the US." Some of Bjelland's most significant findings are summarized below:

- Oregon's **minority population is growing** quickly. Minorities made up 9.2% of the population in 1990 and 16.5% of the population in 2000, a 52% increase.
- **Hispanics and Latinos make up a large share of that population** and their growth rate is higher than non-Hispanics/ Latinos. The growth rate of Oregon's non-Hispanic/ Latino population between 1990 and 2000 was 15.3% compared to 144.3% for Hispanics and Latinos.
- 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 per capita income.
- Hispanic/ Latino residents of Oregon become **homeowners** at younger ages than non-Hispanic/ Latino residents. Table 9.40.6 shows that Hispanic/ Latino Oregonians under 45 have higher homeownership rates than non-Hispanic/ Latino residents.

TABLE 9.40.6
HOMEOWNERSHIP RATES BY AGE OF HOUSEHOLDER
Oregon, 2000

Age of householder	Non-Hispanic/ Latino	Hispanic/ Latino
25-34	10.2%	25.7%
35-44	20.6%	31.0%
45 and older	68.1%	39.4%

Source: Richard Bjelland, State Housing Analyst at the Housing and Community Services Department of the State of Oregon, "Changing Demographics: Impacts to Oregon and the US" 2006. He obtained his data from US Census 2000

Regional Demographic Trends

Regional demographic trends largely follow the statewide trends discussed above, but provide additional insight into how demographic trends might affect housing in Grants Pass.

Population growth in Oregon tends to follow economic cycles. Oregon's economy is generally more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. This pattern is shown in Table 9.40.7, which presents data on population in the U.S., Oregon, and Southern Oregon, and Jackson and Josephine Counties and selected cities in Southern Oregon over the 1980–2006 period.

Table 9.40.7 shows population growth in Oregon, Jackson and Josephine Counties, and selected cities over the 1980–2006 period. Table 9.40.7 shows that Josephine County's population grew by more than 22,000 people over the twenty-six year period at an average annual rate of 1.29%. Over the same period, Jackson County's population grew by about 62,000 residents at an average annual rate of 1.55%.

The majority of population growth in Southern Oregon occurred in the cities of Medford, Ashland, Central Point, and Grants Pass. These cities grew by about 62,000 people, accounting for about two-thirds of the population growth in Southern Oregon over the 1980 to 2006 period.

Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.

TABLE 9.40.7
HISTORIC POPULATION CHANGE
Oregon, Jackson and Josephine Counties, and Selected Cities, 1980 - 2006

	Population				Change 1980 to 2006		
Area	1980	1990	2000	2006	Number	Percent	AAGR
Oregon	2,639,915	2,842,321	3,421,399	3,690,505	988,785	37%	1.28%
Jackson County	132,456	146,389	181,269	198,615	62,059	47%	1.55%
Medford	39,746	46,951	63,154	73,960	31,109	78%	2.34%
Ashland	14,943	16,234	19,522	21,430	5,937	40%	1.35%
Central Point	6,357	7,509	12,493	16,550	9,283	146%	3.67%
Josephine County	58,855	62,649	75,726	81,125	22,270	38%	1.29%
Grants Pass	15,032	17,488	23,003	30,930	15,898	106%	2.93%
Cave Junction	1,023	1,126	1,363	1,600	577	56%	1.81%

Source: U.S. Census, Population Research Center, and calculations by ECONorthwest

Between 1990 and 1999, almost 70% of Oregon's total population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths).[9] Migrants to Oregon tend to have many characteristics in common with existing residents, with some differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally

[9] Portland State University, Population Research Center, 2000. *1990-2000 Components of Population Change*

mirrors Oregon's established pattern, with one exception: Hispanics make 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.[10]

The Census collects information about migration patterns. Specifically, it asks households where their residence was in 1995 (5 years prior to the Census count). Table 9.40.8 shows the place of residence in 1995 for Oregon, Josephine County, and Grants Pass. Table 9.40.8 shows that residents of Grants Pass were more mobile than the County or State averages. Residents of Grants Pass were more likely to have lived in a different state in 1995. Sixty-percent of Grants Pass residents lived in a different house in 1995, compared with 49% of Josephine County residents and 53% of Oregon residents. Seventeen percent of Grants Pass residents lived in a different state in 1995, compared with 15% of Josephine County and 12% of Oregon residents.

TABLE 9.40.8
PLACE OF RESIDENCE IN 1995, PERSONS 5 YEARS AND OVER
Oregon, Josephine County, and Grants Pass

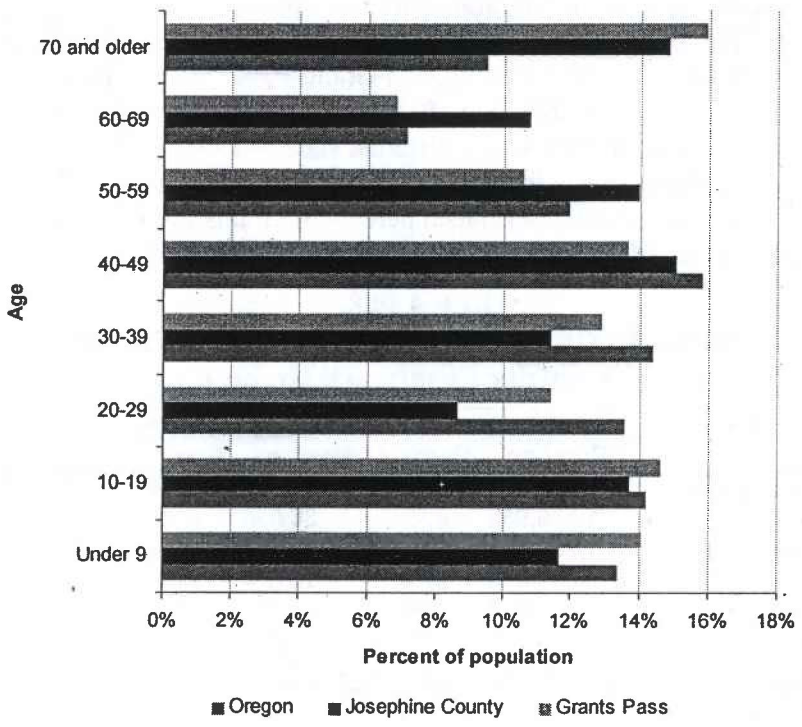
	Oregon		Josephine County		Grants Pass	
Location	Persons	Percent	Persons	Percent	Persons	Percent
Population 5 years and older	3,199,323	100%	71,725	100%	21,283	100%
Same house in 1995	1,496,938	47%	36,636	51%	8,570	40%
Different house in 1995:	1,702,385	53%	35,089	49%	12,713	60%
Same county	863,070	27%	18,814	26%	7,087	33%
Different county:	755,954	24%	15,946	22%	5,531	26%
Same state	356,626	11%	5,207	7%	1,865	9%
Different state	399,328	12%	10,739	15%	3,666	17%

Source: US Census 2000

Figure 9.40.3 shows the age distribution of residents of Oregon, Josephine County, and Grants Pass for 2000. Grants Pass and Josephine County had a smaller share of population aged 20 to 59 than the state average. Grants Pass had a larger share of residents aged 20 to 39 years than the County average. Grants Pass had a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These trends suggest that Grants Pass attracted retirees and families with children.

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

FIGURE 9.40.3
POPULATION BY AGE
Oregon, Josephine County, and Grants Pass, 2000



Source: US Census 2000

Table 9.40.9 shows household composition for Oregon, Josephine County, and Grants Pass. Grants Pass households show the following characteristics when compared with Josephine County and the State:

- Grants Pass had fewer people per household, with an average household size of 2.36 people, compared to the County average of 2.41 and State average of 2.51 people per household.
- Grants Pass had a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass also had a larger share of female householders with children and no husband, 9% compared with the County and State averages of 6%.
- Grants Pass had a smaller share of households with married couples, with and without children, than the State and County averages.

- Grants Pass had a larger share of non-family households (36%) than the County average (30%) or State average (34%).
- Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. Sixty-eight percent of Grants Pass households have no children, 36% are composed of two or more unrelated adults, and 54% do not have a married couple in the household.

TABLE 9.40.9
HOUSEHOLD COMPOSITION
Oregon, Josephine County, and Grants Pass, 2000

	Oregon		Josephine County		Grants Pass	
Household Type	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Households with children	**410,803**	**31%**	**8,454**	**27%**	**3,003**	**32%**
Married couples	296,404	22%	5,929	19%	1,980	21%
Female householder, no husband present	83,131	6%	1,929	6%	865	9%
Other families	31,268	2%	596	2%	158	2%
Households without children	**922,920**	**69%**	**22,573**	**73%**	**6,442**	**68%**
Married couples	396,128	30%	11,458	37%	2,393	25%
Other families	70,740	5%	1,657	5%	628	7%
Nonfamilies	456,052	34%	9,458	30%	3,421	36%
Total Households	**1,333,723**	**100%**	**31,027**	**100%**	**9,445**	**100%**
Average Household Size	2.51		2.41		2.36	
Average Family Size	3.02		2.85		2.94	

Source: U.S. Census, 2000

Some people living in Grants Pass and Josephine County do not have a place to live. The State 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, unemployment, housing affordability, criminal history, domestic violence, and other reasons. Table 9.40.10 shows a snap-shot of the total number of homeless people in (or turned away from) shelters in Josephine County on one specific night. Between 2001 and 2007, Josephine County had an average of 245 people, including 75 children, staying in homeless shelters (or turned away from shelter). It is difficult to determine if the number of homeless people have increased over the seven 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 9.40.10
PEOPLE STAYING IN OR TURNED AWAY
FROM HOMELESS SHELTERS
Josephine County, 2001-2007

Year	Total	Children
2001	151	64
2002	237	78
2003	181	58
2004	213	60
2005	380	120
2006	229	57
2007	326	88
Average	245	75

Source: Homeless Shelter Nightcount reports for 2001-2007, Oregon Housing and Community Services
Note: The Nightcount was conducted at the end of March for 2001 through 2004. From 2005 to 2007, the Nightcount was conducted at the end of January.

The State also collects information about homeless children and youth enrolled in schools. Table 9.40.11 shows homeless children and youth attending school in the Grants Pass SD 7 and Three Rivers school districts. Table 9.40.11 shows that Grants Pass and Josephine County have homeless students in all grade levels, from kindergarten through high school. The number of homeless children and youth enrolled in SD 7 has varied from 71 students to 173 students. The number of homeless children and youth enrolled in Three Rivers School District has remained relatively stable, varying from 232 students and 287 students.

TABLE 9.40.11
HOMELESS CHILDREN AND YOUTH ENROLLED IN SCHOOL AT SD7 AND THREE RIVERS SCHOOL DISTRICTS
Josephine County and Grants Pass,
School Years 2004-2005 through 2006-2007

School Type	2004 to 2005	2005 to 2006	2006 to 2007
Grants Pass SD 7			
Elementary (Grades K-5)	39	40	72
Middle (Grades 6-8)	20	16	56
High (Grades 9-12)	24	15	45
SD 7 Total	**83**	**71**	**173**
Three Rivers School District			
Elementary (Grades K-5)	146	166	179
Middle (Grades 6-8)	76	80	25
High (Grades 9-12)	31	41	28
Three Rivers Total	**253**	**287**	**232**

Source: SD 7 and Three Rivers school districts

Table 9.40.12 shows the number of persons of Hispanic or Latino origin in Oregon, Josephine County, and Grants Pass for 1990 and 2000. The Census data show that Grants Pass had a larger share of Hispanic population (5.4%) compared to the County (4.3%) but a smaller share compared to the State (8.0%). Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%.

The Hispanic population grew faster in Grants Pass than the overall population, which is similar to State trends. National demographic trends suggest that this trend will continue in Grants Pass. By 2050, the Census forecasts that Hispanics will account for 24% of the population nationwide.

TABLE 9.40.12
PERSONS OF HISPANIC OR LATINO ORIGIN
Oregon, Josephine County, and Grants Pass, 1990 and 2000

	Oregon	Josephine County	Grants Pass
1990			
Total Population	2,842,321	62,649	17,488
Hispanic or Latino	112,707	1,749	494
Percent Hispanic or Latino	4.0%	2.8%	2.8%
2000			
Total Population	3,421,399	75,726	22,865
Hispanic or Latino	275,314	3,229	1,236
Percent Hispanic or Latino	8.0%	4.3%	5.4%
Change 1900-2000			
Hispanic or Latino	162,607	1,480	742
Percent Hispanic or Latino	144%	85%	150%

Source: U.S. Census, 1990 and 2000

In conclusion:

- Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. These demographic changes will impact the types of housing needed in Grants Pass over the next 20-years.
- Migration is an important contributor to population growth. A larger share of residents of Grants Pass moved to the city from out of state, compared with the County average.
- Josephine County and Grants Pass have a homeless population, which includes children. On average, the County has had 245 homeless people including 75 children staying in or turned away from a shelter on a given day between 2001 to 2007. The Three Rivers School District had between 232 and 287 homeless students for the 2004 to 2005 through 2006 to 2007 school years. SD 7 had between 71 and 173 homeless students for the same school years.
- Grants Pass is becoming more ethnically diverse. Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. National trends suggest that Grants Pass will continue to become more ethnically diverse. Hispanic residents tend to become homeowners at a younger age than non-Hispanic residents.

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.[11] ECONorthwest used Public Use Microsample (PUMS) data from the 2000 Census to describe the relationship between selected demographic characteristics and housing choice.[12] This analysis identified several key relationships:

- 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 strong determinate of tenure and housing type choice for all age categories.

Demographic trends in Grants Pass have been similar to state and national trends, with increases in people aged 45 to 64 and increases in Hispanic population. If these trends continue, along with continued growth in families with children, housing demand is likely to change in Grants Pass.

- Demand for multifamily and single-family attached housing is likely to increase with the increase in low and moderate income residents to about 30% of dwellings. As the population ages and housing becomes more expensive, demand for high amenity multifamily housing may increase as the baby boomers begin to downsize.
- Demand for single-family detached housing is likely to continue, especially from families with children and in-migrants.
- Demand for group quarters for retirees, such as an active retirement community, is likely to increase.
- Demand for ownership products will likely increase due to ongoing in-migration and the City's relatively low ownership rate.

Factors that influence households' locational choices

Residential choice means the choice of both a location and a housing type. Households consider many factors in making housing choices: views, neighborhood characteristics, quality of schools, tax rates, and commute time. All of these factors relate to location. Housing type is defined by

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[11] This linkage is identified in the DLCD Workbook. It is described in detail in *Households and Housing: Choice and Outcomes in the Housing Market,* Clark and Dieleman, Center for Policy Research, 1996.

[12] ECO used the 5% Public Use Microsample (PUMS) data set for this analysis. A description of the PUMS data can be found at www.census.gov.

many attributes, the most important of which are structure type (e.g., single-family, multifamily) and size, lot size, quality and age, price, and tenure (own/rent). All of these attributes—what real estate economists refer to as the *bundle of goods* that one purchases when making a housing choice—affect residential choice.

Households value a variety of site and structure characteristics, including:

- **Access to work.** At least one member of each household, and often two members, commutes to work daily. Recent research into household location questions the emphasis early studies placed on commuting to work. There is no doubt that other factors influence location decisions, or that the automobile gives households considerable flexibility in choosing a location, but access to work remains an important determinant of household location.
- **Access to shopping, recreation, friends.** Recent research reveals that about 70% of all household travel is for non-work purposes. People travel from their homes to shopping, recreation, and other neighborhoods. Households value access to a variety of destinations.
- **Public services.** Households value a variety of public services, some of which vary by location. The quality and price of water, sewer, drainage, and power service typically vary little within an urban area. The quality of other public services, especially schools and police and fire protection can often vary substantially, and have a large impact on a household's location decision.
- **Neighborhood characteristics.** Characteristics of residential neighborhoods—character of development, income, age, size of households, and environmental quality—vary dramatically within a metropolitan area, and are important to households.
- **Land and improvements.** As with businesses, the desire for space varies by household, and households are willing to trade-off space for other attributes, such as accessibility and amenities. Some families, for example, are willing to pay more for space, and use less of it, in areas with especially good schools.

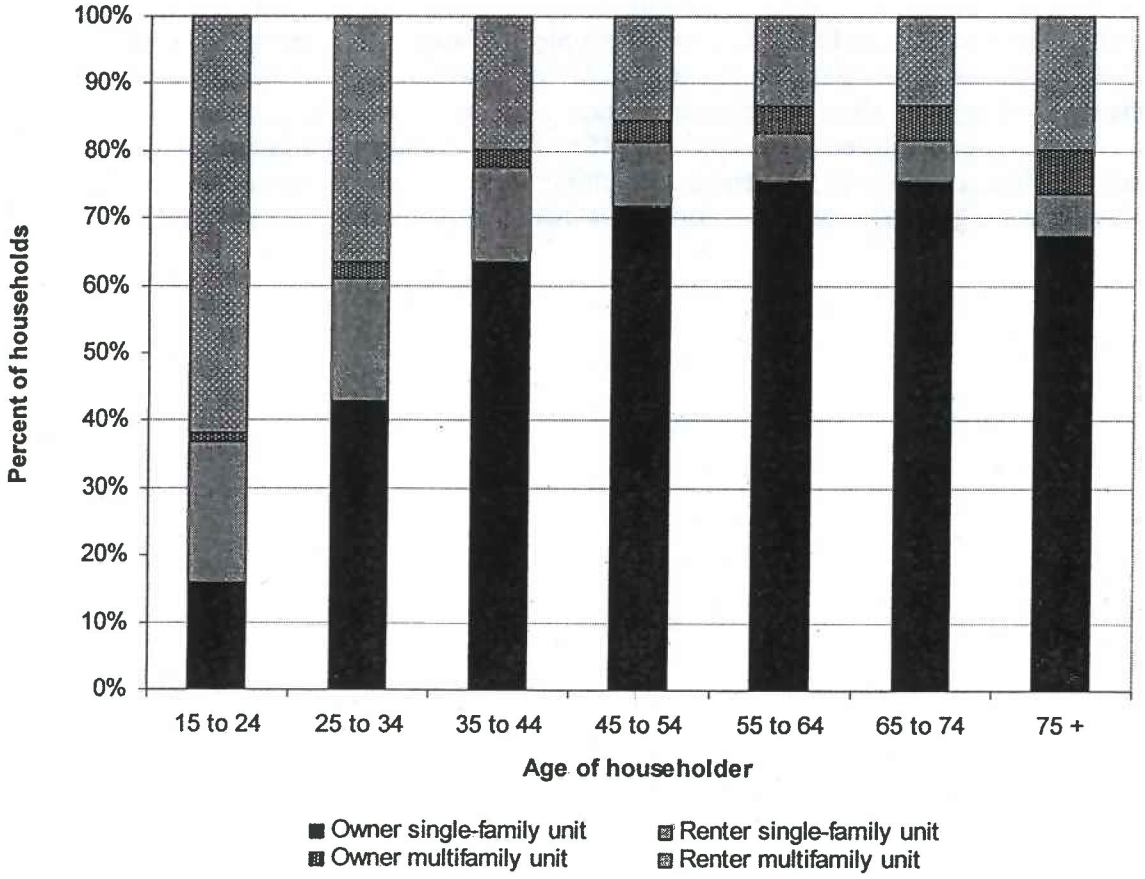
The literature is inconclusive on the relative weight of site and structure characteristics in housing location choice. No one disagrees that travel time is an important variable that households consider when making a residential location choice. Casual observation of the choices of one's self and one's acquaintances confirms the point; the field of urban economics is based on the presumed tradeoff between travel time and land prices (which generally decrease with distance from places that a lot of people want to be).

Housing preference can impact a household's decision to live in a community. Households will base their decision to move to Grants Pass, in part, on the types of housing available in the City. Housing preferences change throughout a person's lifetime. The type of housing preferred by young, single people is different than housing preferences of middle-aged people with children

or elderly people. Three housing characteristics that are strongly related to housing location and housing type are: age of the head of household; size of the household; and income.

Figure 9.40.4 illustrates the relationship between age, housing type, and housing tenure. People younger than 25 typically have greater mobility and less income than people who are older. They are also less likely to have children. As a result, people in this age group are more likely to be renters, and renters are more likely to live in multifamily housing. Homeownership rates increase with the age until age 75, when homeownership rates begin to decrease. Ownership of single-family housing types is greatest for people aged 45 to 74. While single-family housing ownership declines over age 75, ownership of multifamily units continues to increase. Figure 9.40.4 shows these general patterns but also shows that these patterns are not absolute.

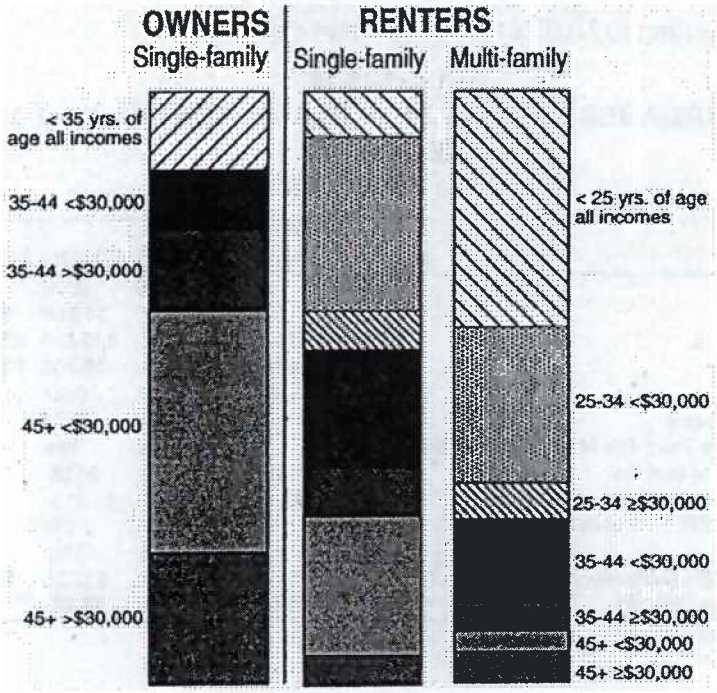
FIGURE 9.40.4
TENURE AND HOUSEHOLD TYPE BY AGE OF HOUSEHOLD HEAD, U.S., 2000



Source: U.S. Census, 2000
Note: Single-family units include single-family attached and detached units and manufactured and mobile homes. Multifamily units include structures with two or more units per structure.

Figure 9.40.5 shows the effects of age and income on the choice of housing type and tenure in the U.S. in 1990. Figure 9.40.5 shows a strong preference for single-family housing and housing ownership when income allows, regardless of age.

FIGURE 9.40.5
COMPOSITION OF OWNER AND RENTER TENURES FOR U.S. HOUSEHOLDS, 1990



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

Figures 9.40.4 and 9.40.5 illustrate demographic relationships that can help to estimate future housing demands because housing life cycle and housing choice interact in predictable ways. The age of the household head is related with household size and income, which affect housing preferences. Income affects the ability of a household to afford their preferred housing type.

9.44 Housing affordability

Income is one of the key determinants in housing choice and households' ability to afford housing. This section presents estimates of housing affordability based on housing costs and the income of current households in the community.

A typical standard used to determine housing affordability is that a household should pay no more than 30% of its total monthly household income for housing, including utilities. According to the U.S. Census, nearly 19,000 households in the region—about one-third—paid more than 30% of their income for housing in 2000.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Table 9.40.13 shows an analysis of affordable housing wage and rent gap for households in Grants Pass at different percentages of median family income (MFI). The data are

for household living in a two bedroom unit. Households earning less than approximately $20,850 annually are not able to afford a two-bedroom dwelling that rents for HUD's fair market rent ($639 per month). The results indicate that a household must earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

TABLE 9.40.13
ANALYSIS OF AFFORDABLE HOUSING WAGE AND RENT GAP BY HUD INCOME CATEGORIES
Josephine County, 2007

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Derived Hourly Wage	$7.25	$6.00	$10.00	$15.99	$19.99	$23.99
Annual Wage At Minimum Wage	$15,124	$12,510	$20,850	$33,360	$41,700	$50,040
Annual Affordable Rent	$4,537	$3,753	$6,255	$10,008	$12,510	$15,012
Monthly Affordable Rent	$378	$313	$521	$834	$1,043	$1,251
HUD Fair Market Rent (2 Bedroom)	$639	$639	$639	$639	$639	$639
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	Yes	No	No	No
Rent Paid Monthly OVER 30% of Income	$261	$326	$118	na	na	na
Rent Paid Annually OVER 30% of Income	$3,131	$3,915	$1,413	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	21%	31%	7%	na	na	na
Total Spent on Housing	51%	61%	37%	23%	18%	15%
For this area what would the "Affordable Housing Wage" be?	$12.25	$12.25	$12.25	$12.25	$12.25	$12.25
The Affordable Housing Wage Gap IS:	**$5.00**	**$6.26**	**$2.26**	**na**	**na**	**na**

Source: HUD, Oregon office; analysis by ECONorthwest
MFI: Median family income

The total amount a household spends on housing is referred to as cost burden. Total housing expenses are generally defined to include payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

Table 9.40.14 shows housing costs as a percent of income by tenure for Grants Pass households in 2000. The data show that about 39% of Grants Pass households experienced cost burden in 2000. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

TABLE 9.40.14
HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME
Grants Pass City Limits, 2000

	Owners		Renters		Total	
Percent of Income	Number	Percent	Number	Percent	Number	Percent
Less than 20%	1,012	33%	1,091	26%	2,103	29%
20% - 24%	587	19%	603	15%	1,190	17%
25% - 29%	487	16%	571	14%	1,058	15%
30% - 34%	339	11%	290	7%	629	9%
35% or more	625	20%	1,584	38%	2,209	31%
Total	3,050	100%	4,139	100%	7,189	100%
Cost Burden	**964**	**32%**	**1,874**	**45%**	**2,838**	**39%**

Source: US Census 2000

Table 9.40.15 shows a rough estimate of affordable housing cost and units by income levels for Grants Pass in 2000. 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, affordable 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 9.40.15 indicate that in 2000:

- More than 25% of Grants Pass households could not afford a studio apartment according to HUD's estimate of $461 as fair market rent;

- Approximately 30% of Grants Pass households could not afford a one-bedroom apartment at HUD's fair market rent level of $528

- Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639;

- A household earning median family income ($41,700) could afford a home valued up to about $104,250.

TABLE 9.40.15
ROUGH ESTIMATE OF HOUSING AFFORDABILITY
Grants Pass, 2000

Income Level	Number 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	1,303	13.8%	$0 to $250	$0 to $25,000	119	459	-724	
$10,000 to $14,999	915	9.7%	$250 to $375	$25,000 to $37,000	69	404	-442	
$15,000 to $24,999	1,886	20.0%	$375 to $625	$37,500 to $62,500	171	2197	482	HUD FMR Studio: $461; 1 bdrm: $528
$25,000 to $34,999	1480	15.7%	$625 to $875	$62,500 to $87,500	985	865	370	HUD FMR 2 bdrm: $639
$35,000 to $49,000	1677	17.8%	$875 to $1,250	$87,500 to $125,000	1964	241	528	4 bdrm: $1008
Josephine County MFI: $41,700			$1,043	$104,250			0	
$50,000 to $74,999	1265	13.4%	$1,250 to $1,875	$125,000 to $187,500	1366	107	208	
$75,000 to $99,999	519	5.5%	$1,875 to $2,450	$187,500 to $245,000	276	10	-233	
$100,000 to $149,999	264	2.8%	$2,450 to 3,750	$245,000 to $375,000	168	0	-96	
$150,000 or more	136	1.4%	More than $3,750	More than $375,000	42	0	-94	
Total	9,445	100.0%			5,160	4,285	0	

Source: 2000 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-Fair market rent

The conclusion based on the data presented in Table 9.40.15 is that in 2000 Grants Pass had a significant deficit of more than 1,100 affordable housing units for households that earn less than $15,000 annually. Housing prices have increased significantly in the past five years; the affordability gap for lower income households has probably increased considerably.

Housing prices have increased across all of Oregon since 2000. Prices have risen rapidly in Southern Oregon. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

Sales prices in Grants Pass increased at a slower rate than in Jackson County. Table 9.40.16 shows the change in average sales price in Grants Pass between 2000 and 2006 based on sales data from the Josephine County Assessor. The average sales price increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005. The number of houses sold peaked between 2002 and 2005.

TABLE 9.40.16
AVERAGE SALES PRICE
Grants Pass 2000 to 2006

Year	Number	Avg. Price	% Change
2000	423	$119,058	--
2001	473	$118,027	-0.9%
2002	637	$138,511	17.4%
2003	796	$201,935	45.8%
2004	959	$201,314	-0.3%
2005	1,008	$246,425	22.4%
2006	476	$273,404	10.9%
Change 2000-2006			
Value		$154,346	
Percent		130%	

Source: Josephine County Assessor's Database

A comparison of sales prices to household income highlights the increasing affordability gap. Table 9.40.17 shows a comparison of housing value and rent to household income for 2000 and 2006 in Josephine County.[13] The data show the median value of owner-occupied units increased 108% during this 6-year period, while the median rent increase 18%. Median household income increased 28% during the period. Thus, the affordability of ownership has decreased while rentals have become slightly more affordable.

[13] No comparable data for these time periods is available for Grants Pass. A review of Census data suggests that both housing costs and income are slightly lower in Grants Pass than the County average.

TABLE 9.40.17
COMPARISON OF SALES PRICE AND MONTHLY RENTS TO HOUSEHOLD INCOME
JOSEPHINE COUNTY 2000-2006

Year	Median Owner Value	Avg. Monthly Rent	Median HH Income	Ratio of Housing Price to Income	Ratio of Ann. Rent to Income
2000	$128,700	$534	$31,229	4.1	0.21
2006	$268,200	$628	$39,993	6.7	0.19
Change 2000-2005					
Value	$139,500	$94	$8,764		
Percent	108%	18%	28%		

Source: American Factfinder, 2006
Avg monthly rent: Gross rent as defined by the Census Bureau. Gross rent includes rent payment plus selected utility costs.

9.45 Estimate of additional units needed by structure type[14]

Step four of the housing needs analysis as described in the DLCD Workbook is to develop an estimate of need for housing by income and housing type. This requires some estimate of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis (Table 9.40.5) indicated that Grants Pass needs 8,782 new dwelling units for the 2007-2027 period. The first step in estimating units by structure type is to evaluate income as it relates to housing affordability. Table 9.40.18 shows an estimate of needed dwelling units by income level for the 2007-2027 period. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 53% of households in Grants Pass could be considered high or upper-middle income in 2007 and that about 53% of the housing need will derive from households in these categories.

[14] Note: Manufactured dwellings are a permitted use in all residential zones that allow 10 or fewer dwellings per net buildable acre. As a result, Grants Pass is not required to estimate the need for manufactured dwellings on individual lots per OAR 660-024-0040 (7) (c).

TABLE 9.40.18
ESTIMATE OF NEEDED DWELLING UNITS BY INCOME LEVEL
Grants Pass 2007-2027

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products		
				Owner-occupied	Renter-occupied	
High (120% or more of MFI)	$55,800 or more	2,804	32%	All housing types; higher prices	All housing types; higher prices	↑ Primarily New Housing
Upper Middle (80%-120% of MFI)	$37,200 to $55,800	1,862	21%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI	$23,250 to $37,200	1,681	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	Primarily Used Housing
Low (30%-50% or less of MFI)	$13,950 to $23,250	883	10%	Manufactured in parks	Apartments; manufactured in parks; duplexes	↓
Very Low (Less than 30% of MFI)	Less than $13,950	1,552	18%	None	Apartments; new and used government assisted housing	

Source: ECONorthwest

The next step in the analysis is to relate income levels to tenure and structure type. Table 9.30.3 showed tenure by structure type from the 2000 Census. Table 9.40.19 shows an estimate of needed housing by structure type and tenure for the 2007-2027 planning period. The housing needs analysis suggests that a higher percentage of multifamily units will be needed, thus, the housing mix changes from approximately 75% single-family/25% multifamily to 67% single-family/33% multifamily. The housing needs analysis also suggests the City will see a higher rate of homeownership in the future. Thus, the tenure split is increased from 53% owner-occupied/47% renter occupied to 60% owner-occupied/40% renter occupied.

TABLE 9.40.19
ESTIMATE OF NEEDED DWELLING UNITS BY TYPE AND TENURE
Grants Pass 2007-2027

	Owner-Occupied		Renter-Occupied		Total	
Housing Type	New DU	Percent	New DU	Percent	New DU	Percent
Needed Units, 2007-2027						
Single-family types						
Single-family detached	4,426	84%	667	19%	5,093	58%
Manufactured in Parks	53	1%	35	1%	88	1%
Single-family attached	527	10%	176	5%	703	8%
Subtotal	5,006		878		5,884	67%
Multi-family						
Multifamily	263	5%	2,634	75%	2,898	33%
Subtotal	263		2,634		2,898	33%
Total	**5,269**	**60%**	**3,513**	**40%**	**8,782**	**100%**

9.46 Needed density range for residential development

Table 9.40.20 shows the forecast of needed housing units in Grants Pass for the period 2007-2027. Grants Pass makes the following findings in support of the density assumptions used in Table 9.40.20:

- Grants Pass had an average residential density of 5.1 dwelling units per net acre or about 8,541 square feet of land per dwelling unit between 1999 and 2006 (Table 9.30.4). Average single-family detached density was 4.7 units per net acre. In the Low Density plan designation, single-family detached dwellings averaged 3.5 dwelling units per net residential acre, or about 12,446 square feet per dwelling unit. The moderate density designation averaged 6.3 dwellings per net acre (about 6,915 square feet per dwelling unit), the high density designation averaged 9.4 dwelling units per net residential acre (about 4,634 square feet per dwelling unit). The high-rise residential designation averaged the highest net density, with 26.4 units per net acre (about 1,650 square feet per dwelling unit).

- National homeownership rates have been increasing and reached nearly 70% in 2006. The homeownership rate in Grants Pass in 2000 was considerably lower at 53%. It is the policy of the City to provide homeownership opportunities to Grants Pass residents.

- National trends are towards larger units (both single-family and multifamily) on smaller lots.

- More than 25% of dwelling units in Grants Pass in 2000 were multifamily types.

- The "needed" density for single-family dwellings in the housing needs analysis is 5.5 dwelling units per net acre. This assumption is an increase of about 15% over the historical density of 4.7 dwellings per net acre for single-family detached units in all plan designations. Increasing the average density of single-family detached dwellings should result in the provision of more affordable single-family detached units as a result of decreased lot sizes.

- Topography, lot configurations, and other factors typically reduce land use efficiency. The achieved density may be lower for single-family detached dwellings in areas with slopes.

- The City assumes an average multifamily density of 14.0 dwellings per net acre or a land area of about 3,111 square feet per dwelling unit. This assumption is an increase of about 50% historical density of 9.4 dwellings per net acre achieved in the High Density zone but lower than the historical density achieved in the High-Rise Density zone of 26.4 dwellings per net acre.

In summary, the City assumes that average densities will increase significantly (by about 30% over average historical densities) during the planning period, that ownership rates will increase, and that the majority of households will choose single-family housing types. These assumptions are consistent with the housing needs analysis presented in this chapter. These findings support the City's overall density assumption of 7.2 dwelling unit per net acre.

The forecast indicates that Grants Pass will need about 1,226 net residential acres, or about 1,498 gross residential acres to accommodate new housing between 2007 and 2027. The forecast results in an average residential density of 7.2 dwelling units per net residential acre and of 5.9 dwelling units per gross residential acre. This represents a 30% increase in density over the historical average of 5.1 dwelling units per net acre.

TABLE 9.40.20
FORECAST OF NEW DWELLING UNITS AND LAND NEEDED BY TYPE
Grants Pass 2007-2027

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Factor	Gross Res. Acres	Density (DU/gross res ac)
Single-family types							
Single-family detached	5,093	58%	5.5	926.1	20%	1,157.6	4.4
Manufactured in parks	88	1%	6.0	14.6	20%	18.3	4.8
Single-family attached	703	8%	9.0	78.1	15%	91.8	7.7
Subtotal	5,884	67%	5.8	1,018.8		1,267.7	4.6
Multi-family							
Multifamily	2,898	33%	14.0	207.0	10%	230.0	12.6
Subtotal	2,898	33%	14.0	207.0		230.0	12.6
Total	**8,782**	**100%**	**7.2**	**1,225.8**		**1,497.7**	**5.9**

Source: ECONorthwest

Table 9.40.21 provides an allocation of housing units by Grants Pass' four residential plan designations. Dwelling units were allocated to plan designations based, in part, on historic development trends within each plan designation and on the type of development allowed in each plan destination. Table 9.40.21 also provides an estimate of the gross acres required in each zone to accommodate needed housing units. The acreages are based on the gross density assumptions shown in Table 9.40.20. The residential land needs presented in Table 9.40.21 may change based on policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in the Element 14, Urbanization.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 67% single-family (including manufactured and condos and townhomes) and 33% multifamily.
- The density assumptions increase by plan designations as shown in Table 9.40.20.
- Forty-one percent of needed dwelling units will locate in the Low Density residential designation, which allows single-family detached and single detached manufactured. This designation also allows duplex, townhomes, and multifamily units in conjunction with a planned development.
- Twenty-two percent of needed dwellings will locate in the Moderate Density residential designation, which allows single-family detached, single-family attached, manufactured home parks, townhomes, duplexes, and multifamily in conjunction with a planned development.

- Thirty percent of needed dwelling units will locate in the High Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.
- Seven percent of needed dwellings will locate in the High-Rise Density residential designation, which allows single-family detached, townhomes, manufactured (single detached and manufactured home parks), duplexes, and multifamily.
- Manufactured units in parks will locate in each plan designation, except for Low Density.

TABLE 9.40.21
ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION
Grants Pass 2007-2027

	Plan Designation									
	Low Density		Moderate Density		High Density		High-Rise Density		Total	
Housing Type	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family										
Single-family detached	3,425	778.4	1,317	299.4	176	39.9	176	39.9	5,093	1,157.6
Manufactured in parks	0	0.0	88	18.3	0	0.0	0	0.0	88	18.3
Single-family attached	88	11.5	263	34.4	351	45.9	0	0.0	703	91.8
Subtotal	3,513	789.9	1,669	352.1	527	85.8	176	39.9	5,884	1,267.7
Multi-family										
Multi-family	88	7.0	263	20.9	2,108	167.3	439	34.8	2,898	230.0
Subtotal	88	7.0	263	20.9	2,108	167.3	439	34.8	2,898	230.0
Total	3,600	796.8	1,932	373.0	2,634	253.1	615	74.8	8,782	1,497.7
Percent of Acres and Units										
Single-family										
Single-family detached	39%	52%	15%	20%	2%	3%	2%	3%	58%	77%
Manufactured in parks	0%	0%	1%	1%	0%	0%	0%	0%	1%	1%
Single-family attached	1%	1%	3%	2%	4%	3%	0%	0%	8%	6%
Subtotal	40%	53%	19%	24%	6%	6%	2%	3%	67%	85%
Multi-family										
Multi-family	1%	0%	3%	1%	24%	11%	5%	2%	33%	15%
Subtotal	1%	0%	3%	1%	24%	11%	5%	2%	33%	15%
Total	41%	53%	22%	25%	30%	17%	7%	5%	100%	100%

Source: ECONorthwest

In addition to the housing types shown in Table 9.40.21, Grants Pass needs to plan for additional group quarters. The analysis assumes the City will add 742 persons in group quarters between 2007 and 2027.The City will need to add a similar number of group quarter units during this period. Assuming that group quarters achieve densities comparable to multifamily units, the City will need approximately 58 gross residential acres for these units (742 divided by 12.6 units per gross acre). The majority of these units will locate in the higher density residential plan designations or commercial plan designations.

9.50 FINDINGS

Population growth and demographic trends

1. Josephine County experienced substantial population growth between 1980 and 2006. Josephine County grew from 58,855 people in 1980 to 81,125 people in 2006, an increase of more than 22,000 people at an average annual growth rate of 1.29%. Over the twenty-six year period, Josephine County grew at approximately the same rate as the State average.
2. The majority of population growth in Josephine County occurred in Grants Pass. Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%. Population growth in Grants Pass accounted for about 70% of population growth in Josephine County.
3. Migration was the largest source of population growth in Oregon and Josephine County. For the 1990 to 2006 period, about 70% of population growth in Oregon resulted from net migration. All population growth in Josephine County between 2000 to 2006 was the result of net migration because Josephine County experienced negative population growth from natural causes, with about 1,500 more deaths than births during this period. In addition, Census data show that residents of Grants Pass were more likely to have lived in a different state in 1995 compared with the County and State averages.
4. The Grants Pass UGB population is forecast to grow from 37,460 people in 2007 to 57,888 people in 2027, an increase of 20,428 people at an average annual growth rate of 2.2%. This growth is significant in that the Grants Pass urban area will pass the 50,000 population mark within planning horizon and be designated as metropolitan area. With that designation comes CDBG Entitlement Community Status and the need to develop a housing plan and qualification to receive federal housing dollars.
5. Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older. If Grants Pass continues attracting retirees, Grants Pass is likely to need additional housing for active retirees, such as high-amenity multifamily housing and active retirement communities.
6. Grants Pass is becoming more ethnically diverse. Grants Pass Hispanic population grew from 494 residents in 1990 to 1,236 residents in 2000, an increase of 742 people or 150%. In 2000, Grants Pass had a lower share Hispanic residents (5.4%) compared to the State average (8.0%) but higher than Josephine County's average (4.3%). National trends suggest that Grants Pass will continue to become more ethnically diverse.
7. 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.

Development trends in Grants Pass

8. Grants Pass approved 2,769 dwellings in the UGB between 1999 and 2006. The number of dwellings approved annually ranged from a low of 189 in 2000 to a high of 533 in 2005, with an average of 346 dwellings permitted annually. This represents an increase in development activity—the U.S. Census database of building permit activity shows that Grants Pass issued permits for an average of about 235 dwelling units annually during the 1990's. However, the City did not begin issuing permits for the urbanizing area in the UGB until August 1998.

9. Most of Grants Pass' housing stock is single-family housing. In 2000, single-family housing accounted for 71% of Grants Pass housing. Twenty-six percent of housing was multifamily housing and 3% was manufactured housing. The mix of housing did not change significantly during the 1990's; the share of single-family housing decreased by 2%.

10. Single-family housing continued to account for the majority of residential development between 2001 to 2006. About 71% of dwelling units permitted between 2001 and 2006 were for single-family units, accounting for 1,664 units. The City issued permits for 591 for multifamily units (25% of units) over the five-year period.

11. Residential subdivision activity suggests that residential development is likely to continue in Grants Pass. Between 2000 and 2006, Grants Pass had 109 subdivisions and more than 2,000 lots created through subdivisions, and almost 400 through partitions. The number of subdivisions and partitions platted and lots created peaked in 2005 and 2006.

12. The density of residential development in Grants Pass between 1999 and 2006 was an average of 5.1 dwelling units per net acre. More than 40% of new dwellings were built in the Low Density plan designation, which achieved an average density of 3.5 dwellings per acre. The Moderate Density plan designation averaged 6.3 units per net acre and the High Density plan designation averaged 9.4 dwellings per net acre. The highest densities were achieved in the High-Rise Density plan designation with 26.4 dwellings per net acre. Residential density in the Commercial plan designation was 7.6 dwelling unit per net acre.

National, State, and Regional Trends

13. 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 20 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.

14. 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.

15. 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.

16. 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.

17. Nationally, the market for rental housing will increase. 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.

18. 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.

19. 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.

20. 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.

Housing characteristics in Grants Pass

21. Tenure rates remained stable during the 1990's. In 1990, 54% of dwellings were owner-occupied and in 2000 53% of dwellings were owner occupied. Homeownership rates in Grants Pass are lower than County and State averages. In 1990 and 2000, 70% of homes were owner-occupied in Josephine County and state homeownership rates were 63% in 1990 and 64% in 2000.

22. Households in Grants Pass are smaller and have different composition than the State averages. Grants Pass has a smaller average household size (2.36) compared to the County (2.41) or State (2.51) averages. Grants Pass has a larger share of households with children (32%) compared with Josephine County (27%) and Oregon (31%). Grants Pass has a larger share of non-family households (36%) than the County average (30%) or State average (34%).

23. Like Oregon and Josephine County, a large share of Grants Pass' households do not include children and have multiple unrelated persons living in the household. Sixty-eight percent of Grants Pass households have no children, 36% are composed of two or more unrelated adults, and 54% do not have a married couple in the household.

24. According to the Census, vacancy rates in Grants Pass were similar in 1990 and 2000. The vacancy rate in 1990 was 4.5% and it was 4.8% in 2000. The vacancy rate in 2000 was 4.0% for single-family units and 7.1% for multifamily units.

Housing affordability in Grants Pass

25. Housing affordability is a problem for households with low income. Households earning 50% of the HUD's estimated Median Family Income in Josephine County ($41,700 in 2007) may have problems affording housing in Grants Pass.

26. Approximately 45% of Grants Pass households could not afford a two-bedroom apartment at HUD's fair market rent level of $639. Households earning less than $20,850 annually were unable to afford a two-bedroom dwelling that rents for HUD's fair market

rent. A household had to earn about $12.25 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

27. In 2000 about 39% of Grants Pass households experienced cost burden. The rate was much higher for renters (45%) than for homeowners (32%). This finding is consistent with other Oregon cities, where it is much more common for renters to experience higher rates of cost burden.

28. A household earning median family income ($41,700) could afford a home valued up to about $104,250.

29. Housing costs in Grants Pass have increased since 2000. The average sales price of a house in Grants Pass increased from about $119,000 in 2000 to $273,000 in 2006, an increase of more than $154,000 or 130%. The greatest increase in average sales price took place in 2003 and 2005.

30. Housing prices in Grants Pass have increased less than housing prices in Jackson County. According to the Office of Federal Housing Enterprise Oversight, the average sales price of a single-family home in Jackson County (the Medford MSA) increased 215% between 2000 and 2006.

Projected housing needs

31. Grants Pass will need 8,782 new dwelling units to accommodate population growth between 2007 and 2027. The forecast shows that an average of 439 new dwelling units will be needed annually, which is higher than the average number of building permits issued (346) over the 1999 to 2006 period. The baseline forecast assumes 67% will be single-family housing types (single-family detached, single-family attached, and manufactured homes) and 33% will be multifamily (duplex, triplex, quadplex, and five or more units)

32. Grants Pass will need about 1,226 net residential acres, or about 1,498 gross residential acres to accommodate new housing between 2007 and 2027. These residential land needs could be affected by policy decisions, which may result in increased or decreased land need. The effect of policy decisions on land needs is addressed in Element 14, Urbanization. The forecast results in an average residential density of 7.2 dwelling units per net residential acre and of 5.9 dwelling units per gross residential acre. This represents a 30% increase in density over the historical average of 5.1 dwelling units per net acre.

33. Each plan designation will experience development. About 41% of housing (3,600 units) will locate in the Low Density residential designation. The Moderate Density designation will have 22% of residential development (1,932 units) and the High Density designation will have 30% of residential development (2,634 units). The High-Rise Density designation will experience the least development, with 7% of housing (615 units).

URBAN AREA PLANNING COMMISSION
January 9, 2008
7:00 p.m.
Council Chambers

1. ROLL CALL

The Urban Area Planning Commission met in regular session on the above date with Chair Arthur presiding. Commissioners Fitzgerald, Kellenbeck, Wickham, Sackett, Fowler and Fedosky were present. Absent: Berlant. Also present and representing the City were Community Code Analyst Schauer, Senior Planner Angeli-Paladino and Assistant Planner Lindberg.

2. ITEMS FROM PUBLIC

Chair Arthur asked the student in the audience to stand and introduce herself, which she did.

3. CONSENT AGENDA

a. MINUTES

i. Minutes of December 12, 2007.

MOTION

Commissioner Fitzgerald moved and Commissioner Sackett seconded a motion that the minutes be accepted as written. The motion passed unanimously.

b. FINDINGS OF FACT (None)

4. PUBLIC HEARINGS:

a. LAND USE APPLICATIONS

i. **07-40500004 - Development Code Text Amendment - Architectural Standards**

Proposal: An amendment to Article 20 of the Development Code related to specific architectural feature requirements for properties zoned Industrial, Industrial Park and Business Park.
Planner: Tom Schauer

MOTION

Commissioner Sackett moved and Commissioner Fitzgerald seconded a motion to continue until date certain, February 27, 2008. The motion passed unanimously.

ii. **07-30100018: Valley Lights Subdivision Revised Grading Plan Major Variance**

Proposal: Major variance to grading requirements and steep slope development restrictions of Sections 13.123 and 13.140 of the Development Code
Address: 543, 549 & 551 NW Valley View Drive
Map & Tax Lot: 36-05-07-24 TL 400, 718 & 719

EXHIBIT B 1
TO UAPC FINDINGS

to justify why you couldn't meet that need on other land before including agricultural land in the urban growth boundary. We look at how do we incorporate more growth in the urban growth boundary, how do we incorporate growth on exception lands and if we can't adequately do that then we have to justify why we'd have to go down the priority scheme to other lands.

Chair Arthur asked if there were any other comments. Seeing none, she turned it back to the Commission.

MOTION

Commissioner Fitzgerald moved and Commissioner Kellenbeck seconded a motion to recommend approval and adoption to the City Council of **07- 40500006 - Comprehensive Plan Text Amendment - Economic Element**. The motion passed unanimously.

vi. **07-40500007 - Comprehensive Plan Text Amendment - Housing Element**

Proposal: Proposed amendment to the Comprehensive Plan adopting a new updated Housing Element
Planner: Tom Schauer

Chair Arthur stated the next item is **07-40500007 - Comprehensive Plan Text Amendment - Housing Element**. This is also in support of the urban growth boundary evaluation project.

Code Analyst Schauer stated this is a legislative action with recommendation from the Planning Commission to the City Council. Similar to the Economic Element, the Housing Element is from the original Comprehensive Plan adoption. The population figures in that section were updated in 1994. That information is now outdated. We've got more recent data from the Census Bureau, the Joint Center for Housing Studies and other sources as well as recent development statistics. The population forecast in the current Comprehensive Plan only goes to 2010; the new Housing Element is based on the population forecast and provides a housing needs analysis to 2027. This would replace the existing Housing Element in the Comprehensive Plan. Again, this is a legislative action with recommendation to City Council.

The steering committee made a recommendation on the Housing Element. We had a draft done November 4th. Since that time, Chair Arthur did contact him with some questions and comments. We worked through those and made a revised draft which is the copy that is distributed in your packet with the December 14th date. Then there were some additional comments that she had that she didn't feel were addressed in that draft. Those comments were

submitted on Monday and emailed to you on Tuesday. He needs to enter those comments as part of the record.

One other document is called Examples of Residential Densities in Grants Pass in the Urbanizing Areas. He did get copies of that to you. It's not part of what is proposed for adoption. It provides a photo inventory to illustrate what some of the different densities look like for different housing types in Grants Pass. He does want to enter that as part of the record. That wasn't specifically an exhibit to your staff report. That document is also available, as are all the housing documents and other documents that we have completed, on the City website. This is not scheduled for adoption but is for reference information.

The overhead has a list of the steering committee representation.

The criteria for amendment are the same criteria you had for the Economic Element, Section 13.54 of the Comprehensive Plan. Those items have been entered into the record.

This walks through the overview of this document and goes through the purpose statement of why we do the Housing Element and a Housing Needs Analysis (reference overhead). It provides the statutory overview of the Statewide Planning Goals, statutes and administrative rules and what's required to comply with those. It provides that analysis in terms of historic trends, housing demand and need and what those future needs are. Those points are identified in a series of findings the same way as in the Economic Element. There are no proposed changes to the policies section at this time. Those will be part of the discussion during the subsequent urbanization and land use evaluation. There are no conflicts created by the updated information.

Basically housing is dealt with in Statewide Planning Goal 10. It requires an inventory of buildable lands and the provision of housing units that meet the housing needs of Oregon households. ORS 197.303 goes through what needed housing means. That's outlined in your staff report as well as noted on the overhead slide. ORS 197.296 deals also with coordination of planning for urban growth boundaries and land needs analysis, all of those things. This is one piece of what's required. Highlighted in yellow on the overhead is the provision that deals with housing needs assessments, that housing lands be available in a twenty year buildable land inventory. That twenty year need has to be based on the population forecast. The administrative rule provides a safe harbor that allows for use of household size based on the most current

Census Bureau data.

This is just to give you some sense (reference overhead). It's a fairly complex process. There are a lot of statutes and administrative rules governing how these things are done. If you look at the four bars across the top of the slide, they identify what the land supply is. We identify what the land need is then we compare those two to see what the deficit is. Then we start looking at how to accommodate that need. You can see over on the right there are three priorities. The first one is to amend your plan and regulations to increase the likelihood that you can accommodate the housing needs for twenty years inside your urban growth boundary. The third priority is to amend your urban growth boundary to add sufficient buildable lands. The second priority is to do a combination of those, try to figure out ways you can accommodate as much of the need in the urban growth boundary as you can. If you can't do it all, then look at how to expand and accommodate additional needs outside the urban growth boundary.

The Housing Element presents those housing needs and how to accommodate those needs with a policy discussion about efficiency measures. All of those things will be coming to you subsequent to the urbanization element and the land use planning elements.

We have some historic data in the report. This identifies trends from the 1990 to 2000 census data. It shows that there was a slight increase in the mix of multifamily and manufactured dwellings. Actually there was a slight decrease in tenure or occupancy. Grants Pass is low in terms of home ownership compared to the State overall. What you'll see for occupied housing units is the total was about 54% owner occupancy and about 46% renter occupancy in 1990. That went down slightly to 53% owner occupancy, 47% renter occupancy by 2000.

This slide just shows the number of dwelling units approved through building permit through 2001 to 2006. This isn't total permit numbers. If there was a permit issued for a four-plex, this would reflect four units not one permit. You can see that peaked in 2005 and declined in 2006 and again this year.

The mix we saw in that time period, 2001 to 2006, was about 75% single family. That includes both attached units like townhouses and detached single family types of homes then about 25% multifamily. Single family includes manufactured homes as well.

We've seen more variety of housing types. Some of this data was updated from the 2006 statistics. We had 39 of 259 single family homes as attached homes like the townhouses. That

number for 2000 (we just have those numbers available now) was 103 of the 235 single family units were attached. A lot of those projects that got underway are continuing to build. There were 26 condominium units permitted.

He won't spend a lot of time talking about where the development occurred. We have a pretty good sense from the slide where the buildable land is mostly (reference overhead).

One thing we've seen is an increase in the construction valuation. Basically when people come in to get a building permit, their permit fees are based on construction valuation. It doesn't account for increasing land costs and those types of things. It's a fairly constant number. What you can see is just the number of homes, this doesn't break down the number of homes with valuation below $200,000 but those numbers have continued to climb. We've seen substantially more in that $200,000 to $300,000 range and above $300,000. You can see there was a decline in that in 2006 at the same time there was a decrease in the number of new permits issued (reference overhead).

This just shows subdivision activity between 2000 and 2006 (reference overhead). The red shows the number of subdivisions. Those numbers relate to the axis on the left side of the screen and the number of lots created from each of those where each year is identified on the right side of the screen. Again, that peaked in 2005. This doesn't show partitions.

This slide does show the partitions also (reference overhead). There are a substantial number of parcels being created through the partition process. In 2000, almost 46% of the new lots created were partitions. In 2005 – 2206 it was close to 15% of the new lots created through partitions. The next slide shows those that applied for final plat in 2006, the number of lots and where those are distributed. This one goes back to 2005; you can see where those were clustered (reference overhead). A lot of what we saw in 2006 was they were a little more dispersed. They tend to be a little more difficult lots. In 2005 they were pretty well concentrated in a lot of the areas that were flatter. The easy lots are disappearing. This slide just gives you some information on the sale of single family units as well as the staggering uphill line of the average sale price starting in 1998 and continuing to climb.

In terms of residential density, we looked at the period 1999 to 2006. We identified in terms of net density looking at the area that is actually in lots that's developed and what those densities were by overall plan designation as well as by the zoning districts. The information, he

thinks Chair Arthur asked that be included in your staff report. It also shows what the permitted density is in those zones. Often what you see in many of those zones is that they are developing well below maximum permitted density. Part of that relates to the housing type. If you have something like an R-3 zone that allows 18 units per acre and an R-4 zone that allows 35 units per acre, instead of building three story apartment buildings, you're building single family homes on lots, then your density is going to come in at maybe a tenth of your maximum density. That's the nature of that housing type; you can't get substantially higher than a particular density without building a different type of house. You can see in the R-4 zone some of the density was fairly high in terms of 26.4 units per acre. The R-4 zone allows professional office use and a substantial amount of the R-4 inventory was developed with office, which doesn't show on this slide. That just gives you some idea of where those developments occurred in terms of the lots distributed throughout the City (reference overhead).

The housing needs, just in terms of the trends, everyone is pretty familiar with the housing boom through 2005 and then the slowdown. He mentioned earlier the home ownership rate in Grants Pass is around 53%, substantially lower than the national home ownership rate which is almost 69%. Housing affordability decreased with about one in three households experiencing cost burden. The definition of cost burden is when you're spending more than a third of your income on housing and utilities. Some of the trends that are occurring with new housing are larger single family units on smaller lots, larger multifamily units with more amenities in housing units.

Some trends demographic-wise, the region continues to be attractive to people moving into the area, migrants. There is an aging population in the region. Grants Pass has had a smaller average household size compared to the State and has more households with children than either the County or the State. Also, the region is becoming more diverse. Between 1990 and 2000 the Hispanic population increased from about 2.8% to 5.4%. For the County that went similarly, about 2.8% to 5.3%.

One thing that's noted in Chair Arthur's comments is, when we talk about family or use that term, most people think of two parents and children. The Census Bureau defines family differently. There continues to be an increase in that nontraditional definition of family households.

Just some information in terms of demographics and housing choice and how the two relate, home ownership rates tend to increase with additional income and as people age. The choice of single family housing increases as people have more income available. Renters are typically more likely to choose multifamily units and income is a strong determinate of tenure ownership or rentership and also the type of housing people choose across all age groups.

Some of the implications are that we'll continue to have single family detached units. That will eventually plateau as baby boomers move through the bubble and people begin to downsize. There will be demand for additional affordable and high end multifamily and attached single family units will increase. Demand for housing for families with children is likely to continue. The need for affordable housing is likely to increase with some of the things we talked about earlier, the nontraditional households, Hispanic population. That's all going back to some of the census data in this document as well as the population report.

Again, in the Economic Element we talked about the lower per capita personal income for Grants Pass and Josephine County. We talked a little bit about the difference in the increase in sales price and how that has climbed. This identifies those trends as well (reference overhead).

Housing values also increased faster than rental costs and income. Rental costs increased slightly faster than income but what you'll see, looking at for example between 2000 and 2006, is the median owner value of the home is shown from $128,000 to $268,000, more than doubling. You didn't see this same type of thing happening in average rental rates where the increase there was about 18%. You can see at the bottom there was a 108% increase in the cost of housing ownership as opposed to about an 18% increase in monthly rents. Median household income increased by about 28%. The rental market on average remained relatively affordable compared to ownership/occupancy. You can see on this slide just the number of owners and renters that were experiencing cost burdens (reference overhead). It's pretty substantial. 32% of the owners experienced cost burden. 45% of the renters experienced cost burden. So about a total of 39% of the people are spending about a third or more of their income on housing.

Over the next twenty years the forecast is 67% single family, 33% multifamily mix. It's a little bit higher multifamily mix due to some of the demographic trends noted. It's about 8,700 units, 8,800 units to accommodate the approximately 20,000 people identified in the population forecast. That will be cyclical. We'll see things like we saw during the 2000's with the increases

and the slowdowns that will be cyclical. This forecast averages about 439 units per year on average.

This slide identifies the relationship between the median income and various percentages of mean income and what is affordable to different families and which ones would be experiencing cost burden.

In terms of tenure, the forecast looks at a 60% owner occupied, 40% renter occupied rate. This reflects a desire to make sure (and the requirement in accordance to State law) to provide housing types that provide a combination of owner occupancy opportunities as well as renter. You see that shows an increase of owner occupancy up from the current level of about 53%, 54%, closer to 60%. You can see that housing mix in terms of single family attached, detached and multifamily units.

In terms of what this means for land needs, this allocation looks at those units as well as allocating by Comp Plan designation and density. This reflects about 1,500 acres needed for housing. We need to look at how much is in the urban growth boundary, how much is outside the urban growth boundary, how much can be addressed through policies to address efficiency measures. That will be a discussion that you will be having as part of the urbanization element.

The State definition of needed housing doesn't include group quarters but we have identified group quarter trends in the document as well and in acreage that's allocated for group quarters.

This looks at a gross density of 5.9 units per acres on average over the long tem (reference overhead). There are a lot of different ways to achieve that density through different mix and housing types.

That is the population element. He'd be happy to answer any questions. [The Commission had no questions at this time]

Chair Arthur asked if anyone in the audience wished to comment on the Housing Element.

Bill Peterson, 300 NW Sinclair Avenue, Grants Pass, Oregon stated he's employed by Copeland Sand & Gravel. Working for Copeland we're very concerned and aware of the relative demand for housing types. We've been active developers in a series of different housing types ranging from multifamily to relatively moderate density housing to single family. We find our

demand to be nearly exclusively single family. We also find that the land marketplace that allows us to get access to dividable and developable lands and the cost of those properties to be the largest single element that is driving the cost associated with housing in our community, or at least that is our experience. We note that the historic trends in Grants Pass have been about 71% single family and you're predicting here in a combination of the demographic predictions as well as your economic predictions that that will now decrease to 65%. When you begin to equate that into the number of acres that you will be adding to an urban growth boundary, you're talking about hundreds of acres of difference in the availability of single family and low density zones. That is a substantial and serious problem. It also will substantially shape what your community will look like. You had a wonderful discussion this evening about inducing an infill development into an existing single family neighborhood as a relatively high density plan. In fact it's zoned for higher density but those single family residents want single family continued development. They want a quality of life which is indicative of a particular community. You as Planning Commissioners now have an opportunity to establish the kind of town that Grants Pass will be. By accepting the Statewide recommendations to increase densities and so on and try to engineer how it is that you will create a community that emulates other communities, he fears that you will give up the very things that make Grants Pass a unique and special community which deal predominately with our ability to have detached single family housing and relatively low densities available for the folks that we are trying to induce as in-migrants to our community. He'd urge you to look very long and hard at the specifics, especially around the low density designations and housing needs that are identified in this document.

Ed Bowers, 1104 Luzon Lane, Grants Pass, Oregon stated he totally agrees with Mr. Peterson. That was very well done. We do need to remember why we came here. Mr. Peterson is absolutely right. If we change the quality of life totally there's no reason to come here. Not only that, there might be some houses for sale. We might move somewhere else. It is a very difficult decision. He really doesn't know where we're going to get all this property but he couldn't agree more with what Mr. Peterson said.

John Chmelir, 2262 Elderberry, Grants Pass, Oregon stated he has been to several of the meetings and has tried to follow this. It's an amazing amount of information and an amazing amount of detail. Code Analyst Schauer has a better grasp of all this stuff than any of us could

imagine. Our consultant has been a real honest broker in this process. But he's a little bit concerned that we arrive at an answer that says there is not going to be very much single family low density brought into the urban growth boundary or that there's much of a need. It's somewhere around 15 acres over the next twenty years of new low density single family which is what the market wants to buy. Commissioner Sackett said today in the hearing wouldn't you rather have a single family dwelling than a duplex and the answer, the market has said resoundingly, absolutely. That's what they want; they want single family dwellings. If there was a real demand, how many people in the room would raise their hand and say they want to move out of their single family house and move into a condo? He has eighteen units; he's taking names. He understands how complex it is and understands that you'll change some of the lower densities to higher densities and bring more lower density land in, but he has some real concerns that using the economics and the wages here in our town to say that the wages haven't kept up with the prices of single family but they're much more in tune with the multifamily, therefore we need more multifamily. The fact is that this town, there are a lot of people who are retired who don't have wages. They have entitlements and that's different. If you talk to any of the bankers, we have huge banking depositories. That's why we have banks buying parks and things like that here in this town. There is an ability in this town to absorb single family, low density lots and this plan doesn't provide for enough of that. He does appreciate all of the work that's gone into it but the character of this town has traditionally been single family. Code Analyst Schauer made a comment about you can't build to densities in these higher density zones if you're not doing three story, well, people don't want that. People don't want to live in that. We need to look at what the market is asking and then we need to deliver that because that's what people are going to continue to want.

Jim Armstrong, Grants Pass, Oregon stated he had the opportunity to build one of the first subdivisions in the Redwood area and we took an R-3 zone and put single homes in it. To believe that we're going to move from 65% to 71% density and be able to do that, nothing in this community says we're going to be able to do that. He would encourage Code Analyst Schauer to look at what some other communities have done with the State Goals because the State Goals are simply that, they're goals. They're not mandates. He encourages the Planning Commission to encourage Code Analyst Schauer and his committee to really weigh what effect they're going to

have if they limit the amount of land that they can bring in. We haven't done the density thing correct. No one was telling us how to follow the rules. We were building what the community wanted. Now to take that and say you guys didn't do it right, we have to go back and you have to build more stuff that fits the Goals, that doesn't do our community any good. You cautiously move forward because it's really to say that this is a lot of reading, this is a lot of work, it fits the Goals so let's approve it. It's important that each of you think about what you know. The people sitting up here know. They know what we've built, what we've done. This might be a time for us to take a little break and say Code Analyst Schauer, why don't you check and see what other people have done with this particular Goal because 5% doesn't sound like much but it's a big deal. We're gong to all get overwhelmed by the numbers but the work we do here is going to really reflect how we sell it to the community. If we go out and tell this community that we're going to really reduce the amount of buildable lands for single family dwellings, that's going to fester a fight that we don't need.

Councilor Richardson stated since this is a legislative and not a quasi-judicial, she gets to speak. She's speaking not on behalf of the white middle class that she sees standing around this but all of you need to look at page 728. For those of you who don't know, she sits on the Citizen Review Board. One of the things that we do on the Citizen Review Board is review all of the cases of all of the children in foster care in Josephine County. That means that once a month we sit, a group of us, same middle class white Americans, and we listen to the stories of the people who are living in their cars, who cannot find work, who cannot find decent affordable housing for their children. If you look at this, this is the number of children who go homeless in Josephine County. If there was a crime that's being perpetrated in this community, it's for those of us who sit there who have our transfers, who have our entitlements, who have our income and to know that there are children that are living in cars, that are living in the Fixo Center, that are living in tents because the State of Oregon says that it's okay for you to live in a tent as long as you have access to water and you can go to school. When she listens to us and we all sit here and we go home to our homes and we live in our $200,000 and $300,000 homes, we need to stop and think about the needs of the voiceless, the ones who cannot speak, who will not show up here tonight and ask for your support and your help. She felt that it was very important to come and remind all of you that we may want single family housing but sometimes we have to say that for the good of all of the

people in Grants Pass, we have to ask for more.

Ed Bowers, 1104 Luzon Lane, Grants Pass, Oregon stated he can't believe it; he gets to agree with everybody tonight. Councilor Richardson has a very good point but as a matter of fact, it wouldn't matter on some of the people that she's talking about if we had multiple houses or building that were ten stories high like in Detroit. The only way we're going to resolve the problem that Councilor Richardson is concerned about, and he's concerned about that too, is if we change our priorities. That means what we're going to do not only in the City but in the County. Are we going to do more artwork or are we going to try to build some assisted housing? We've got to solve that problem, not with the builders, not with acres but it's going to be with ideas and priorities.

Chair Arthur closed the public comment portion of the hearing and asked Code Analyst Schauer to address her questions.

Code Analyst Schauer stated he'd first like to respond to some of the public comments. Some of the comments dealing with the surplus or deficit of land inside the urban growth boundary, those are items that are identified in the draft urbanization document that hasn't come to you yet. That will be going through more discussion about do we have enough low density land and moderate density land in the urban growth boundary. What we're identifying here are the needs not how much more land has to come into the boundary to meet these needs.

He also wants to note that the percentages, it was mentioned that we were looking at a shift from what historically was 71% single family detached to 65%. That was also in an earlier draft and actually it's 67% now.

To give you a reference, on page 9-49, if you look at the number of single family detached that are forecast to meet the need, it's over 5,000 units and over almost 1,200 of the 1,500 acres that are identified. Within that inventory, there is substantial acreage allocated to single family detached. That includes the low and moderate densities, all of those ranges. This isn't excluding single family. It's allocating land for those as well as other needs.

He mentioned in the presentation some of the trend towards single family attached housing. We heard from different people some of those have difficulty selling and others have difficulty selling a lot of products now. He can't tell you how those products are selling compared to others but there is also a multifamily and that's not a new product in Grants Pass. Some people

don't like multifamily. There is a need for it. If you look through your photo inventory, going out looking at that, it became apparent just walking down 'D' Street near the Grants Pass Shopping Center how many projects there are or how many of those are for senior housing. A fair amount of those are subsidized. He knows some of the projects that have met part of that need haven't been built as market rate projects. They've been done by various housing authorities in the past with funding.

Some of the things we're going to be coming to you and talking about in terms of the urbanization work are the fact that sometime during the planning horizon it's forecast that Grants Pass is going to meet that metropolitan area designation. A lot of agencies use that designation for funding purposes, formulas, eligibility as well as regulatory requirements. One of those relates to housing. You become eligible for a community block grant, what's called an entitlement community, with monies allocated for meeting some of those housing needs. What we're looking at is addressing the Statewide goal in terms of meeting the needs. What we're seeing if you look through the document is the cost burden (table 9.40.15) where the market can't meet those needs as several people have noted. You can turn the clock back a few years and you still couldn't meet the needs through market products for everybody to have the same product.

He just wanted to address that we are looking at the needs. There is a substantial mix of housing in Grants Pass that's not new that sometimes people don't think it's there, may not know it's there, may not see it there, or they may not see those areas in town but they're there, a mix of rental units, of attached owner occupancy units, etcetera. Grants Pass, if you look at those statistics, the 71% mix, there is a diversity that exists now. We're talking about a 3-4% change from what's there today.

Just to go through Chair Arthur's comments, he wants to focus on the second page where she had some very specific items that she referenced in the document that she felt didn't address the items. He'd like to go through those item by item and address how he thinks either we've responded to them or share some items that may address those needs.

The first item noted was on page 726 and 727 of the packet, a concern that the material didn't sufficiently address the household characteristics that are here. He just wanted to draw your attention to that last bullet point on page 727. It says "Like Oregon and Josephine County, a large share of Grants Pass households do not include children, have multiple unrelated persons living in

the household. 68% of Grants Pass households have no children, 36% are composed of two or more unrelated adults and 54% do not have a married couple in the household." That seemed to be consistent with the language that Chair Arthur had identified in the first page.

Chair Arthur stated look at how the focus of somebody reading this compared to the second paragraph in that list, the second dot, where you begin your focus and on your slide the only thing it said was Grants Pass has a larger share of households with children. The fact is 68% has no children. That leaves a very strange apprehension in somebody's mind if you focus on the minority. Code Analyst Schauer replied some of that was done before these changes were incorporated so he didn't highlight that. It says right there, 68% of Grants Pass households have no children. If you want that bullet point in different order, let us know. The content is there. Those are the numbers you ask be identified and they're in there.

You had said on page 730 of the document that there were conclusions that didn't have the demographic.

Chair Arthur stated stay on that same page for the moment.

Code Analyst Schauer stated he's going to go through item by item. That was the first one. He believes that bullet was responsive to that item. The next one, he thinks you were looking for similar language to be included in the conclusions on page 9-35 so we can add that same bullet point to that page. And on page 749, the same concern with that text under the findings. Bullet 23 is the same item as noted as he just mentioned under the findings. That was our attempt to address those.

He'll go through these and if you want to have discussion, we can come back and he'd be happy to do that.

One of your comments was that the document doesn't mention demand for alternative housing designs that better fit unmarried and unrelated people sharing quarters. This document doesn't get into specifically and deal with housing design. We've used basically the Census Bureau definitions and that's what we've dealt with in the document. It deals with housing types as defined by the Census bureau which include one unit attached, one unit detached, two or more units, mobile homes or group quarters and a variety of different housing designs could all be accommodated under any of those.

Chair Arthur stated she realizes those are the standard definitions.

Code Analyst Schauer stated on 9-6 there is a bullet added that says there are many names for different types of housing that accommodate a variety of household compositions and living arrangements, which are accommodated within one of the structure type or group quarters categories defined by the Census Bureau. It goes and says examples of these include assisted living facilities, board and care, group homes, adult foster care, congregate housing, independent living, supportive senior housing, cooperatives, co-housing, naturally occurring retirement communities, commercial retirement communities and home health care. All of these have very unique and maybe not specific requirements under the Census Bureau definitions. In trying to be responsive, some of the things he found would make it difficult to deal with some of those issues in this document. We don't get into private contractual types of arrangements. If we have provisions in our codes that preclude or make it difficult to do things, we need to look at those at some point. But it's like with condominiums, the condominium could be a detached home, attached, multi-units. There was one quote he found dealing specifically with co-housing that explained why it would be difficult to address in the document. Essentially what we're looking at doing is providing land zoned to accommodate all of those varieties of housing types. If there is a demand for someone to build those then we want to make sure we have land available to accommodate those. He'll just read this to kind of illustrate why it's difficult to address in this document or why we would address it in this document as opposed to a policy or implementing element. Specifically in relation to your comment on co-housing, these are some quotes that people had: "There were condos built in my area by site design are like co-housing. They have pedestrian orientation, a common house, pathways, even the picnic tables on the grassy commons which each units views. These places on paper would be reasonably well designed co-housing development. In practice they are not co-housing. Why not, what is the difference? The people who live there are strangers to each other and have little interest in changing that. To me a key part of co-housing is the intent to enhance community among people who are neighbors and to create relationships among themselves that are supportive and mutually satisfying." The point there is that development could be a condo project that could be a co-housing project and in this document we can't get into those characteristics.

Chair Arthur stated she understands that totally but you're still not accurately representing the population composition. Not the housing types but the population. Later we can talk about

those things.

Code Analyst Schauer stated okay; he'll see if the remaining items, the recommended changes in language, address those. You had some comments about pages 712 and 731. You had concerns that there wasn't information to support the household size declining as dramatically. We did do some research to update this and added language that notes by 1990 the percentage of traditional families had dropped to 25% and by 2000 that percentage had declined more slowly to 23%. For Grants Pass that percentage was 21% in 2000.

Then we scratched the language that you noted and said the average household size has decreased over the past five decades and is likely to continue decreasing but at a slower rate as occurred through 2000. That was to address that item.

On page 9-36 you were concerned that you hadn't found documentation that dealt with the children.

Chair Arthur stated she found your comment on the Hispanic part having more children but nowhere in any of the statistics of all of the various parts from the ACS and the Census does it say that that's going to outrun the decline in the number of households with children. Code Analyst Schauer replied we are showing an increase. This was noted in a different section and we've incorporated it in that section as well. The trends have been increases in Grants Pass of people aged 45 to 64 and people aged 5 to 17. That was one of the fastest increasing groups. That's attributed to families which children. By families, it's the Census definition that it's everybody in that table that you reference except those who are designed as nonfamilies. There is an increase in ages 5 to 17. We've also noted that in the Hispanic population there are demographics that show larger household size and that is a growing segment of the population. That is supported by trends in the 5 to 17 age group.

Chair Arthur stated and this is why the school districts are not planning for any growth, right? Code Analyst Schauer replied District 7 and Three Rivers have different circumstances. They both have their population forecasts for the districts that came out. Three Rivers is quite different than District 7's.

Commissioner Wickham asked what about the Irish population? Code Analyst Schauer replied the Census Bureau doesn't look at that.

Chair Arthur stated it has them all detailed there.

Commissioner Wickham stated his cousins are moving here from Australia; what about them?

Chair Arthur stated they're all listed in the Census data.

Code Analyst Schauer stated the other text on the above identified and read is that's the remaining change related to ethnics groups.

Chair Arthur stated on that first line, people age 15 to 17, are you discussing ratio or actual number? Code Analyst Schauer replied that's actual numbers.

Chair Arthur stated all of the groups are increasing in actual number. Code Analyst Schauer stated those are the two largest, fastest growing groups. He can go back and find the data for you on that.

Code Analyst Schauer stated the final item that he'll try to respond to was you had a comment, a concern about a discrepancy pertaining to the large share of retirement age population versus the rate of growth, that becoming a slower growing rate. There is not a discrepancy in that. We have a large share but it's not continuing to grow as fast. It's a large share but the over 65 population and over 70 population, while it's a large share, it's not growing as quickly as those other age cohorts are.

[Chair Arthur's comment off mic]

Commissioner Wickham stated speaking of wording, should we change that to casa?

Code Analyst Schauer stated it says as Grants Pass had a larger share of residents under 19 and 70 years and older than Josephine County or Oregon, during the 90's the fastest growing groups were 45 to 64 and 5 to 17. The slowest growing group was 65 and older. Then in those other locations...

[Chair Arthur's comment off mic] Code Analyst Schauer replied it is attracting retirees but it's attracting younger retirees. It's attracting older retirees but due to aging that group doesn't continue to grow rapidly. You have mortality in all groups but it's higher in the over 70 group.

Chair Arthur stated your last line is very wide age range. Code Analyst Schauer stated is attracting primarily retirees younger than 65 and families with children.

Commissioner Wickham stated isn't that the 4% then if they're going to live longer and they're retiring earlier. That's the gap between the 67% and the 71%. Would that not be right? Code Analyst Schauer replied that's not specifically attributed to that.

Chair Arthur stated that table 9.40.9, she's still concerned about the way that the emphasis is done, especially on your slides where you select out the minority thing to put the emphasis on. You did remove the previous comment that was made in a couple of places about the typical family of four. All of our plans are continually based around this typical family of four. It doesn't say that any more. But nowhere in here does it say the biggest figure of all and that is that 79% of the households are not traditional model families. There is not going to be any basis for even looking at all of these other choices of kinds of housing that might be offered, that might be in demand if it was possible for somebody to find them if we keep emphasizing the 21% instead of the 79% in the discussion, in the statements, in the document. It's not accurately reflecting the majority population.

Code Analyst Schauer stated what we've tried to address is what is there rather than what is not there. We've done that by addressing those categories that the Census Bureau has rather than saying there is 79% that are not something.

Chair Arthur stated that's what she's complaining about. Yes, she knows anybody can subtract but who is going to do it? They're going to go away with this statement on the bottom of 9-31, "Grants Pass had a larger of households with children" for example. Oh yes, okay. Instead of 68% of the households have no children.

Code Analyst Schauer stated actually in three places with the recommended changes it would say 68% of those households.

Chair Arthur stated yes, some place else buried in letters, not numbers.

Code Analyst Schauer stated that was our attempt to address that, to highlight those items in multiple places.

Chair Arthur asked what is your resistance to stating the fact that 79% of households here are not the traditional family model? What's the problem with that? Code Analyst Schauer replied the issue is trying to identify what that means. Characterizing that is combinations or...

Chair Arthur stated no, that means husband, wife and children. Define it that way. When you get into later looking at kinds of housing that can be provided, the shape and size and configuration and layout and design of housing is very different when you have adults sharing, you have multi-generational sharing, than mom, dad with their big master suite and two little bedrooms across the hall from them for the little kids. That's a totally different kind of housing design. You're

not laying any basis for allowing any others if you focus on the 21% instead of the 79%.

Code Analyst Schauer stated he thinks if you're saying 79% are not something then you need to be clear about what those are not. Chair Arthur stated that's exactly right.

Code Analyst Schauer stated it's a combination of things. Chair Arthur stated no, it's not. 79% of the households do not consist of husband, wife and their children. It's very simple.

Code Analyst Schauer stated what he's bringing to you is the recommendation of the steering committee with two attempts to address it as clearly as we could using those census terms.

Chair Arthur stated we never discussed this issue in the steering committee. Code Analyst Schauer stated that's correct. That issue was not brought up before the steering committee made their recommendation so they didn't have an opportunity to have discussion about that. It is now before this Commission to do with it as you please in recommending to the City Council.

Chair Arthur stated if it is a fact, which your statistics say it is, why can't we state it that way? Code Analyst Schauer replied you're welcome to.

Chair Arthur stated let her read to you one of the quotes out of that material that she provided, just one sentence. One of the items was an old one from the Planning Board of Lexington, Massachusetts, Guidelines for Cluster Development, 1997. They started from a shortage of rental housing and their basic premise was based upon "data developed by the Planning Department shows that the demographic characteristics of Lexington are about 70% of the households in Lexington do not have children". They went on to design this particular cluster thing primarily for seniors but based upon that kind of demographic statistic. The key sentence in this whole cluster development ordinance is that "developers may have a tendency to think principally of the market for single family houses on individual lots, what the Lexington zoning bylaw calls a conventional subdivision. They will need to redirect their focus because the cluster development provisions are oriented to a different market and a different type of development". If you are going to make any effort at all to meet the needs of the rest of the population here, some of it is going to have to be through different kinds of housing development, which will come up later when we discuss kinds of housing development, codes and all that kind of thing. But if you're to even mentioning in your baseline document that 79% of the population is not mom, dad and

kids, you're never going to reach this point where people will begin to consider other forms of housing that do meet the needs of the single working adults and the kinds of people who aren't that little single family group.

Code Analyst Schauer stated if you want to add that language, you're welcome to. We've tried to address it in terms of what the population is rather than what it isn't.

Chair Arthur stated that is what it is. She doesn't get your point. 79% don't have husband, wife or kids in their households, kids of that husband and wife. It's really critical if we're going to do anything here in the future to address the needs of the majority of the population by code and by ordinance and allow other building choices that might sell well if they have the choice available. We need to have it in this document. There is a need to be met.

Commissioner Fitzgerald stated in the group previously we've always looked at it in the form of stating like Code Analyst Schauer says what is and not necessarily what is missing. We're planning on the fact that a person would look at the fact of is the glass half empty or half full; you can make that decision for yourself. He read all Chair Arthur's comments and emails. He doesn't see why we couldn't state the fact of bringing out a point that says when you look at that statistic that it points out the other side of the coin. Also this number 21% means that 79% do not meet; that's the other side of the pie that's sitting out there to be dealt with. Maybe Chair Arthur has a legitimate point in the fact that it's not in the base document. Maybe there are those people who won't do the arithmetic. He didn't look at it that way but when he got Chair Arthur's emails, it sort of brought his mind saying okay maybe they aren't going to do the math and say that means that 79% aren't. He doesn't think there's any problem putting it in. This doesn't necessarily require us to send it back to the steering committee does it? Then we would make a recommendation to the City Council that those particular changes be included in that language to address the larger portion that doesn't fit the category and is also stated in black and white as to what that segment of the market is and what that segment of the population isn't so that the person clearly understands that we're only talking about the 21% and the 79% is left out of that. That means they don't fit that so if they did read the base document, maybe it will be easier when we get into the actual elements when we're talking about design and codes and stuff.

The other part he wants to talk about is the fact that he doesn't know how you're going to make a document that's going to address market changes. He doesn't like social engineering.

Never has, never will. If you leave the market alone it will tell you want it needs to be. We've had the area of 60% density factors that we've been dealing with forever and ever and ever and he's sat here and seen it be used "we could actually build 60 lots here; we're only doing 30". It is a modicum of success that is supposed to get everyone going "well that's a really good thing that you're not building to the density that you could do". He doesn't think that trend is going to really change. We can do documentation and you can set up everything so long as the code is there to allow single family dwellings, he doesn't think you're going to ever change it until the market says we want something different. In that case it's like blaming the developer for all the growth in single family houses. Suddenly if the market said we'll pay $300,000 for a condo, they would build condos tomorrow. The evidence over the years that he's been here, since he's been in this game since 1990, is that townhouses, even though you would think that there was a market for it, it never seems to come to fruition because the market just doesn't want to embrace it. Whatever reason that is, it just doesn't happen. You can write it in the documents on every page if you want, the market will still ignore it and do what it wants to do. We need to look at the single family housing we never want to be able and put in the document that says that we're going to decrease that because demographics tell us someplace else that that's a good number to use. We don't have the same levels as Medford does because we have a different type of product here. The market is always going to embrace the fact of what we sell here and that's livability. There are those people who want to come here and they want to live in a single family detached. He doesn't know if there's any market here yet for Chair Arthur's concept of the communal living but if 79% don't fit into it, maybe that market will come to the foreground. But at this particular stage as long as he's been here it's been single family dwellings and they don't care what it's zoned, they want a single family house on it. And we want a monument to our car so it's out in front so everyone can see it.

Commissioner Sackett stated he's come to quite a few City Council meetings since he's been put in the City about two, three years ago. We're trying to expand our urban growth boundary and he doesn't know, Bill Peterson kind of had a deal in there and thought he said what the State required isn't etched in stone. Maybe he misunderstood Mr. Peterson. It seems like he always hears we have to have twenty years of housing ahead. We have to have that. We have to adopt that that way? Can we have less than that? It doesn't seem like the State can just say hey,

you have to have 20%.

Chair Arthur stated she thinks Mr. Peterson was addressing the density issue.

Commissioner Fitzgerald stated he was saying they're goals, not mandates. They're goals. Statewide goals that we're to address. The statute for the urban growth boundary is mandated.

Code Analyst Schauer stated it depends on what you're talking about. There are some things where there is local discretion. Some things, whether you call them goals or rules or statutes, those are State law. They are very specific. You cannot plan for a time horizon of less than twenty years.

Commissioner Sackett stated that's a State law on that? Code Analyst Schauer replied that's State. There are provisions that say you can plan for some land uses without planning for all land uses but your population forecast is based on a twenty year forecast and your housing needs and your employment need to be based on that twenty year forecast.

Chair Arthur stated Mr. Peterson is the primary representative here of the infrastructure business. The big tradeoff is the more you have the kind of housing they're talking about, the larger homes and the larger lots and so on, the more roads and sewers and waterlines and everything you have to put in to service them and the more land you consume. It's a tradeoff and the State is encouraging you to conserve on that by more density rather than the spread. That's the balance you have to achieve.

Commissioner Fitzgerald stated with due respect to Chair, he doesn't care what you write, the market will tell you what will and will not sell. Nobody in the infrastructure business, be it Bobby Copeland or John Chmelir or anybody else for that matter, can dictate what the market is. They would love to be able to have that kind of control but they don't. The customer who has the money goes by the golden rule. He who has the gold rules. They say we want this particular type of housing and we will pay for it and if you don't supply it in Grants Pass, no matter what you have as far as your plan is, we don't care, we'll go someplace else and find it. So we cannot put in just because your population says it should be this or it should be that and these age groups. The consumer tells you what they will buy. If we can somehow write it down in documents and somehow tell the consumer we'd love to be able to do that single family residence however, how old did you say you were? Sorry, you don't get one of those, you need to into a multifamily.

They're going to tell you stick it where the sun don't shine. Clearly they'll go someplace else to buy their house. We can't do that. We have a market that we are addressing and if we continue to not address that market, we will find ourselves with a lot of land zoned exactly PC however it will not be built on because the customer has gone elsewhere.

Code Analyst Schauer stated he just wants to be clear. We're not dictating what the market builds. We're allocating land for a range of different housing types. A substantial amount of that is single family detached in several different plan designations. If periodically you get to the point where you have a constrained land supply for single family, you go back and look at this and say is there a demand for those other housing types. If not, should we redesignate some of that? Are we meeting the needs for the households of Oregon as the Goal puts it or do we need to make adjustments? There is nothing saying that you mandate that someone build a particular housing type.

Commissioner Fitzgerald stated he's not saying mandate. Don't try to read anything into that. He's talking about the fact of the matter what you write in a document, in a plan, no matter what the State says that you will do as far as these types of population and here's what they need, the market will do what the market wants to do because the individual is still the individual. They don't read demographic studies. They are the subjects of demographic studies. But they don't read them; they don't pay attention to them. They have no idea why they ended up with 30% more spending at a store than what they had planned. But they do because they are the subject of those studies, not the persons who actually study them themselves. He's saying we need to be sure that we address the market and we make sure that we don't try to engineer by documentation or any other way not to hear what the market says. If it says single family and that growth is there and that potential is still there, we need to be cognizant of that. That's all. He's not saying we're going to do anything other than the fact he thinks it's foolish of us to ignore what has happened over the past. Daniel Charbonneau talked about the fact of his townhouses. He put three bedrooms and two bedrooms. At the time he made that pitch to us in here and got approval for that Sequoia Village, he said to Mr. Charbonneau the three bedrooms will go first and you'll end up with two bedrooms that don't sell. The other day Mr. Charbonneau said to him he wished he had listened; he has two bedrooms left, all the three bedrooms are gone. Now, they're filled with the same amount of people but they all wanted a three bedroom. Now you can ignore it but

those people want what they want. And they bought what they wanted to buy and Mr. Charbonneau still has the two bedroom ones sitting there. You would think with the difference in price the two bedroom ones would make sense. They don't. They just won't buy them.

Commissioner Kellenbeck stated she loves the idea that the market would dictate the need but she has to say that she disagrees. To step outside of our community for a second, Ashland was one of the Rogue Valley's first communities to really understand what that meant being that they had such a huge population of people who had to live outside of the community. Although the people step up with the dollars and they pay for the single family homes with the three bedrooms, as Councilor Richardson pointed out, there is a population of people who don't have money to bring to the table. They also are part of our population and do have a housing need. Oftentimes the money that's brought to the table is by the State. That isn't going to dictate a single family three bedroom house but it going to dictate a multifamily need. What she's heard today is a definite opposition to a topic that we haven't talked about today but would potentially come up in the future. That is the inclusion of minimum densities in high density zones. By including a minimum density we do as Commissioner Fitzgerald has said and we specifically limit the market flexibility. At the same time, if the State was to come in with money and want to build multifamily houses in areas, they could. What she sees as the biggest problem here is an inherent fear in any decision maker based on the track record in this community. That is the lack of periodic review. Rather than looking at this as a twenty year plan that's set in stone and we better get it right this first time, if everyone is very clear that periodic review is important and needs to happen and we see in five, ten years that these multifamily zones have built out in single family and now there is no place for this low income housing project to go, then periodic review should reflect that and some adjustments should be made.

She had a question on Chair Arthur's request to include that language. She's looking for a true or false answer on this. From what she heard from Code Analyst Schauer, the problem with including that language is it would be the one statement within this document that isn't specifically in census language. It would be more of an interpretation. If that's not true, she would make the recommendation that we included that.

Code Analyst Schauer stated he doesn't know if there is other language in there that's census or noncensus. There is discussion about the term traditional or nontraditional in there

probably somewhere with that definition that Chair Arthur had noted. Part of what we're looking at is when you look at those needs, in those comments there is an inherent assumption that everybody is assuming that the majority is married family with kids. When you look at those tables, that doesn't bear out. What we're doing is planning for the needs of those people who are identified not the opposite of what there is a presumed stereotype of. You identify each of those groups and you're planning for those needs. You don't have to define who they are. You're defining the needs of the people who are identified.

Commissioner Kellenbeck stated she doesn't disagree. She wants you to know when she read this, she read it that way. She reads the white and sees the black. She doesn't assume that it doesn't exist because it's not specifically stated. There are probably people who are going to read it both ways. All she's saying is if there isn't any specific reason why the other language shouldn't be provided, she personally wouldn't be opposed to adding it although she doesn't necessarily think it's entirely necessary. For the sake of speeding the discussion, she wouldn't mind it going in there.

Code Analyst Schauer stated the definition of those who aren't traditional families include aggregating some of those subcategories into that number rather than identifying what are those subgroups individually. That was the primary issue. In looking at the 2000 Census, not just the future census, those same people are identified in the 2000 Census numbers, the 1990 Census numbers and density information and income information reflects those people who are part of the population. They are living there somewhere and they're accounted for somewhere. The issues dealing with the density and housing mix are intended to address those groups that are identified in the census data. That was the rationale and we'll respond to take whatever recommendation you'd like to City Council.

Commissioner Wickham stated he's going to have to go along with Commissioner Kellenbeck agreeing with the fact that we haven't had these periodic reviews over the years to help us stay ahead of the game so to say. We have had a lot of developments of commercial properties in R-2 and R-3 that have become single family homes, be it out of that's what the market wants or whatever. We still need to stay on top of that and provide those things if that's going to be a need for something to handle the growth in the future.

He does kind of have a problem with the fact that the Hispanic community is the only one

that's mentioned in here, not Blacks or Asians, the other groups. He finds that to be quite offensive himself personally. Maybe because he has a lot of Hispanics living in his house and he also lives in a tent. Those are his comments.

Code Analyst Schauer stated just for clarification, the designation of a Hispanic is a different designation in the Census Bureau than race. You could be designated as Black Hispanic, White Hispanic. It's a different aspect of it.

Commissioner Wickham stated he realizes the Hispanic refers to nationality but none the less.

Code Analyst Schauer replied he can probably respond better to that but Hispanic origin and race, the categories that you noted, are two different aspects of data that are kept by the Census Bureau. You would identify by race and then you would also identify yourself by Hispanic or non-Hispanic.

Commissioner Wickham stated you wouldn't do it minority or? Code Analyst Schauer replied no. You select. When they ask you what your race is, you would respond to one of those categories and if you're Hispanic or non-Hispanic. That has a little different meaning.

Commissioner Wickham stated Hispanic is not a race. It's a nationality.

Code Analyst Schauer stated he could provide that information to you in more detail.

Commissioner Fitzgerald stated technically it means of Spain by the way.

Code Analyst Schauer stated he'd have to get back to you the rationale for that. It is a different category than race is why it's broken out. The reason some of that is identified in there, the implications of how it relates to housing need in terms of if you read through some of the information about the increased share of Hispanic population, you can particularly see a difference in household size which relates to more housing units. Home ownership at an earlier age is one of the characteristics. There are a number of things there that relate to Hispanic population as an increasing share in Grants Pass and how that relates to housing needs. That's why it's there.

Commissioner Wickham stated R-2 and R-2H. He just finds it offensive. He doesn't know if you read your EEO manual lately but it doesn't quite comply with Federal regulations regarding. It does? So where are the Blacks and the Asians in this? He doesn't see them.

[Discussion off mic]

Code Analyst Schauer stated some of the characteristics noted, the things that the State Housing Office, Richard [Bialand], the State housing analyist, the State of Oregon Housing Community Service Department, there are some implications on page 9-28 of the report that deals with some of the issues and why it's addressed in here.

Commissioner Fedosky stated he'd like to go back to some of the comments on market demand. He remembers seeing that the population growth was entirely out of state relocatees. Code Analyst Schauer stated you've got a lot of movement going on. Your net growth is a result of more people moving in than moving out or dying. If it wasn't for migration, the population would decrease. It's a little complicated. There are more people dying here than are being born. Obviously some of those people that are dying are people that have migrated at one point. But yes, if there weren't more people moving here than moving away, just looking at natural increase, births and deaths, there would be a decline.

Commissioner Fedosky stated in thinking about most of that growth being relocatees, at one time he looked at statistics of what states they were coming from and what types of communities they were coming from. He doesn't have that information fresh in front of him but in many cases they are coming from large populated areas where there is much higher density housing issues and they are attracted by the opportunity for the single family residences here to make a retirement or whatever they're going to do. Those out of state relocatees typically in his opinion spend more on retail and service trade which are also significant contributions to our economy as compared maybe to the native Oregonian who has grown up here. They typically demand a little bit higher standard and spend a little bit more. He's thinking that might explain some of the demand for the single family residences. Then he was listening to things being said about solving the affordable housing issue, which is a big issue, but the wage difference for Josephine County as compared to the rest of the State is over $10,000. So that's an $800 a month discrepancy in wage. He's not sure that when you contrast a single family residence at $300,000 against the cost of living in some kind of a higher density housing that you're going to make up for that $800 deficit. There is going to have to be something done in the area of the wage issue. You can't build something cheap enough to fix that problem in its entirety. There has to be a contribution made to a better wage in the community for any kind of housing situation.

Code Analyst Schauer stated it's a real challenge. We hear obviously what you just said.

The highest growing sector is retail which is some of the lowest wage jobs. People are coming here demanding high quality retail service. You can look at resort communities in Colorado and you see that your core labor base doesn't live in the community. They have to commute from somewhere else to work in town because they can't afford the housing there. When you start getting those discrepancies then it starts doing unusual things to who is going to work in those places if the people who are moving here and buying those houses want to shop that. Where do those people live and how do you accommodate their service needs. It's a challenge that a lot of communities deal with when they see these kinds of trends happening when you have sort of a regional discrepancy in housing pricing. A lot of the people who are here now that are working in those jobs that are wage earners that aren't affording that housing, it's the people who are dealing with the subprime fallout. Part of some of the homeless children are children of those families that put their money into those houses and lost them. There is more detail in some of those homeless reports on the housing situations for those children and what some of those causes are as well. Trying to attract businesses, recognizing that there are issues with labor, you have people growing up here that don't have some of the job opportunities that are moving out. Those exacerbate themselves. It's a real fragile type of situation to try to grow businesses, attract businesses that provide those high wage jobs, to have the labor pool here that can fulfill it, to bring people in that can work in those jobs and that want to move here and can afford housing. We heard anecdotes at the Workforce Housing Summit a few years ago that that was a big selling point. Beautiful place to live and affordable housing so cash out of your house somewhere in one of the big cities and move here. What we heard from some of the major employers and some of the growth sectors were they can't attract executives because of the housing prices. They can't attract workers and they're seeing the trend reversing where people are saying "I can cash out here and go somewhere else and buy affordable housing somewhere else now." It's a challenge. It's hard to address that.

Commissioner Sackett stated to just look back history a little, he's lived here all his life, actually in Josephine County, and if you look at the historical part of Josephine County, it's always been a county that has had trouble with wages and unemployment over the years from the 50's, 60's, 70's, all the line. It hasn't changed that much actually. The retirees probably have saved Grants Pass bringing their, like you say, some of their $2M house and come back here and buy a

$250,000 and then spend their money up here. It has helped out our economy quite a little bit. Otherwise, the town really hasn't changed that much over the fifty years.

Chair Arthur stated do we want to have Mr. Parker say something while he's here, take advantage of him? She has one other question to ask both of you. Is it possible at some point because of questions that people ask us out in the neighborhood, to get an updated [GANT] chart and project schedule starting now for what you expect for the urban growth boundary evaluation process. You're about half way through now, right? You're on step 5 or 6?

Code Analyst Schauer stated that's something he can provide. It probably won't be this week but within the next several weeks we can do that.

Chair Arthur stated it's not just for her. She thinks the whole steering committee would like one. It needs to be out because if anybody looks at the old stuff that's out there, it's so far behind, it's meaningless at this point.

Bob Parker, ECONorthwest, stated we do these studies for a lot of communities around the State. There is a broad range of discretion that you have here. Just about everything he's heard said here tonight is probably true in some respect or another. The one thing that we try and assist cities with is the risk analysis of what do you need to have in your documents, what will pass muster with the State. He doesn't disagree with Commissioner Fitzgerald about demand and where markets go but the statutes are clear. This is a needs analysis and needs is a different concept than demand. There is no way around that. You have to address these identified needs. That's what we tried to do in this.

A couple of comments, Chair Arthur's suggestion about the household composition and so on, probably characterize it. There are lots of ways to identify it. We don't disagree with that and in fact, that's reflected in that that household composition is reflected in the City's tenure. In other words, you have a much lower home ownership rate than other communities. Part of it is because of the composition of those households and your average household size which is smaller than other communities. We attempted to address this in the needs analysis by changing the mix a little bit. We got direction from the steering committee about what they were comfortable with within the range of the City wants both in the context of meeting housing needs but also your broader community development objectives. And also in raising density. Both of those things are intended meet those needs within the broad framework and certainly within the

statutory framework of what the housing needs analysis needs to do. There are a number of discussions that will need to occur later on about what the City's response is to these needs, whether it's modifying plan designations, it's getting down into your zoning codes to make sure that barriers to housing types that are needed or maybe housing types that aren't identified in statutes still can be built within the zones but there is flexibility for the market to do what it does. It's a bit to a juggling act to get all of these pieces together. That's what we've been trying to do with this.

The other thing that we heard fro the committee and he thinks it reflects this broader discussion about the relationship between the economic development strategy, wages and housing is that there is a lot of concern expressed within the committee about this issue of affordability and people moving out and families, households of any type being able to afford housing in Grants Pass. That's partly reflected in these need allocations. Again as Code Analyst Schauer said, the need allocations represent the spectrum of housing within your community. The requirement is for you to plan for all of those housing types. If the market decides to go off and build all single family housing types in the next ten years then Commissioner Kellenbeck is exactly right, you should be back here looking at your housing needs again and making an update and there would be a new urban growth boundary. The unfortunate side of it is that it's a very complicated and costly process, at least as the State has it set up right now. There is a lot of planning that comes after this. His assessment of this discussion is with a few minor things, if you gave us direction on it, we can get this cleaned up hopefully to everybody's satisfaction and move forward with the broader discussions about what the policy response is and how you're going to address your urban growth boundary issue.

MOTION

Commissioner Kellenbeck moved and Commissioner Sackett seconded a motion to recommend approval to the City Council with the modifications that were shown on the board and the inclusion of a note as Chair Arthur stated about the opposing side of the statistic. The motion passed unanimously.

5. CITIZEN INVOLVEMENT COMMITTEE

Chair Arthur stated if you know anybody who is a good reader and can survive these kinds of meetings, they have two openings posted on the Rural Planning Commission right now.

a. Items from the Public (None)

6. ITEMS FROM STAFF

Tom Schauer - UGB Housing Element comments

From:	"Loree Arthur" <loreearthur@gmail.com>
To:	<fowler33@charter.net>, <salt_pepper@charter.net>, <gerard@cyberpc.com>, <dnrsackett@echoweb.net>, <skellenbeck@hotmail.com>, <consolidatedfb@qwest.net>, <gary@sopd.net>, <cangeli@grantspassoregon.gov>, <tschauer@grantspassoregon.gov>, <sdahl@grantspassoregon.gov>
Date:	1/8/2008 11:53 AM
Subject:	UGB Housing Element comments
CC:	<threepines@jeffnet.org>, <holgertso@aol.com>, <loree@loreearthur.com>
Attachments:	UAPC UGB 080107 housing element comments Loree.doc; UAPC UGB 080107 housing gap story Loree.doc; UAPC UGB 080107 housing sharing example Loree.pdf; UAPC UGB 080107 housing mix article Loree.doc; UAPC UGB 080107 housing sample policy MA Loree.doc

Commissioners and land use fans

Attached are several documents which comprise my concerns and comments about the UGB Housing Element which we will be reviewing Wed Jan 9.
As some of you know, I believe that one useful way of solving a big portion of both the housing affordability crunch and the perception of loss of "small town" neighborly feeling is by designing and building alternative style homes which better meet the needs of the majority of today's residents.

In order to do so, comprehensive plans and development and building codes need to be revised to allow and encourage designs that do not fit the traditional models. In order to update our plans and codes we need to have a very clear picture of whose needs we are trying to satisfy, thus my insistence on having our local current household compositions fully and clearly stated in this baseline document.

If you have only enough time to read some of this material, please read in the order attached - all filenames begin with UAPC UGB 080107

1. housing element comments Loree - notes keyed to packet pages

2. housing gap story Loree - some background on my experience and 1 example of a real alternative housing solution (of many possible types) which is not a slum flophouse or a makeshift/rundown hippie commune

3. housing sharing example Loree - PDF visual floorplan of example explained above

4. housing mix article Loree - older discussion article with good concluding sentence

5. housing sample policy MA Loree - actual planning document from Lexington Massachusetts which 10 years ago acknowledged this same need and enacted local regulations to try to meet it - this was directed at senior/small units but similarly could meet all ages/unit sizes which have needs for alternative housing choices. This is just to illustrate how such planning can be approached.

For the Economic Element which is on our same agenda I believe Steve Dahl (GP Econ Devel Coord) will be on hand to help answer your questions.

EXHIBIT C
TO UAPC FINDINGS

Note that both of these items are legislative, not quasi-judicial, and your extensive discussion of these topics with your constituents is encouraged.

Thanks for your support.
--
Use Email: loree@loreearthur.com

Loree Arthur
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Loree's Comments on the UGB Housing Element Jan 8, 2008

The household composition table 9.40.9 (UGB Housing Element page 9-32) will form the basis for many future housing policy and code implementation decisions and directions, so it is critical that ALL of the implications of this data are fully considered and clearly stated (not just implied) in the pre-policy draft documentation.

TABLE 9.40.9
HOUSEHOLD COMPOSITION
Oregon, Josephine County, and Grants Pass, 2000

	Oregon		Josephine County		Grants Pass	
Household Type	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Households with children	**410,803**	**31%**	**8,454**	**27%**	**3,003**	**32%**
Married couples	296,404	22%	5,929	19%	1,980	21%
Female householder, no husband present	83,131	6%	1,929	6%	865	9%
Other families	31,268	2%	596	2%	158	2%
Households without children	**922,920**	**69%**	**22,573**	**73%**	**6,442**	**68%**
Married couples	396,128	30%	11,458	37%	2,393	25%
Other families	70,740	5%	1,657	5%	628	7%
Nonfamilies	456,052	34%	9,458	30%	3,421	36%
Total Households	**1,333,723**	**100%**	**31,027**	**100%**	**9,445**	**100%**
Average Household Size	2.51		2.41		2.36	
Average Family Size	3.02		2.85		2.94	

Source: U.S. Census, 2000

Grants Pass HOUSEHOLDS 2000 census (consistent with national trends)

ONLY 21% consist of husband/wife/their kids = traditional "model" family

79% are NOT traditional model families

ONLY 32% have children

68% have no children

ONLY 46% include a married couple

54% do not include a married couple

64% include some related persons

36% have no related persons

Table 9.40.9 reflects nationwide trends in household composition which do not support the common stereotype of a nation inhabited by nuclear families.

THESE NUMBERS SHOULD SIGNIFICANTLY INFLUENCE HOUSING NEED DEFINITION IN THIS POLICY FRAMING DOCUMENT and later considerations for design and supply.

Meanwhile we continue to design and build and codify most housing for minority categories. Implications and alternative strategies are discussed on separate pages, and should reappear in the new comp plan and code tasks later.
Although this Housing Element draft dated 12/14/07 has addressed many of my previous concerns, it still for some inexplicable reason fails to represent a true picture of the household demographics. It does this by focusing attention in the text discussions on the minority stereotyped "family" statistics instead of emphasizing the actual majority characteristics of our households.

If we are later going to address the real housing type and affordability needs of the majority population when we revise the comp plan and development codes, we have to have the foundation for those considerations constructed in this policy document.

The places where the statistics are still brushed over, ignored entirely, or de-emphasized by using words instead of numeric % are:

- Main-discussion about Table 9.40.9 on page 9-31 & 9.32 (packet 726-7)
- Demographic trend conclusions - missing -- 9-35 (packet 730)
- Findings- characteristics GP 9-54 (packet 749)

These discussions overall focus attention on traditional minority needs especially by never mentioning demand for alternative housing designs that better fit unmarried and unrelated people sharing quarters. (Possibly the Joint Center for Housing Studies didn't word the demand this way? 9-21 9-25 packet 716-720)

Two major misrepresentations need correction on 9-17 (712) and 9-36 (731). On 9-17 the mentions of decline in ratio of traditional families show 29% and 25% but NOT GP's 21%, and then go on to assert that the ratio **"will continue to fall, but probably not as dramatically"**. Nowhere in the US Census nor American Community Survey 2000 and 2006 Forecasts and Analyses can I find any evidence of expected slowdown in the steady drop in ratio of traditional households.

On 9-36 a conclusion states "If these trends continue, **along with continued growth of families with children,** housing demand is likely to change in GP."
The only rationale even hinted at is that Hispanic families have more children, but the surge in Hispanics has nowhere yet counteracted the overall decrease in households with children. Would it not be more accurate to say continued growth of families **without** children will change the GP housing demand?

Another subject ---
Possible internal wording discrepancy in Housing Element
(packet stamped pages 725, 730, 746)

Loree's personal discovery story = that most existing housing just doesn't fit the majority of people needing housing (1/9/08)

Story part 1 --When I was divorced in 1980, with a son age 11 and daughter age 5, I wanted to rent a 3 bedroom unit until the marital home sold, but getting 3 bedrooms required renting a whole house. Soon I discovered firsthand where a major housing gap existed - for working singles, single parents, young adults, and seniors not ready for care facilities. A huge gap existed then and still exists 25 years later for everyone who is not part of a dad-mom-kids household or doesn't qualify for subsidized housing.

SHORT HISTORY -- HOW DID WE GET THIS HOUSING DESIGN GAP?
Since Levittown was built after WW II, most substantial US housing investments have gone into single family homes in sprawling suburbs, with a few failed experiments with dense slum housing. Some traditional apartment complexes have been built in "transition" zones, and some retirement communities started from warmer places.

Historically, a wider variety of housing types existed (e.g. extended family and farm houses, boarding houses, employee residence halls, bungalow clusters, kitchenless apartments with central dining rooms).

But converting all the factories back to peacetime production required getting the women to stay home so the men could take their jobs back and building millions of houses to fill with appliances, furnishings, etc. So mid 20th century a "norm" was created in which everyone became convinced that the ultimate measure of success was having their own separate home filled with consumer goods and at least one car for getting to it. And government policies and financial underwriting all supported the nuclear family home approach to urban design and growth. For the many new families created during the baby boom, the single family subdivision fit their needs.

But decades later, as young adults went to college, delayed, or skipped marriage, as ranks of divorcees and single parents swelled, and as elderly and widows lived longer, not everyone needed, wanted, or could afford a whole house to take care of. And the typical house with one master bedroom suite, very small additional bedrooms and kitchen, was not well designed for sharing equally among adults. And when death or divorce or disability or job "downsizing" created a change, people were usually forced to leave their friends and neighborhood to get suitable or affordable housing.

References - Delores Hayden, Yale Univ., Redesigning the American Dream and The Grand Domestic Revolution.

Story part 2 -- During the 20% mortgage rate period in 1980, I stumbled across a house with an assumable mortgage, a seller desperate enough to carry a 3rd mortgage, and a friend to loan me the 2nd for downpayment. It happened to have 6 tiny bedrooms and 3 baths. After 20 years of marriage with 3 interstate moves for my husband's promotions, my income had fallen to half of his, so having roommates to split house costs made this possible.

So I found a roommate from work, my ex-boss sent his cousin from Lebanon, my son brought home a GM summer intern from India, and I launched into the shared home business. Then the intern listed me with Ford and General Motors housing offices, so for 10 years I housed automotive design students from the Pasadena Art Center College of Design for their 12 week co-op terms. They were thrilled to be able to just fly in with their suitcases, have a 10x10 private room fully furnished for $65 a week, eat in their work cafeteria, and would just take their key to the next person leaving Pasadena. They paid almost all of our housing costs (PITI + utilities), my children got to know very talented students from all over the world, and their rooms were empty during vacation periods when we needed more family and visitor space. During that decade I also learned what works and doesn't work when sharing a house with unrelated "strangers".

WHAT DESIGN FEATURES WORK WELL FOR MOST ADULT HOUSEHOLDS?

- **Design layout which gives each person a choice of privacy or interaction** (beds/baths spread among several house sections, close to outside entrances)
- **Approximately equal spaces and amenities for all sharing adults**
- Kitchen and gathering areas located near center of main house
- **Separate kitchen counter/cabinet/refrigerator space for every person** (most independent adults do not cook together or eat at same time or same diets)
- Large eating area with plenty of tablespace/chairs for everyone
- Share bathroom with only 1 or 2 other roommates
- Large supply of hot water required for people on similar work/life schedules
- Lots of sound insulation (or separation) because every room has TV/electronics
- Many offstreet parking spaces (no overnight parking in most snow-plowing cities)
- Shared storeroom for items which people are willing to let others borrow/use
- Dead storage for electronics boxes, luggage, off-season clothes, sports equipment
- One formal living area which can be kept orderly to receive guests anytime
- Large entertaining area which any roommate can reserve for special events
- Later, for full time residents, larger bedrooms for TV/computer/hobby/guests
- Convertible sleeping spaces for out of town visitors

A HOUSE WITH PRIVATE SPACE WHICH MEETS EACH PERSON'S DAILY NEEDS COMBINED WITH SHARED SPACES WHICH PROVIDE LARGE HOME AMENITIES FOR ½ OR ¼ OR 1/6 OF THE COST & MAINTENANCE AND RESOURCE USAGE OF A SEPARATE HOUSE.

Story part 3 -- Although we moved away from the University of Minnesota before I completed my architecture degree, I attended Lawrence Institute of Technology's monthly "Archilectures" for many years to keep up with the field where notable guests from around the world presented their work and philosophies. When my children were out of high school, I attended an introduction to cohousing.

I decided that the cohousing model would best suit my needs for the next stage of my life and joined the planning group. I worked for a year on the site selection team, so I had a good idea of what the requirements would be. Then AAA sent me to National Headquarters in Heathrow, Florida, for a year's project. By the time I returned, Sunward had started construction on the far side of Ann Arbor - a 45 mile drive on the worst section of I94 from AAA in Dearborn (www.sunward.org). So I decided not to buy in then, but I still was interested in someday living in cohousing.

COHOUSING IS ONE EXAMPLE OF ALTERNATIVE HOUSING OPTIONS

A cohousing community is usually zoned PUD and financed as condominium. Each unit (from 1-4 bedrooms) is a completely equipped dwelling about 10% smaller than average. The reduced square footage goes into a large common house with a large kitchen/dining room and shared specialty spaces such as guest rooms, library, craft/workshop, music room, playroom, mechanic's garage. Usually common garden and recreation areas are included if enough land is available.

Cohousing is designed to facilitate your moment by moment choice of privacy or interaction -- being in your own home with your favorite personal belongings/people, or going to common areas to share activities and companionship with other residents. It is a great alternative to living alone in a small, isolated apartment or house, and offers all the advantages of a larger home and property while paying only a portion of the cost. One cohousing website lists as a qualification for joining "Desirous to build something for a better world, rather than just live happily ever after".

10 Great Reasons to Live in Cohousing
Rob Dandelin, Sharingwood Cohousing, VA

1. Privacy
2. Living in community offers security
3. Community offers social opportunities
4. Supportive places for kids to grow up
5. Great place to collaborate with people who share similar interests
6. A sense of togetherness and belonging
7. A great restaurant in the middle of my neighborhood, called the common house
8. Great place to learn new things
9. A great place to share ownership of things that I couldn't really afford myself
10. Huge personal resources available

"Cohousers believe that it's more readily possible to live lighter on the planet if they cooperate with their neighbors, and their lives are easier, more economical, more interesting, and more fun." -Charles Durrett & Kathryn McCamant Cohousing: A Contemporary Approach to Housing Ourselves

Story part 4 -

In the mid-90's my son Arthur Brock moved to Colorado with some friends to start an alternative school similar to Sudbury School in Framingham Massachusetts. (Colorado laws are more conducive to alternatives than Michigan's.) Other friends came to visit and stayed, until there were about 10 of them. They also started a dotcom technology business (www.geekgene.com) and an alternative currency business to develop systems for efficient, sustainable use of resources among communities, outside traditional banking systems (www.targetedcurrencies.net).

For several years they rented the house described below and shown in an attached floorplan. They paid $10,000 per month ($750 apiece), hoping to buy the property. The original $2.4 million price quickly rose to $4.6 million, so they eventually bought several traditional houses to share in Denver.

The Gathering Place is an excellent (though very costly) example of how actual housing needs of the majority of Grants Pass residents could be met in a well designed, very satisfactory, different manner.

Unfortunately, this is not allowed by Grants Pass' codes, but hopefully such innovative and appropriate solutions will not be precluded by the next Comp Plan and codes.

PLEASE STUDY THE GATHERING PLACE ALTERNATIVE DESIGN EXAMPLE

Story part 5 -- In late 2000 AAA Michigan gave 450 employees early retirement. After internet searching on "days of sunshine", I visited cohousing communities in 7 western states, rejecting each for various reasons - too hot/expensive/far out.

Finally I decided to come back to Grants Pass for the sunny climate, zero commute, mountains and trees, and friendly people. My goal was to find a very large house with a design which could eventually function as a commons house with enough property to develop a small cohousing community. It also needed a design suitable for sharing spaces and costs with roommates until the cohousing homes can be built.

I found a modern style house built in 1949, very well constructed and maintained, light and airy. It has 6,600 square feet of living space plus 1000 sf attic storage. Paved offstreet parking holds 10 cars and 1.44 acres of trees, grass, flowers shelter 4 deer along Gilbert Creek. Secluded by tall trees, it is like country living only 12 blocks from the center of town, 6 blocks from the city meeting hall. We have 6 bedrooms, 4 ½ baths, 2 kitchens, large living areas, and 6-bunk guest area for I5 passersby. Many locals have been to events at the "Balderee" (former city attorney) house, and we continue to keep it busy with discussion groups, church and political fundraisers, and social events.

Unfortunately, GP code allows only 5 roommates, even though a 6th would still mean an average of 1,100 sq.ft. per person, with only 2 shared baths. Hopefully the new plan and codes will better accommodate housing needs of the majority of residents.

A REAL EXAMPLE OF A HOUSE DESIGNED TO BE SHARED FUNCTIONALLY

THE GATHERING PLACE IN MORRISON COLORADO

Please refer to the attached floorplan to visualize the description below.

The Gathering Place is set on 85 picturesque acres on the Front Range overlooking Denver, backed up to 900 Red Rock Land Trust acres. It includes the main 8,634 square foot house, the 3,649 sq.ft. original vacation "cabin", and a large out-of-view Quonset storage building. It is a multi-million dollar property.

MAIN LEVEL The house is built into the hillside. The uphill "**main level**" contains 7 bedrooms, 3 big bathrooms, laundry, garage-shop-storage loft, and recreation room. The central recreation room overlooks the main living area with pool/ping pong/game tables and TV couches/chairs.

Each main floor bedroom has a huge picture window, with the ceiling slanting from it up to 18'. Most roommates use the 12'x13' main room as a living area - couch/chairs, TV/stereo, computer desk, etc. Built-in open steps lead to a 7'x20' loft above the large closet and hallway, with another large view window in the opposite direction. Most use the loft as a bed-sleeping area. Each shared bathroom is 10'x13' with a toilet compartment, large tub, large shower stall, multiple sinks, and huge view windows. The double-sized room at long hall end has a corner fireplace, walk-in closet, extra 8'x12' private room, 8'x24' loft and sliding glass doors to private patio.

LOWER LEVEL The downhill "**lower level**" features 2 story-high windows sweeping a wide circle of distant views across Denver. Both of the lower level suites include a living room, 2 bedrooms, private bath, and side patio.

The living room is dominated by a 2 story full-wall natural rock fireplace, with sectional couches and a grand piano. The dining room has a large formal table and china cabinets. Along the view windows in the middle is a long gathering table, a toasty wood stove, and a long higher counter with bar stools facing the kitchen.

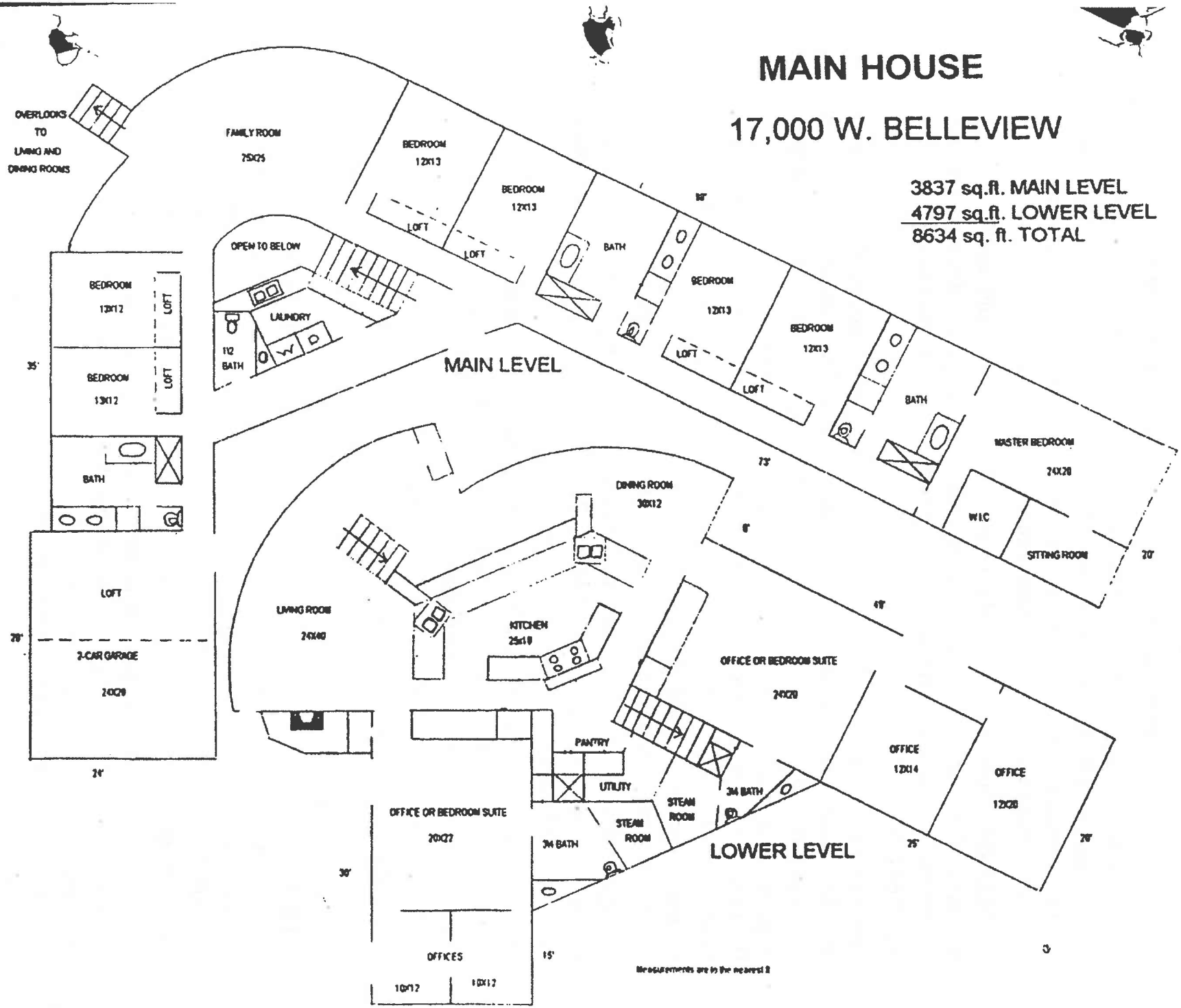
The centrally located kitchen is well designed to serve many cooks, shoppers, and eaters. The middle holds a huge commercial stove with multiple ovens flanked by cookware counters/cabinets. The outward facing U-shaped counter has a double sink and dishwasher at both corners, with meal prep counters/storage on both sides, and meal-serving storage counter along/below the center bar seating area. Farther back in the center are multiple Sub-Zero refrigerators/freezers and food pantries. Along the "suite" walls are long counters with cabinets above for individual supplies and use.

EXAMPLE OF USE When my son's group rented this property for $10,000 a month, the main floor housed 6 singles and 1 couple, right suite had a couple with 2 toddlers, left suite had a father with a teen son and daughter, and the "cabin" had 2-3 singles. This example certainly dispels common fears that "alternative" house designs for shared living must be substandard hotels or tattered hippie communes. But Grants Pass codes do not allow this design which so well satisfies majority housing needs.

MAIN HOUSE

17,000 W. BELLEVIEW

3837 sq.ft. MAIN LEVEL
4797 sq.ft. LOWER LEVEL
8634 sq. ft. TOTAL



Mix of Housing Types

THE PROBLEM:
Most current residential housing is based on an outmoded demographic model. One-quarter of the U.S. population lives alone, while single-parent households are the fastest growing housing population. Additionally, for many living in cities and suburbs, there is an increasing feeling of isolation and fragmentation.

WHAT WE KNOW:
Housing types vary widely in cost, density, suitability for different population groups, and support of community. When housing types lack variety, it is more difficult to sustain both Cultural Diversity and a mix of income levels. Monolithic neighborhoods tend to physically separate generation from generation, disconnect people from their jobs, and isolate both rich and poor.

In a Human-Scale Neighborhood, a wide mix of housing types make it possible for people of all ages, classes, and family configurations to live in close proximity. Detached houses, small "granny flats" in backyards, duplexes, rowhouses, apartment buildings, co-housing, and other types provide a continuum of affordability and privacy. If designed properly, higher density can yield both greater affordability and an enhanced sense of community. Humane and healthy dwellings are a Fundamental Need. The Ownership of such dwellings is a critical foundation of Social Equity.

Even neighborhoods which are built without a diversity of housing types can be retrofitted and infilled to increase the range of choices and densities. With the agreement of neighbors, adjacent buildings can share yards, gardens, and common buildings; infill cottages and flats can be added; streets can be slowed down and circulation patterns altered.

An increasingly popular way of providing a mix of housing types is co-housing, which is designed to provide a sense of belonging to a larger community. Typically, cohousing communities are designed and managed by the residents, and are intentional neighborhoods. The people are consciously committed to living in community, and the physical design itself encourages that and facilitates social contact. In such communities, residences are typically placed along a narrow pedestrian street or clustered around a courtyard. Common buildings offer amenities like shared dining facilities; tool libraries; and other resources.

On-Going Concerns in inner-city Portland, Oregon, has used co-housing to anchor the community and provide support for women who need a fresh start. The initial investment was lower than in many custom-built cohousing communities; the houses sold in the $30,000 to $60,000 range. The principles behind co-housing can be implemented at any scale and in any neighborhood. When people begin to pool their resources and share their lives with one another, it can enhance Quality of Life, lower expenses, and promote Resource Efficiency.

IN SUMMARY:
Promote a mix of housing types in every neighborhood, accommodating a range of income levels and desires for community.

Examples of Residential Densities in Grants Pass and the Urbanizing Area

November 2007

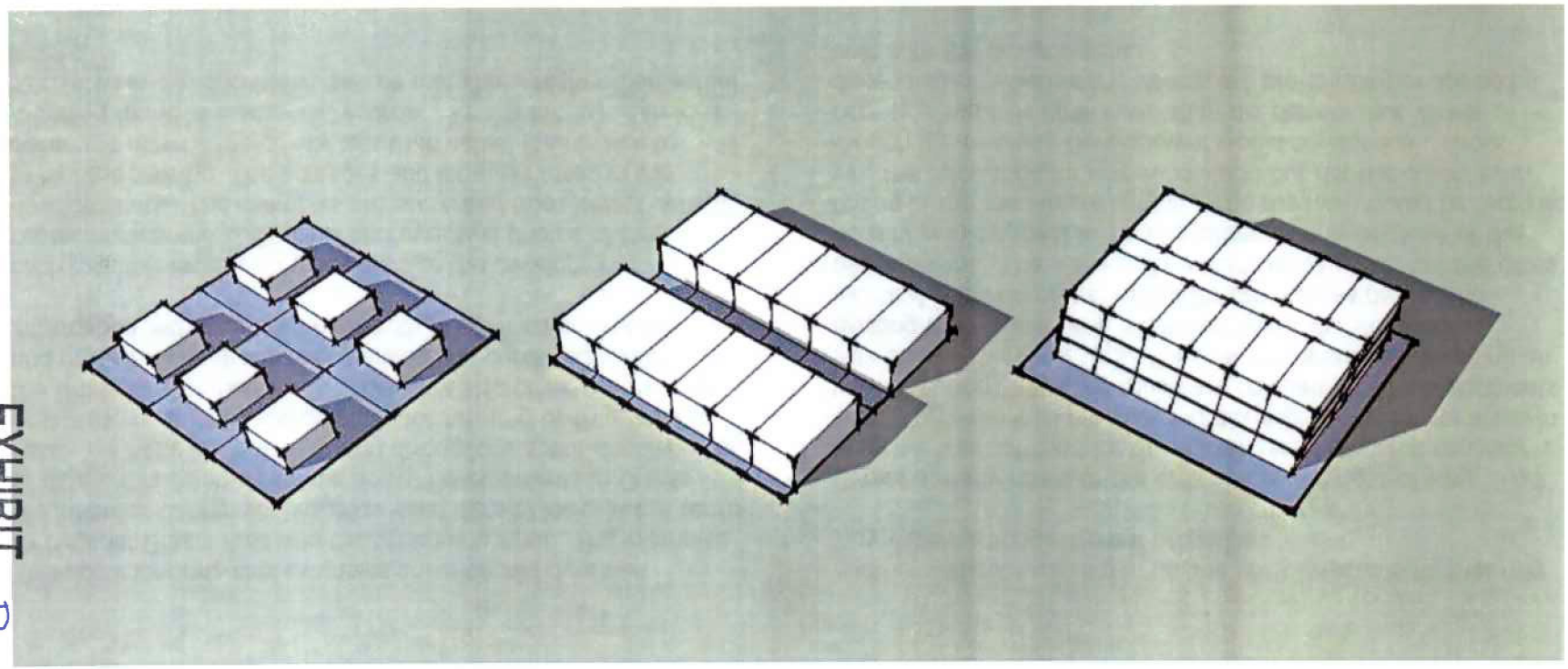


EXHIBIT D
TO UARC FINDINGS

This document provides examples of residential densities throughout Grants Pass and the Urbanizing Area. The examples are intended to help you visualize what density looks like in terms of different building types and actual developments in Grants Pass. We hope it is useful during discussions about density, plan designations, zoning, and planning for future growth related to the Urban Growth Boundary. There are also other communities and organizations that have compiled and published similar information with examples of density in other communities.

Each example includes a description of the development characteristics and both aerial and eye-level photos of the developments. The examples are presented from lowest density to highest density. The acreages and lot areas listed in this document may be marginally less than actual figures due to rounding found in assessor's records. As a result, net densities calculated in this document may be marginally higher than actual figures.

In this document, density refers only to the number of dwelling units per acre. Other factors not calculated in this document include floor to area ratios (FARs), height, lot coverage, setbacks, bulk and other characteristics. However, these factors can influence perceptions regarding density. The examples illustrate how different these other factors can be when comparing different developments and building types that have similar densities. Density is often expressed in terms of net density, gross density, or neighborhood density. In this document, examples are expressed in terms of net density.

Net density refers to the area actually within lots, not including right-of-way, or separate unbuildable lots containing open space, wetlands, other natural features, or utility structures. Since the purpose of this document is to provide examples of density related to different building types, net density provides a relatively consistent measure for comparing building types to one another without factoring in unique site characteristics that may vary widely among different properties.

Gross density refers to the area in lots and right-of-way. This measure was not used for these examples because it can vary widely between infill projects and development in newer areas in ways that don't allow for consistent comparison of developments with similar characteristics. For example, a subdivision along an existing road would have a different gross density than an identical subdivision that dedicated the road as part of the development. The net density would be the same, but the gross density would appear to be very different only because of the timing of the road improvement. The roadway would be factored into the calculation for one subdivision but not the other, even though the resulting development would be identical. Gross density is typically 20% lower than net density, but varies depending on whether the streets are pre-existing or are being built with the development.

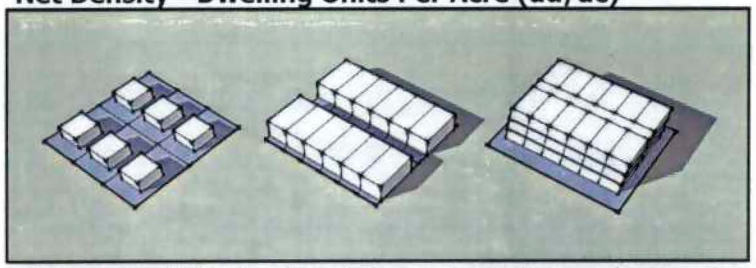
Neighborhood density is also sometimes used for density calculation. This measure was not used in this document because it is not helpful in comparing similar developments and building types to one another. Neighborhood density accounts for other features or amenities within a neighborhood area such as parks, open space, or other unique natural, geographical, or utility features in or near specific developments that may not be located within other similar developments.

There are common density ranges associated with different building types. For example, some building types will not exceed a particular density. In Grants Pass, most zoning districts do not allow for detached single-family units on lots smaller than 5,000 square feet, so density for this housing type will not usually exceed 8.7 units per acre. An example of higher density in this document is a 3-story apartment building with a density of approximately 36 units per acre. It would be difficult to achieve

this density with other housing types, because the attached multi-story housing type is what enables the number of units on the acreage. This density would not occur if all units were on the ground level with setbacks between each structure.

Figure 1. Typical Density Ranges Associated with Common Building Types

Net Density - Dwelling Units Per Acre (du/ac)



Single-Family Homes (4-9 du/acre) | Townhouses (16-24 du/acre) | Multi-Story Apartments (16-35 du/acre)

Figure 1 illustrates approximate density ranges typical of some common building types. These are typical of the density ranges found in Grants Pass, and may differ from density ranges for similar building types found in other communities. Table 1 also provides information about typical net densities associated with common development and building types. Some of the building types described in Table 1 are not prevalent in Grants Pass. Again, density ranges for some building types, especially multi-story apartment types, vary for different communities. The typical density ranges listed for apartments in Table 1 are based on typical densities in Grants Pass. The densities for these building types are generally lower than would be found in larger urban areas. Some of this may be due to market factors, but residential zoning in Grants Pass limits maximum residential densities, so some of the differences may be due to density restrictions in Grants Pass that can be higher in other communities.

Table 1. Typical Densities Associated with Common Building Types

Housing Type	Net Density (du/acre)
Single-unit detached	
12,000 sf lot	3.63
10,000 sf lot	4.36
8,000 sf lot	5.44
6,000 sf lot.	7.26
5,000 sf lot	8.71
Zero lot-line, detached	
5,000 sf lot	8.71
4,500 sf lot	9.68
4,000 sf lot	10.89
Zero lot-line, 2-unit attached	
4,000 sf lot	10.89
3,500 sf lot	12.45
3,250 sf lot	13.4
Two-unit detached (duplex)	
10,000 sf lot	8.71
8,000 sf lot	10.89
7,500 sf lot	11.62
7,000 sf lot	12.45
6,500 sf lot	13.4
5,000 sf lot (stacked duplex)	17.42
2 x Four-unit detached (2 x fourplex, stacked)	
20,000 sf lot	17.42
18,000 sf lot	19.36
Rowhouse/Townhouse (typ. 2 or 3 story)	
40x100 lots	10.89
35x100 lots	12.45
30x100 lots	14.52
25x100 lots	17.42
20x100 lots	21.78
18x100 lots	24.2
18x90 lots	26.8
Stacked Townhouse (typ. 3 or 4 story)	
40x100 lots	21.78
35x100 lots	24.9
30x100 lots	29
25x100 lots	34.84
20x100 lots (exceeds GP res. zone densities)	43.56
18x100 lots (exceeds GP res. zone densities)	48.4
18x90 lots (exceeds GP res. zone densities)	53.6
2-story/3-story apartments	
Varies (typical range for Grants Pass provided)	16 to 35

Source: City of Grants Pass; Two and three-story walk-up estimates based on information from *Urban Land Use Planning* Fourth Edition, 1995 and local examples.

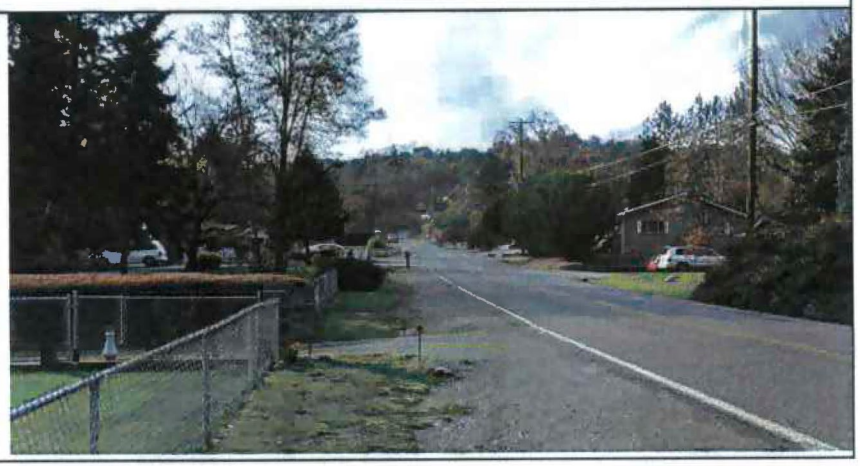
Name: Crestview Loop/Fruitdale Heights
Location: Crestview Loop
Era: Most homes built in 1950s and 1960s
Type: single-family detached
Typical Lot Sizes: .53-.69 acres (23,086 to 30,056 sq ft)

Sample Area:
Units: 21
Lots: 21
Acres: 12.36

Zoning: R-1-12
Net Density: 1.7 units/acre







Name: Gix Subdivision
Location: Regina Way off West Harbeck
Era: Most homes built in early 1960s
Type: single-family detached
Typical Lot Sizes: .57 acres (24,830 sq ft)

Sample Area:
Units: 30
Lots: 30
Acres: 14.63 acres

Zoning: R-1-8
Net Density: 2.05 units/acre







Name: Meadow Wood Subdivision
Location: Haviland Drive Area
Era: 2003-2006
Type: single-family detached
Typical Lot Sizes: .23 to .35 acres (10,018 to 15,246 sq ft)

Sample Area:
Units: 83
Lots: 83
Acres: 23.07

Zoning: R-1-10
Net Density: 3.59 units/acre
(excluding pump station and wetland lots)
(net density is 3.50 units/acre including .61 acre wetland lot)







Name: Aranaway Subdivision
Location: Golden Aspen Dr off Darneille Ln
Era: 2001
Type: single family detached (subdivision includes private cul-de-sac street within private easement)
Typical Lot Sizes: .19 to .27 acres (8,276 to 11,761 sq ft)

Sample Area:
Units: 19
Lots: 19
Acres: 4.15

Zoning: R-1-8
Net Density: 4.58 units/acre







Name: Lincoln Park Addition
Location: Washington Blvd, Conklin Av., and Lawnridge Av.
Era: 1890s to 1920s and later homes
Type: single-family detached
Typical Lot Sizes: .18 to .34 acres (7,840 to 14,810 sq ft). Includes mixture of lot sizes and home sizes. Lots are typically 140 feet deep, widths generally vary from approximately 50 feet to 100 feet.

Sample Area: (2 block area)
Units: 36
Lots: 36
Acres: 7.68

Zoning: R-1-6
Net Density: 4.69 units/acre







Name: Highland View Subdivision, Oak View Subdivision, and Cooke Estates Subdivision
Location: Off Highland Avenue between Cooke and Morgan
Era: 1970s, 1980s, and 1990s
Type: single-family detached
Typical Lot Sizes: .18 to .26 acres (7,840 to 11,325 sq ft)

Sample Area:
Units: 49
Lots: 49
Acres: 10.19

Zoning: R-1-8
Net Density: 4.8 units/acre







Name: Morningstar P.U.D.
Location: Betty Lane off Wagner Meadows Drive
Era: 1998-2002
Type: single-family detached Planned Unit Development with common area (Density averaging allows for smaller lots with remaining lot area allocated to common open area.)
Typical Lot Sizes: .09 acres (3,920 sq ft) plus common area which includes private drive, parking, and open space

Sample Area:
Units: 22
Lots: 23
Acres: 4.08

Zoning: R-1-8
Net Density: 5.39 units/acre including 2.05 ac. common area in acreage (10.84 units/acre excluding 2.05 acre common area from acreage)







Name: Bourne's First Addition
Location: NW 4th Street
Era: 1900s to 1920s
Type: single-family detached
Typical Lot Sizes: .17 acres (7,500 sq ft)
(50'x150' lots typical of this area)

Sample Area:
Units: 3
Lots: 3
Acres: 0.51

Zoning: R-1-6
Net Density: 5.88 units/acre







Name: Wagner Meadows Subdivision
Location: Abilene Way and Topaz Lane
Era: late 1990s, 1996-1999
Type: single-family detached
Typical Lot Sizes: .16 acres (6,970 sq ft)
(66'x106' lots, 14 lots per block)

Sample Area: (1 block)
Units: 14
Lots: 14
Acres: 2.28

Zoning: R-2
Net Density: 6.14 units/acre







Name: Grants Pass Cottages
Location: Shady Lane off Redwood Avenue
Era: 2005
Type: senior housing – multiple duplexes on one lot
Typical Lot Sizes: N/A

Sample Area:
Units: 22
Lots: 1
Acres: 3.42

Zoning: GC
Net Density: 6.43 units/acre







Name: Willow Estates North MHP
Location: Willow Lane between Estates Ln. and Leonard Rd.
Era: N/A
Type: MH Park (typically double-wide units)
Typical Lot Sizes: N/A

Sample Area:
Units: Approximately 61
Lots: 1
Acres: 8.5

Zoning: R-2, R-3
Net Density: Approximately 7.17 units/acre







Name: Highland Heights MHP
Location: NW Highland Avenue
Era: N/A
Type: MH Park (typically double-wide units)
Typical Lot Sizes: N/A

Sample Area:
Units: Approximately 65
Lots: 1
Acres: 8.76

Zoning: R-3
Net Density: Approximately 7.42 units/acre







Name: Schaefers Estates P.U.D.
Location: Schaefers Lane Off Lower River Road
Era: 2000
Type: single-family detached P.U.D.
Typical Lot Sizes: .11 acres (4,792 sq ft) plus common open area for green space and paved RV storage lot (private street is a separate lot not included in acreage)

Sample Area:
Units: 26
Lots: 26
Acres: 3.39

Zoning: R-1-8
Net Density: 7.66 units/acre, not including .63 acre open space lot or private street lot
(6.47 units/acre including .63 acre open space lot but not private street lot)







Name: Foothill Heights Subdivision
Location: Foothill Blvd.
Era: 2005 to 2006
Type: mix of 2 duplexes and 2 detached single-family dwellings per lot
Typical Lot Sizes: .34 to .46 acres (14,810-20,038 sq ft)

Sample Area:
Units: 12 (4 duplexes and 4 single-family detached)
Lots: 4
Acres: 1.55

Zoning: R-2
Net Density: 7.74 units/acre





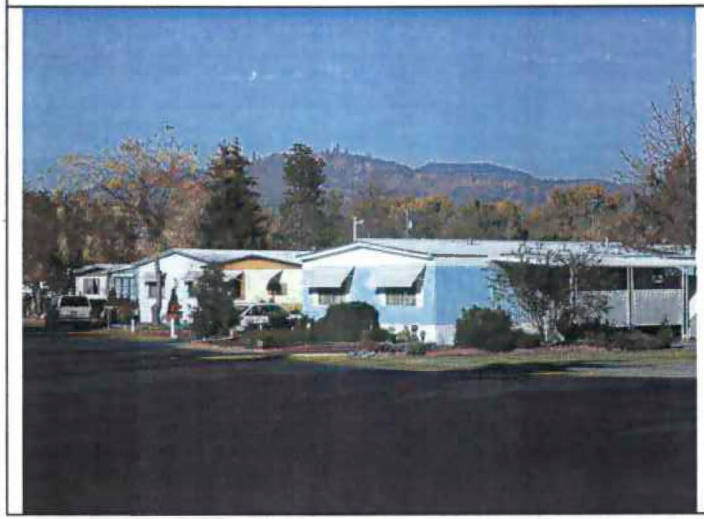


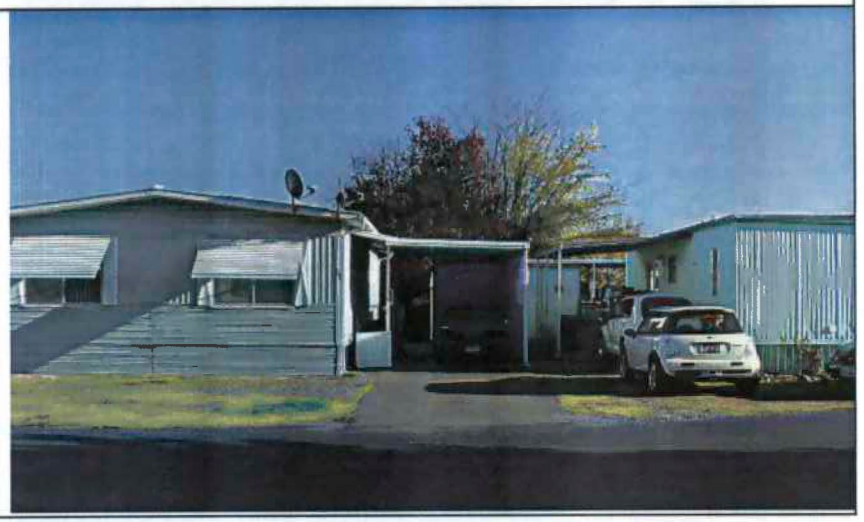
Name: Riverhaven MHP
Location: Dowell Road
Era: N/A
Type: MH Park (single and double-wide units)
Typical Lot Sizes: N/A

Sample Area:
Units: Approximately 72
Lots: (2 tax lots)
Acres: 9.27

Zoning: R-3
Net Density: Approximately 7.76 units/acre







Name: Prairie Glen Subdivision
Location: Raydean Drive and Sturgeon Court
Era: 2005 to 2006
Type: single-family detached
Typical Lot Sizes: .12 acres (5,227 sq ft)
(typically approximately 50'x100' lots)

Sample Area: (one block)
Units: 15
Lots: 15
Acres: 1.83

Zoning: R-2
Net Density: 8.2 units/acre







Name: Lower River Meadows Subdivision
Location: Bridge Street and Lincoln Road
Era: 1994-1996
Type: single-family detached, one duplex
Typical Lot Sizes: .11 to .13 acres (4,792 to 5,662 sq ft)
(one .21 acre duplex lot)

Sample Area:
Units: 45 (44 single-family detached and 1 duplex)
Lots: 44
Acres: 5.41

Zoning: R-2
Net Density: 8.32 units/acre







Name: Town of Grants Pass (original plat)
Location: NW 'C' Street
Era: Typically 1890s to 1930s buildings
Type: single-family detached (some areas have experienced conversions to office or multiple units)
Typical Lot Sizes: .11 acres (4,792 sq ft)
(50'x100' lots, 12 lots per block, alley mid-block)

<u>Sample Area:</u>
Units: 12
Lots: 12
Acres: 1.33

Zoning: R-4
Net Density: 9.02 units/acre







Name: Golden Park Subdivision
Location: Golden Park Drive off Parkdale and East Park
Era: 1998 to 1999
Type: Mix of 1- and 2-story single-family detached, duplex, triplex, fourplex, and a small group home (doesn't include large assisted living facility at corner of Parkdale and East Park)
Typical Lot Sizes: .14 to .32 acres (6,098 to 13,940 sq ft)

Sample Area:
Units: 64 units and 1 group home (31 single-family, 11 duplex, 1 triplex, 2 fourplex)
(group home and lots subtracted for density calculation)
Lots: 47 (45 without group home)
Acres: 7.52 (7.07 without group home)

Zoning: R-3
Net Density: 9.05 units/acre







Name: Nunnwood Subdivision
Location: George Tweed Boulevard
Type: includes only duplex lots along George Tweed Blvd.
(1 & 2-story duplexes)
Typical Lot Sizes: .15 acres (6,534 sq ft)

Sample Area:
Units: 6
Lots: 3
Acres: 0.45

Zoning: R-3
Net Density: 13.3 units/acre







Name: Holiday Park Gardens
Location: Off East Park Street
Era: 1991
Type: 1-story apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 124
Lots: 1
Acres: 9.03

Zoning: R-3
Net Density: 13.73 units/acre







Name: Foothill Retirement Center
Location: NE 'D' Street
Era: (Phase 1: 1994, Phase 2: 2000)
Type: 3-story apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 55
Lots: 2
Acres: 3.42

Zoning: R-3
Net Density: 16.08 units/acre







Name: Fairview Commons P.U.D.
Location: NE Fairview Avenue
Era: 1993 to 1994
Type: 1 & 2-story apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 32 in 8 buildings (groups of 4-attached units)
Lots: 9 tax lots (8 built and 1 common area with private drive, parking, and open space)
Acres: 1.94 (includes .8 acre common area); 1.14 acres excluding common area)

Zoning: R-3
Net Density: 16.49 units/acre (includes common area); (18.07 units/acre excluding common area)







Name: Riverwood Apartments
Location: SE 'N' Street and Camelot Drive
Era: 1989
Type: 2-story apartments (typically 2 and 3 attached fourplexes)
Typical Lot Sizes: N/A

Sample Area:
Units: 120
Lots: 1
Acres: 6.96

Zoning: R-3
Net Density: 17.24 units/acre
(includes tennis courts, community building, and other on-site facilities)







Name: N/A
Location: 9th and M Street
Era: 2003
Type: 2-story apartments (Two 2-story fourplexes)
Typical Lot Sizes: N/A

Sample Area:
Units: 8
Lots: 1
Acres: 0.43

Zoning: R-4
Net Density: 18.6 units/acre







Name: Sequoia Village
Location: Southeast 'N' Street
Era: 2006
Type: single-family attached townhouse
(groups of 3 and 4 attached, 2-story units)
Typical Lot Sizes: .04 to .09 acres (1,742 to 3,920 sq ft)

Sample Area:
Units: 11
Lots: 11
Acres: 0.58

Zoning: R-3
Net Density: 18.97 units/acre
(doesn't include common area lots in the development)







Name: Jade East Apartments
Location: NE 'D' Street
Era: 1971
Type: 1-story and 2-story apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 30
Lots: 1
Acres: 1.5

Zoning: R-4
Net Density: 20 units/acre







Name: Golden Rain Apartments
Location: NE Victoria
Era: 1970s(?)
Type: 2-story apartments (some 1-story)
Typical Lot Sizes: N/A

Sample Area:
Units: 38
Lots: 2 tax lots
Acres: 1.88 acres

Zoning: R-4
Net Density: 20.21 units/acre







Name: Maple Park Estates
Location: Vine Maple Lane off Fruitdale Drive
Era: 2006
Type: single-family attached townhouses
(groups of 3 and 4 attached, 2-story units)
Typical Lot Sizes: .04 to .05 acres (1,742 to 2,178 sq ft)

Sample Area:
Units: 18
Lots: 18
Acres: 0.81

Zoning: R-3
Net Density: 22.22 units/acre
(doesn't include common area lots in the development)







Name: N/A
Location: NW 4th Street
Era: 1900
Type: single-family dwelling converted to apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 6
Lots: 1
Acres: 0.23

Zoning: R-4
Net Density: 26.09 units/acre







Name: N/A
Location: NE 'A' Street
Era: 1920
Type: 1-story apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 7
Lots: 1
Acres: 0.24

Zoning: GC
Net Density: 29.2 units/acre







Name: Rose Garden Apartments
Location: NE 'D'Street
Era: 1970s(?)
Type: 2-story senior apartments
Typical Lot Sizes: N/A

Sample Area:
Units: 32
Lots: 1
Acres: 1.00

Zoning: R-4
Net Density: 32 units/acre



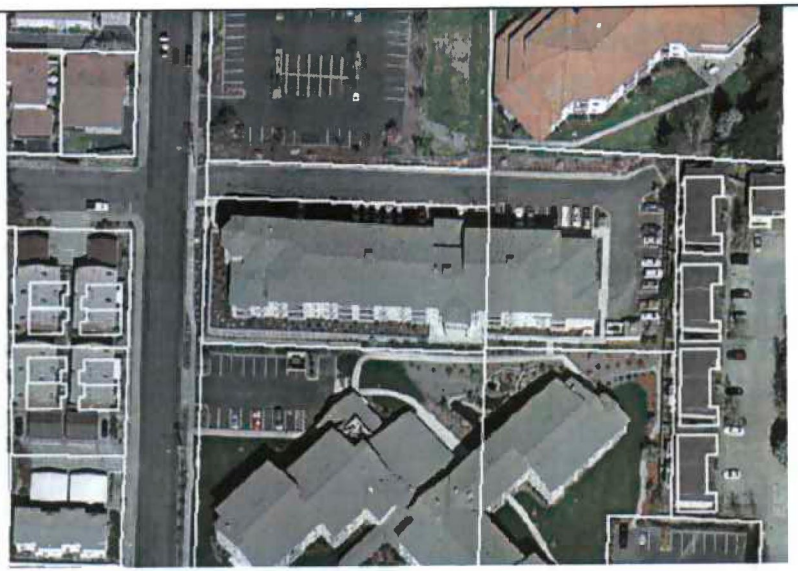




Name: Jasmine Park Apartments
Location: NE Anderson Street
Era: 2003
Type: 3-story apartments (some 2-story)
Typical Lot Sizes: N/A

Sample Area:
Units: 43
Lots: 1 (2 tax lots)
Acres: 1.19 acres

Zoning: R-4
Net Density: 36.13 units/acre







Examples of Group Quarters Name: Gospel Rescue Mission	
Examples of Group Quarters Name: The Bridge Retirement Center	

Examples of Group Quarters Name: Spring Meadows Retirement Center	
Examples of Group Quarters Name: Spring Village Retirement & Assisted Living Center	

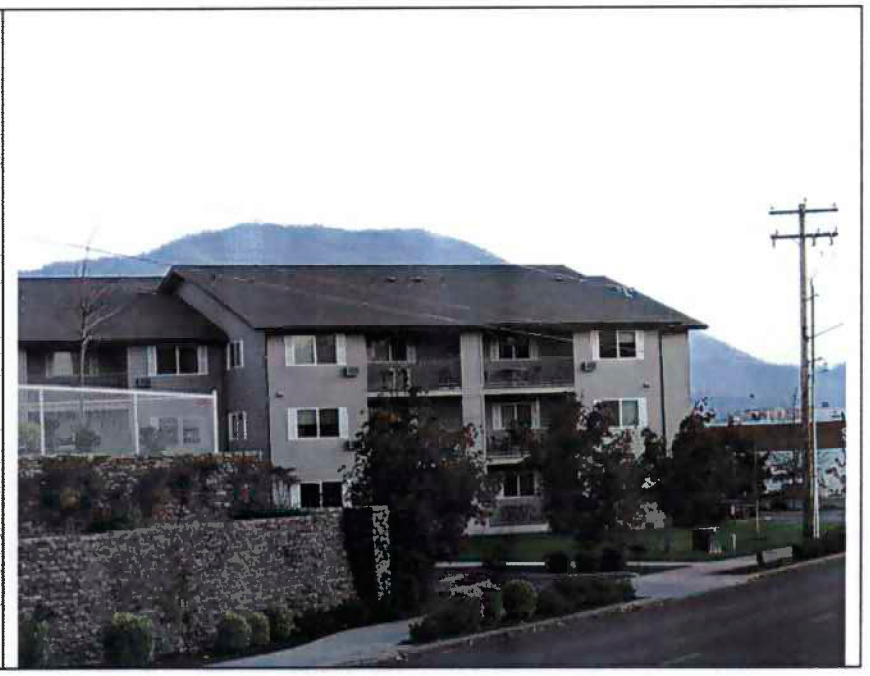
Examples of Group Quarters Name: Oak View Gardens	

TABLE 9.40.2
PERSONS IN GROUP QUARTERS
Grants Pass City Limits, 1990, 2000, and 2006

	1990	2000	2006
Total Population	17,488	23,003	30,930
Persons in Group Quarters	749	835	1,363
Percent in Group Quarters	4.3%	3.6%	4.4%

Source: US Census of Population and Housing; 2006 data from
City group quarters count. Percentages calculated by ECONorthwest.

For the purpose of estimating housing needs for Grants Pass, the analysis assumes that 3.6% of new persons (742 persons) will reside in group quarters. The majority of these new persons will live in assisted living quarters.

A final note on persons in group quarters: persons in group quarters require land. While the DLCD Workbook backs this component of the population out of total population that needs housing, it does not otherwise make accommodations for land demand for new group quarters. For the purpose of this analysis, we assume that persons in group quarters require land at approximately the same density as multiple family housing.

Household size and composition

Twenty-five years ago, traditional families (married couple, with one or more children at home) accounted for 29% of all households in Oregon. By 1990 that percentage had dropped to 25%, and by 2000 that percentage had declined more slowly to 23%. For Grants Pass, that percentage was 21% in 2000. ~~It will continue to fall, but probably not as dramatically.~~ The average household size has decreased over the past five decades and is likely to continue decreasing, but at a slower rate, as occurred through 2000. The average household size in Oregon was 2.60 in 1980 and 2.52 in 1990 and 2.5 in 2000. One and two person households made up the majority of Oregon households in 1990. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more housing units even if population were not growing.

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Table 9.40.3 shows the average household size for Grants Pass for owner- and renter-occupied units in 2000. Table 9.40.3 shows that the average household size in Grants Pass was 2.36. Owner occupied units in Grants Pass have larger average household sizes than renter-occupied units. The reverse is true for Josephine County.

OAR 660-024 established a "safe harbor" assumption for average household size—which is the figure from the most recent Census. The analysis of needed new units assumes an average household size of 2.36 persons per household.

EXHIBIT E
TO UAPC FINDINGS

detail in several publications.[11] ECONorthwest used Public Use Microsample (PUMS) data from the 2000 Census to describe the relationship between selected demographic characteristics and housing choice.[12] This analysis identified several key relationships:

- 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 strong determinate of tenure and housing type choice for all age categories.

Demographic trends in Grants Pass have been similar to state and national trends, with increases in people aged 45 to 64, and people aged 5 to 17 (in families with children), and increases in Hispanic population. If these trends continue, ~~along with continued growth in families with children~~, housing demand is likely to change in Grants Pass.

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Comment [T1]: Everyone one in the table except "non-families" are families.

- Demand for multifamily and single-family attached housing is likely to increase to about 30% of dwellings with the increase in low and moderate income residents and non-traditional families. As the population ages and housing becomes more expensive, demand for high amenity multifamily housing may increase as the baby boomers begin to downsize.

Deleted: to about 30% of dwellings

- Demand for single-family detached housing is likely to continue, especially from families with children and in-migrants.
- Demand for group quarters for retirees, such as an active retirement community, is likely to increase.
- Demand for ownership products will likely increase due to ongoing in-migration and the City's relatively low ownership rate.

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[11] This linkage is identified in the DLCD Workbook. It is described in detail in *Households and Housing: Choice and Outcomes in the Housing Market,* Clark and Dieleman, Center for Policy Research, 1996.

[12] ECO used the 5% Public Use Microsample (PUMS) data set for this analysis. A description of the PUMS data can be found at www.census.gov.

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Office Phone 541-476-4441; Office Fax 479-4881
CCB#104628; CCB#16480

TO: URBAN GROWTH BOUNDARY STEERING COMMITTEE

FROM: BILL PETERSON

DATE: FEBRUARY 4, 2008

SUBJECT: ALLOCATIONS OF HOUSING TYPES; NET BUILDABLE

Quoting from the population element, "Between 2000 to 2006 In Southern Oregon, net migration accounted for all the population increase because population growth from natural increase was negative (deaths outnumbered births). **All population growth in Josephine County between 2000 and 2006 was the result of net migration because the County had about 1,500 more deaths than births.**" Simply stated, the entire purpose of your work is to accommodate the planned growth that will result from in migration.

In the housing element, the statement is: "Over the next decade, 88% of net household growth is expected to come from gains in the number of homeowners." The preferred tenure for all demographic segments identified, except over 75, was single family.

The work on the housing element then spent a great deal of effort analyzing the economics and income levels of existing Josephine County residents, along with some national housing trends. In an evaluation of the resulting "housing affordability" and relative economic capacity, a giant leap was made in the findings. The statement is as follows:

> "The housing needs analysis suggests that a higher percentage of multifamily units will be needed, thus, the housing mix changes from approximately 75% single-family/25% multifamily to 67% single-family/33% multifamily."

The logic to achieve this step is built on the analysis of demographics (including minority status), the income levels of current residents, and the analysis of the economy of Josephine County. If fact, the housing demand is created in other areas (predominantly in California) and the housing types that are sought by this in migrants are mostly single family detached units. There is a fundamental disconnect between the data and the finding.

Recognizing lower density land demands will translate into additional land required in the Urban Growth Boundary. This will lead to additional land supply available to builders/developers and yield lower land prices. If the affordability of housing is one of the needs, the supply of potentially developable lands will be a major factor in lowering the cost of land, and housing.

This does not discount the need for higher density housing, nor the critical need for housing for those currently identified as homeless. The key to this analysis is that allocating lands to higher densities reduces the supply of land that will be included in the urban growth boundary, yielding less land supply and higher land cost. It is in all of our interests to recognize that the historic 75% single family must be the basis for the future projection (and is defensible), and that this approach will provide a greater total number of acres of added lands, increasing supply.

EXHIBIT 2A
TO CITY COUNCIL STAFF REP. 2/19

TO: Tom Schauer
From: John Chmelir
2/4/08
RE: HOUSING ELEMENT CONSIDERATIONS

Pg 9-8 Table 9.30.1 is misleading because it does not classify the manufactured homes as single family which they are otherwise and in other places defined. 9.20 indicates that manufactured homes are meant to be installed on lots and used as single family residences. **So the market over the past 6 years has required 75% single family homes, and 25% multifamily.**

Pg 9-13 Table 9.30.5 Net densities are way too high. In Meadow Wood Subdivision, as an example of hillside development that generally has satisfied all expectations regarding trees and slopes, the densities are 2.6 DU/ac for the 42.8 acre main subdivision and 3.5 DU/ac for the 10-acre almost level expansion. **So you can't meet the conflicting desires of the community to preserve trees and respect landforms at these building densities.**

Pg 9-18 The description justifies departing from the historic housing distribution averages in Grants Pass not by describing recent phenomena here, but by describing trends from across the country, trends that have no evidence or impact here. **The mind wanders back to table 90.30.1 and begins to wonder why we propose 67% single family for the future when over the past 6 years the market has required 75%.**

Pg 9-19 Table 9.40.5 Tom Schauer stated that historically "Group Quarters" housing is not in the multi-family percentages, historic or prospective. That clarifies a seeming conflict.

See attached Excel Spreadsheet:

As presented, the **recommendation creates a shortage of 695 single family homes while proposing 718 multi-family units more than would be used, based upon historic rates. That will drive a price premium that will be the reverse of the objective to create more affordable housing!** To meet 20-year needs at historic use rates**, the city should actually bring in 1597.7 acres versus 1497.7 proposed, a shortage of 100 acres.**

Mr. Schauer has explained that there is no intention to include a code provision requiring development to meet minimum densities in any zone.

Without in-migration, the City population would be decreasing and more and less-expensive housing inventory would be available every year. Why not plan the UGB expansion for the in-migrants who drive the need?

In-migrants have greater real estate equity than a comparable local buyer, so any shortage of low density land will carry with it a price premium, driving out locals that could otherwise afford to live in single family residences. Forcing them into High Density Housing will result in their desire to make up for the satisfaction of low density living by adding amenities (Pg. 9.25), thus driving up the relative cost of all High-density housing, completely counter-productive to the desire to create more affordable housing in Grants Pass. If this type of directed zoning worked then the cheapest lot in Ashland would cost way less than the likely $250,000 actual price, and condos would not cost $650,000 as they in fact do.

The current UGB is approximately 28.2 miles long. If the City were to expand equally along that 28.2 miles, **adding the 100 acres would expand the UGB perimeter an imperceptible 29 feet,** roughly half the width of a City street ROW. That small expansion will make a huge difference in affordability for our employees and our children over the next 20 years.

EXHIBIT 26
TO CITY COUNCIL STAFF REPORT

TABLE 9.40.5 Edited	FORECAST OF NEW HOUSING UNITS	Grants Pass, 2007-2027
VariableBaseline Estimate of Housing Units (2007-2027)		2/4/2008

Table is adjusted to historic SFR/Multi-family demand percentages of SFR = 75% and Multi-Family = 25% to illustrate the dramatic difference in units and land required.

		As Proposed	At Historic Rates
Change in persons, 2007-2027		20428	20428
-Change in persons in group quarters		742	742
=Persons in households		19686	19686
Average household size		2.36	2.36
New occupied DU		**8342**	**8342**
Single Family Dwelling Units			
Percent single-family		67%	75%
New occupied single-family		5589	6256
Vacancy rate		4.0%	4.0%
	VACANT	233	261
Total new single-family		**5822**	**6517**
	DIFFERENCE		**695**
Multiple family dwelling units			
Percent multiple family		33%	25%
New occupied multiple-family		2753	2085
Vacancy rate		7%	7%
	VACANT	207	157
New multiple family		**2960**	**2242**
	DIFFERENCE		**(718)**
Totals			
=Total new occupied dwelling units		8342	8342
Aggregate household size (persons/occupied DU)		2.36	2.36
+Vacant dwelling units		440	418
=Total new dwelling units		**8782**	**8759**
DIFFERENCE* **			**-22**

*****Compared to historic, the proposal creates 718 multifamily units not needed and omits 695 SFR units that are. That will drive prices through the roof.**

Table 9.40.20 Adjustments	Percent	New DU	Density DU/net Res Ac	Net Residential Acres	Net 2 Gross Factor	Gross Residential Acres
Adjusts table to illustrate the acreage required based on historic uses.						
Single Family Housing Type						
Single Family Detached	66%	5781	5.5	1051.1	20%	1313.9
Manufactured in Parks	1%	88	6	14.6	20%	18.2
Single Family Attached	8%	701	9	77.9	15%	91.6
	75%	6569		1143.6		1423.7
Multi Family	25%	2190	14	156.4	10%	173.8
Total new through 2027>>>		8759		1300.0		1597.5

So to meet 20-year needs at historic use rates, the city should actually bring in 1597.7 acres versus 1497.7 proposed, a shortage of 100 acres.

City Council Meeting
February 20, 2008
7:00 p.m.
City Council Chambers

The Council of the City of Grants Pass met in regular session on the above date with Mayor Holzinger presiding. The following Councilors were present: Cummings, Wendle, Kangas, Renfro, Patterson, Hyde, Richardson and Berger. Councilor Berger left the meeting at 9:40 p.m. Also present and representing the City were City Manager Frasher, City Attorney Woodburn, Assistant City Manager Samson, Finance Director Reeves, Public Safety Director Henner, Community Development Director Huber, Parks and Community Services Director Seybold and Public Works Director Haugen.

The invocation was given by Martin Seybold followed by the Pledge of Allegiance.

1. PUBLIC HEARINGS

a. Ordinance amending the Comprehensive Plan Map and Zoning Map and entering into a Development Agreement.

City Manager Frasher stated at this time we will open a public hearing to consider an application filed by Timber Products. The purpose of the application is for the Council to consider an ordinance amending the Comprehensive Plan Map and Zoning Map and entering into a development agreement. That's found in your packet, pages 1 through 746, the separate binder.

Mayor Holzinger asked why wasn't this binder put out earlier so the Councilors could have more time to read it. City Manager Frasher replied he believes we had to leave the record open for a certain period of time for all of the applicants to submit information. Some of this information has been before Council in the past. It's always available in that format.

City Manager Frasher stated we'll begin the hearing with a staff report followed by a presentation by the applicant, statements by persons in favor of the application, statements by persons in opposition and an opportunity for additional comments by applicants and staff. Once that has occurred, the public comment portion will be closed and the matter will be discussed and acted upon by the Council.

Is there anyone present who wishes to challenge the authority of the Council to hear this matter? Seeing none, do any Council members wish to abstain from participating in this hearing

EXHIBIT B
TO CITY COUNCIL FINDINGS

before is because we don't know range and variance, we are deriving summaries on things like population that compares ourselves to the State and to the County. She is concerned that long after the consultants are gone and all of us are gone people will read those summaries and think there were differences between us, the State and the County when in fact there really were not statistically significant. She just tosses that out as a reminder again. She understands you wanted to keep that document as simple as possible. It's just we create in the summaries some commentary that we can't back up statistically.

Mayor Holzinger asked if anyone in the audience would like to speak for or against this issue. Seeing none he turned it back to Council for action.

ORDINANCE NO. 5433

AN ORDINANCE AMENDING THE ECONOMIC ELEMENT OF THE COMPREHENSIVE PLAN

It was moved by Councilor Hyde and seconded by Councilor Kangas that Ordinance No. 5433 be read for the first time by title only and the vote resulted as follows: "AYES": Cummings, Wendle, Patterson, Hyde, Renfro, Richardson and Kangas. "NAYS": None. Absent: Berger

Thereupon Councilor Cummings moved and Councilor Wendle seconded a motion that said Ordinance be read a second time by title only and the vote resulted as follows: "AYES": Cummings, Wendle, Patterson, Hyde, Renfro, Richardson and Kangas. "NAYS": None. Absent: Berger

Mayor Holzinger declared that said Ordinance had been read twice by title only according to Charter provisions and stated that roll be called. Role call vote upon the final passage of the adoption of said Ordinance resulted as follows: "AYES": Cummings, Wendle, Patterson, Hyde, Renfro, Richardson and Kangas. "NAYS": None. Absent: Berger

Having received a favorable vote, Mayor Holzinger declared Ordinance No. 5433 to have duly passed.

f. Ordinance amending the Housing Element of the Comprehensive Plan.

City Manager Frasher stated he wants to remind the Council and the audience members that the procedures for a legislative land use hearing still remain in effect so if you have any conflicts to disclose or ex parte information or if anyone here wants to challenge jurisdiction, you need to do so at this time.

Councilor Cummings stated he was at a presentation yesterday at a Homebuilders meeting at this topic was discussed.

Councilor Richardson stated we all have to disclose and she's received various emails and things back and forth from parties pro and con. We just need to say that they have

happened. She doesn't believe they've colored her basic judgment but they have occurred.

Councilor Wendle stated she was going to make the same statement.

Councilors Kangas and Renfo stated, off mic, that they had received the same emails.

City Manager Frasher stated since this is legislative and not quasi-judicial, it's a courtesy only that you're disclosing that.

Code Analyst Schauer stated this is a legislative amendment pertaining to the Housing Element of the Comprehensive Plan. As with the Economic Element most of the current element in the document is from the original adoption in the early 80's with some of the population figures last updated in 1994. This replaces that with updated information. It updates the housing needs analysis based on the population forecast through 2027. This would replace the existing Housing Element in the Comprehensive Plan.

The action is legislative. It would be the adoption of an ordinance amending the Housing Element of the Comprehensive Plan. The steering committee recommended approval of the proposed amendment. He'll go into a couple of clarifications on that in a moment. The Planning Commission recommended approval of the proposed amendment with some additional changes to the narrative to provide some clarification and documentation about the demographic and housing trends and some of the terminology used. That did not change the substance of the steering committee's recommendation in terms of the numerical types of findings.

The criteria for amendment are those found in Section 13.5.4 of the Comprehensive Plan. The Planning Commission's findings in your staff report, which are referenced in your staff report, also have findings of compliance with those criteria.

As many of you noted there were some additional items submitted. This is a legislative hearing but he wanted to provide as much of the information in the record as you would for a quasi-judicial hearing. There are two additional exhibits in your packet that were submitted after the Planning Commission's recommendation. There is a letter from Bill Peterson dated February 4, 2008, a letter from John Chmelir dated the same date. There is also an email from Bill Peterson on behalf of the Homebuilders Association dated February 18th requesting that this item be postponed from this agenda that was submitted to the administrative staff and copied to the

Mayor and Council. There is an email from John Chmelir dated February 19, 2008.

Again with the process overview, he's not going to read through all of this again. It's the same as was in the last presentation. The general idea with the steering committee, holding workshops with the Council is the same. We had a joint workshop with the Council, Board of County Commissioners and the Planning Commission back in September to try to keep you informed as to what we're doing as we go through those steps, provide an opportunity for any feedback or address any issues that may come up as we go through that process. Some of the steering committee members attended that joint workshop. This went through a series of work sessions with the steering committee to get through a recommendation. All the information is out there as he noted during the last hearing.

We want to try to address issues as early as possible and make sure that diverse viewpoints are being represented as early as possible. One thing he wants to note is one of the things the steering committee did early on was provide an opportunity on their meeting agenda for anyone to submit any information to the committee directly. Some of it may or may not relate directly to their current meeting agenda but those items are taken and included at the appropriate point in the process or during the discussions that they relate to. Any committee members and staff also have the opportunity to share any feedback they've received at that time or if it pertains to an agenda item, to bring that up at that time. We've been doing that as well. Again, we're trying to make sure that issues are raised as early as possible and that we try to make the process work as smoothly as possible by making sure all the issues are on the table trying to avoid the likelihood of appeals and any lengthy and costly process.

How well has that worked on this one? Not quite as well as it did on the Economic Element. We thought we had accomplished identifying and addressing issues but there were some issues that came up after the steering committee recommendation. They worked through a number of meetings, had discussions about housing mix and density and the committee members present at the November 5, 2007 meeting unanimously recommended approval. We had diverse representatives including a representative from the Homebuilders Association, the Association of Realtors and Citizens for a Voice in Growth all voting in support of the

recommendation. We didn't have any issues presented as concerns at that time on the vote through any of the Urban Area Planning Commission, Rural Planning Commission, City Council or Board of County Commissioners liaisons.

Following that steering committee recommendation, some additional issues came up. About that same time, immediately following that meeting, we had a change in the Planning Commission liaison on the steering committee. The Chair of the Urban Area Planning Commission had some additional comments. We worked through those. They were incorporated in a document that was finally recommended by the Planning Commission that addressed some of those documentation clarifications, some of the housing trends and demographic trends and terminology. They didn't substantively change the recommendation of the steering committee.

Just before the Planning Commission meeting and at the Planning Commission meeting we did have some further comments and testimony provided by some of the members and representatives of Homebuilders Association. Some of that testimony was presented at the Planning Commission meeting. The Planning Commission did not incorporate the requested revisions into their recommendation.

We thought the major issues were resolved with the steering committee recommendation including the discussions about some of the density and residential mix. The Planning Commission did make the recommendation but not all parties were satisfied with that recommendation. We now have a recommendation from the steering committee and Planning Commission that does not have concurrence from all parties as what is before you.

Again, he can go through the summary of the Housing Element. He can tell you most of the issues that were raised pertained to the housing mix and the associated land needs related to the mix of single family, multifamily housing types.

The Housing Element goes through and explains the legal framework that has to be addressed in terms of doing the housing needs analysis. It deals with some of the historic development trends that were reviewed in putting this together as well as housing needs and demands in accordance with the State statues. It provides some findings. We're not at this time recommending any changes to the policy section related to the Housing Element. Those

discussions are in process with the steering committee and would be coming to you in subsequent steps based on the needs identified at this stage.

We're required to comply with the State law contained in Statewide Planning Goal 10 that deals with housing. We have to do an inventory of buildable lands and by point of note, the question that came up earlier about how that one lot that was just before you in the previous hearing was reflected, that actually does not show up as a buildable lot in the inventory. There will be some discussions about whether there are additional opportunities for infill development or redevelopment but half acre lots that have some existing development on them in a configuration such as you saw, those were ruled out as not part of the buildable lands inventory. Any development that can occur on those right now is considered in addition to the needs that are identified. That will be coming forward as part of the buildable lands inventory in the next urbanization steps of the Housing Element.

The inventory is being done in accordance with Statewide goals, statues and administrative rules that relate to that. It requires that need be addressed in terms of adequate numbers of needed housing units at price ranges and rent levels related to financial capabilities of Oregon household and provide some flexibility. Actually the statute defines what the needed housing types are. They are required to include but are not limited to those listed in the statute. It has to address both single family, multifamily housing for both owner and renter occupancy. There are a number of statues and administrative rules that deal specifically with definitions of buildable lands. It requires that the housing needs analysis be based on population projections and forecasts. It talks about when you start getting into how to accommodate that need, which priority of lands you look at as you go through how to meet that need. It requires that you look at lands inside the urban growth boundary first, some combination of lands in the urban growth boundary and those that are out of the urban growth boundary and then finally looking at lands outside the urban growth boundary to meet those needs.

We fall now in the definition as a city of over 25,000, what is called a 296 community. We have to meet some of the requirements for housing needs assessments contained in ORS 197.296. There are other jurisdictions that meet the definitions. This is the one that pertains to

Grants Pass. This has to be based on a twenty-year buildable land supply.

There are what they call safe harbors in the administrative rule that say if you follow this path, that is a defensible way to meet these needs that's essentially not subject to being overturned on a challenge. We've used a number of those safe harbors where they made sense to do so in looking at the housing need analysis and in this document.

The process, as you can tell, a lot of statues and administrative rules. It's not a simple process. He's not going to go through the flow chart (reference overhead) but it does talk about you've got to look at your land supply, look at what your demand is, compare those to see if you have sufficient land or a deficit and then look at what you do in terms of meeting the needs within the boundary.

City Manager Frasher stated does Council have any questions about the process? Maybe you can just move on to the next one if they don't have any.

Code Analyst Schauer stated there are priorities that you have to look at in terms of what lands can be included before you look at the next set of priorities. This document provides the housing needs. It addresses average housing density, needed housing mix and baseline land need figures. These are the areas that we've had subsequent testimony pertaining to. There will be in the next step additional work looking at how to refine the land needs analysis based on some of the policy discussions and consideration of one of the statutory requirements to look at efficiency measures of how to accommodate more of that need before you expand the boundary.

He won't go through all the historic trends. This is contained in the document in your packet. This looks at basically 1990, 2000 census data and shows what your mix is in terms of housing types and tenure owner and renter occupancy. He would note that Grants Pass is actually quite a bit lower than either Josephine County or the State in terms of home ownership. We're basically at about 53%, 54% owner occupancy compared with numbers in the high sixties or seventies for the County and nationwide. One of the objectives is to try to find opportunities to increase home ownership opportunities.

We went through and looked at some of the requirements of the statute in terms of looking at historic densities and mixes. We looked at some of the housing types that have

occurred more recently in 2006, 2007. We've noted the continued increase in construction valuation although that trend of higher value construction has diminished somewhat for the larger more expensive homes. We did an analysis in accordance with State statute looking at actually lot by lot actually density for lots and building permits in 1999 through 2006 and where that development occurred. That's what this map shows (reference overhead).

As far as housing needs, there are some trends noted in terms of what people are demanding. They tend to be larger single family units on smaller lots, larger multifamily units and more amenities. As we look at some of the demographic trends we're going to continue to see in-migration, migration of aging population. We're also seeing that we have a slightly smaller household size compared to the State and we're actually seeing more households with children than the County or State are experiencing. There is a mix of retirement and families with children. We're seeing some changes in ethnicity and household composition as well, some smaller households. That is an increasing share including an increase in one-person households as a continuing trend. That's noted in your report and there are some graphics noting that as well.

Basically as we look at the demographics that relate to housing choice and what is demanded depending on different demographic characteristics, some of the implications for Grants Pass; these are important as part of the discussion. We continue to see demand for single detached units. As the baby boomers continue to age, eventually that growth in the retirement age population will slow down and start to plateau. We'll continue to see demand for retirees, families with children and a variety of some of the smaller, nontraditional households.

Some substantial information about sale prices of housing in relation to income levels in the community, we see substantially different change in housing purchase prices where in terms of rental units you didn't see the same type of increase in monthly rent. That stayed more consistent with people's income levels. We have a substantial number of people, households, currently where housing needs are not being met. More substantial number of people are experiencing cost burden where more than 30% of their income goes to housing. That was about 39% of households in 2000.

As we look at what the housing needs are it's important to look at that people have different housing needs at different stages of their lives. It can vary but people growing up in their home, move out. They have different needs then than when they're staring their families and careers. Then you have the older adults, younger active retirees and then ultimately senior citizens who require some level of assistance as they age. A wide variety of people at different stages have housing needs that vary. The last bullet notes the relationship that Councilor Hyde asked about (reference overhead). In order to meet workforce housing needs, you need to consider that population who will be filling some of those jobs.

In order to meet some of those needs we're recommending a housing mix at 67% single family, 33% multifamily. It's important to note some of these issues relating to employment and job needs and the current economics and the future economics as it relates to the recommended housing mix and the income levels needed.

Councilor Hyde stated one of the emails that we received there was a comment about the last six or seven years on the proportion of single family versus higher density. The numbers that are quoted are 75% single family, 25% multifamily. Do you have the same number? Code Analyst Schauer replied yes. He needs to make a distinction between density and housing type where the numbers that you're noting referred to housing type and the mix we've seen in the past since 1999 was about 75% single family both detached and attached and about 25% multifamily. The recommended proposed mix is 67/33. Earlier recommendations looked at 65/35 and we changed that percentage. There is a need for more rental housing in looking at those income levels and what rents are doing versus housing prices to meet some of that need that's here today where people aren't able to get into home ownership currently.

Mayor Holzinger stated Mr. Sommer, you wanted to speak to this issue.

Holger Sommer, 2000 Hugo Road, Merlin, Oregon stated he thinks the homeowners have more to say about this than he does but he would rather wait until they have said something but anyway he can say this now. First he asks Mr. Cummings to step down because he is a director of the Homebuilders Association and they have lobbied heavily to change the numbers from the recommended 67/33 split for single family to multifamily to 75/25. And that is what

basically the whole trend is for the Homebuilders because obviously they can't build up, they need to build flat out and add more land to the urban growth boundary not realizing that we wedged in between the river and the mountains and have to be very careful with what type of land and how we use the land which is land and can be built on. Basically the situation is this that the Homebuilders seem to be more willing to make the money on the land instead of building the houses and making the money on the improvement. That's what it boils down to. So he fully supports what comes from the experts here, from Code Analyst Schauer and the Council and the steering committee and urge the City Council to listen to the people who have done the projection and stick with the 67/33.

Bill Peterson, 300 NW Sinclair Drive, Grants Pass, Oregon gave the Council a handout. He stated he is not representing any business interest. He is a member of the Homebuilders Association board of directors. He'd like to begin by putting on a hat that is having spent thirty some years managing cities for a living and note that about this time your butt gets really tired and he was really serious when he sent an email to you guys that said you know, you have a lot of agenda, this is a really important issue. What you're about to handle is going to shape your community for the next twenty years. It's a fundamental, one of the most important single decisions you're going to reach. He's going to just ask you a couple, three, four, five questions and then give his statements because he's concerned about what we're doing as a community. Why do we have an urban growth boundary? Under the State stuff what you're supposed to be doing is kind of what Mr. Sommer was just alluding to. You're supposed to find some magic way to come up with a boundary from which you're going preserve all of the resource lands that are located in the rural areas. And let's just talk about how that's worked in Josephine County. Drive to Merlin; drive to Mr. Sommer's house. Drive to Colonial Valley; drive to East Jones Creek. Drive around the community college. Drive wherever you want to drive and see how beautifully you're preserved all of the rural lands and made sure they haven't been developed. They have been developed. You are not preserving those lands and in fact what you're doing is consuming land much more quickly with population that's distributed all over the place that's not part of what will be your City. Your urban growth boundary is your City. That's your future. That's what you're

going to create. That's what will be the tax base and the population that will support the services that make this a special place to be. That isn't happening when you spread that all over the whole darn County. And when you create an urban growth boundary that's too small and you work at getting it too small, what you're going to do is not stop the population growth, you're going to disperse the population and they're going to get less efficient land uses out of the process. What's going to happen to the City out of that whole thing? You're going to get just as many people driving on 6th Street as you're going to have if you have a little tiny urban growth boundary and no tax base. You're going to have a heck of a lot more people to take care of with no resources with which to do it. So what's in the best interest of the future leaders of Grants Pass? Expanding an urban growth boundary is not synonymous with growth. Anybody who wants to say you get a bigger urban growth boundary, you're automatically going to have more growth, that's not true. Get a bigger urban growth boundary and you have the right under your 190 agreements with the County to be able to establish what kind of growth you're going to have. Use everything you possibly can in this process to try to expand your ability to get your urban growth boundary under your control.

Now, that's Bill Peterson talking. Now he's going to put on his hat as the Homebuilders Association representative. Your housing mix, you just passed through all the really important numbers. The Housing Element really goes through and talks at length about what it is that they think the economy of this community is and how as a result the housing mix has to match the population and the economy as you're currently viewing it. Now, the Economic Element that you just adopted identifies the high end kinds of family wage jobs that you've got to bring into your community because that's where your economy is going to be moving to. Your Economic Element is excellent. You are building a community for those in-migrants. You're not building a community for the people who live here now. If you go through your current economy and say we have to develop our housing types based on the economy that's here today and that's what you've done in this analysis, you're deadly wrong. You would be reduced by 1,500 people a year. Your net dying town. Your not growing town. This is an in-migration town. The population we're serving are the people that are coming here, not the people who live here, not the current

economy. That 75% mix is an important number. We urge you to go back to the 75% mix.

To quickly summarize, Grants Pass has the tools to be able to manage infrastructure, handle growth, make good decisions about how communities are going to be built. The County doesn't have those tools. He's not saying they're bad guys. He's saying they don't have the tools. Use every potential you possibly can to get your urban growth boundary as large as it can be. Not only does it economically do good things for land supply, it's really important for you as a community, for the leaders of this community in years to come. He remembers at a goal setting about twenty years ago, a guy who sat on this City Council said you know, build a community for your kids' kids.

John Chmelir, 2262 Elderberry, Grants Pass, Oregon gave the Council a handout. He stated he wanted to start out by saying that he did get up at one of the first or second meetings and commented that he thought that the market knew what the market wanted and that the people moving here over the last six or seven years who consumed these new houses identified what they wanted. John Renz, who is the DLCD, kind of slapped him around and basically said Grants Pass' housing plan has failed; your plan has failed over the last twenty years because the people moving here bought the houses they wanted instead of the houses that were in the plan. So that was the attitude that started the whole thing. He thinks our consultant is an honest broker and he really respects Code Analyst Schauer but he has to tell you that there is a big leap of faith to go from when the historic needs of the people who are moving here; 75% single family, to change it to 67% single family just because we've decided that that's what people need to be in, and he doesn't think that's correct. He's going to go through a few things. Last night City Manager Frasher said a couple of things. It was a Homebuilder's meeting. Without in-migration the Grants Pass population would be decreasing. So, if there was no people moving here, housing would become more abundant and more affordable if there was no people moving here. Josephine County has among the lowest per capita income levels of all counties in Oregon and a lot of the analysis and drive to the multifamily is based on that. However, Grants Pass is the second highest bank deposit rate in Oregon. That was presented last night. So it's not that the low wage people, he simply doesn't believe that the low wage people are also the highest savers or one of

the highest savers in Oregon. He has to believe that the highest bank deposit rate comes from the people who are moving here. So shouldn't we be planning the Housing Element for the people who are going to consume the housing? He doesn't think we've done that. Historically 75% of the in-migrants want single family homes. We're only providing homes for 67%. If you divide the housing mix into the population figures, that means that we wind up bringing in about 100 acres short of what historically we would need. We wind up creating almost 700 multifamily units and wind up 700 single family units short. You ought to direct the staff to go back to the historic housing mix.

Gordon Longhurst, 360 SE 'A' Street, Grants Pass, Oregon stated he's probably one of the few people here who was here in the 70's when the State land use goals were developed and also in Grants Pass to go through the long and tortuous process of developing the Comprehensive Plan. He remembers it was a learning curve for all of us to get a handle on the State land use goals and understand that along with the preservation of farm and forest land, which he was an advocate for and you can look the records up from 1977 to find out what he said, that a part of the component was the urban growth boundary. The reason was that in order to protect farm and forest resource land and to try and prevent urban sprawl, the urban growth boundary was your tool to do that. You accepted higher densities. You accepted infrastructure. You accepted having control over that so that you could protect the forest resource and the agricultural resource and not have sprawl that we were all trying to avoid. The urban growth boundary is a very important tool. We're at a really important crossroads. The housing component is probably the most important component of it. He doesn't think that 11:45 at night a decision should be made. He respectively asks the Council to consider postponing this decision until we can have a more reasonable discussion when everybody is awake and energetic. It has twenty year implications.

Ed Bowers, 1104 Luzon, Grants Pass, Oregon stated he totally agrees with the last gentleman. It's 11:45. This is probably one of the most important decisions the Council is going to make in the next several years. Possibly it would be a good idea to have a little more discussion at a little earlier time frame.

Mayor Holzinger asked if anyone else wishes to speak for or against this item. Seeing none, he turned it back to Council for action.

Councilor Richardson stated she would move that we direct the Housing Element go back for reconsideration. We haven't had a chance to talk among ourselves and we need to do that. She does have reservations. She doesn't like social engineering. She realizes that every act the Council does has an impact on somebody. We indirectly make decisions about who wins and who loses. But when we deliberately set out to determine what people should have versus what they've historically asked for, we're in trouble.

Councilor Cummings stated he hasn't been lobbied. The information he has is the stuff that he has on the dais here. He wanted to make that really clear. The second thing is that obviously being in this industry and he's been in the industry since the early 70's, and it doesn't matter. You can make the comment build and they will come but just because you build it doesn't mean they're going to buy it. When he saw the population numbers based on the amount of people from California, suddenly they could afford what they want to buy here. It's been his experience that folks moving into the area don't want to share lots. They don't want to have homeowners associations. They want their own property, their own lots. So with us doing the higher mix of density, it just seems wrong from historical numbers. He really believes that the folks in the baby boomers are still in the spot of wanting to move from California, move out and they're going west. He would agree with Councilor Richardson on that.

Councilor Hyde stated he's not sure if we're making a decision on this tonight or not. He would want to make a couple of comments for the record. If we do continue, perhaps he wouldn't remember two weeks from now or whenever. Code Analyst Schauer made a couple of comments earlier that he found interesting. One of them was in regard to the application we saw on Locust. That's an R-2 property and was not counted in the inventory. He would assume most of those properties that are not counted in the inventory are higher density properties and therefore he thinks we're undercounting the 33% or whatever. It's probably higher if that is indeed the case. The other thing that happened in the land use hearing we heard tonight was people not wanting higher density in their neighborhood. There was great concern about how many houses

go on Locust and so forth and the services that are provided there. As such the argument was made sense of hometown and that type of thing. Departing to a whole bunch of higher density properties does change the whole sense of downtown. He just wanted to have that on the record depending on how we would vote whether to continue or not.

Councilor Kangas stated he's going to make a motion that we table this so we can have more discussion because he doesn't feel at this time of night that, as Mr. Longhurst said, we haven't had time to do it.

Mayor Holzinger stated do you want to continue it then? Councilor Kangas stated continue.

Councilor Hyde stated he appreciates the concerns about late at night and so forth but what he understands is for the next to meetings the agendas are very similar to tonight's and we're continuing to push things off and not take action. He would like to make a motion but an amended motion in regard to this. He would like the ordinance be read by title only amending to the 75/25% split that has been historic. Councilor Richardson stated she would second the motion.

City Manager Frasher stated since we're now in discussion of the motion, the most compelling thing he would draw your attention to would probably page 3 of Mr. Peterson's memo. The concern that we've grappled with, and in the two and a half years that he's been serving as your city manager, there is this constant difficulty in trying to enforce or hope for some sort of City standard in the existing urban growth boundary or outside the urban growth boundary. So where that county/city interface happens, that's where we get into please don't create another Redwood area. We've heard that so many times he can't tell you. For him one of the analogies is, and he's not sure if the presenters would agree with this but one of the analogies that he sees is when we say we're going to control growth by not annexing, and he believes actually that's the way we're not going to control growth is by not annexing because when we don't annex, we're saying we'll inherit your problems later, we won't worry about them now. That analogy is similar. People are going to come to southern Oregon, they're going to develop, they're going to move to places in and around Grants Pass and if we don't have areas that are in the urban growth boundary that

are large enough to accommodate the market demand, they're still going to come. Just like the ruse that if we don't annex somehow we're not going to grow. They're still going to come; we're just not going to have the same level of opportunity to regulate the kinds of development that you might have if you were willing to annex. Mr. Peterson also mentioned the cost of the services and that's really more directly to the annexation point because if you don't have service and annexation agreements, we are going to have those impacts but we aren't going to be collecting the revenues. It made some pretty compelling arguments in support of Councilor Hyde's motion.

Councilor Richardson stated she actually had an opportunity to talk to the planners in Deschutes County and also the folks up around Pendleton. This is something that all of them are struggling with because in every area people are moving away from the cities into those one and two acre plots. Some areas have serious problems with their water which we are fortunate that we don't do. When you look at statistics though the thing you have to look at is error. What is the danger of being wrong? If you look at this, the danger in being wrong is 100 extra acres that might accidentally be in the urban growth boundary. We have control over that 100 acres in a way we wouldn't have and we might get a little infrastructure sooner, some advance financing district might happen that would build us a road a little sooner than we need it. But the bottom line is we don't lose in that process.

City Manager Frasher stated there are also concerns, and these are very legitimate, about large lot subdivisions and just how incredibly inefficient they are. And they are. The streets are longer, the response times are longer for Public Safety. Infrastructure, maintenance of water and sewer lines are all more egregious but there in place in addition to that, overlaying that with market realities, the cost of those developments is going to be higher initially so you have some market forces working in your favor to help keep these densities a little bit more reasonable away from that large lot subdivision. This is a little bit of a misnomer if you think by picking a number that somehow our problem is going to go away because he doesn't think they're going to.

Councilor Wendle stated as your liaison on this committee she's been really pleased with the interaction and the gentlemen who have spoken today have addressed us. The material we received today is the most compelling of the materials that she's seen in the presentations. She

would concur with the change of percentages to the 75% and 25%.

Councilor Renfro stated when we change this to the 75/25, does that also reflect on the acreage that we're going to be looking at?

Code Analyst Schauer replied depending on how that mix is changed in the assumptions, it could affect the acreage. We can't just change the percentage without changing some of the associated information. If there is some direction you could provide for us to bring back a revised document to you, he is trying to figure out how to address your desire to act tonight and also try to get back revised documents. One of the things to maybe look at are some ways to meet some of what's been requested as a need for additional single family in a manner that doesn't also reduce the multifamily as extensively. Part of what we've asked Mr. Parker to provide to us is some guidance in is experience in working with other communities in providing some risk analysis in how recommendations and decisions will be found upon review if challenged or where we get into the next steps where decisions aren't specifically final at the local decision unless appealed to LUBA. They actually have to go through what is called a quasi-periodic review process where the State has to sign off on those final decisions. If you could maybe approach this and have us work toward the objective you noted without moving as far away from meeting the need for some of the multifamily and try to bring back something responsive to you at another meeting, he'd like to try to have that opportunity. He'd ask if you want to proceed with this without doing that further, we'll do that but he wants to try to address some of the implications of that for you as well.

Councilor Renfro stated he doesn't see how we can move forward with just what's been presented as far as the motion goes. There is too much interaction with different components on this besides just changing the percentage. We're going to have to either pass on it or delay it to a later time when we have more information.

Councilor Hyde stated from what Code Analyst Schauer just said, if the multifamily issue is somewhat fixed in his recommendation, then it's a matter of redoing the math that would add a hundred acres he would assume. In his motion, he would not be opposed to amending having the ordinance read by title only, amending to the 75%/25% recognizing that may mean increased acreage brought into the urban growth boundary.

City Manager Frasher stated one concern he has about that is the ordinance is what is here right now which is what's been noticed. It might be more effective for the Council to do what Code Analyst Schauer suggested and direct staff to go back and incorporate the overall objective into a workable document that you think will survive challenges in the future.

Councilor Kangas stated that was the point he was trying to make. We're trying to shoot from the hip and it's not the right time to do that. We need to have them, just like City Manager Frasher said, have them look at it. Let's table it and refer it back to the committee. We shouldn't make a decision.

Councilor Richardson stated since she set all this up before she was tired she'll go back to it. What the data shows us, and the data hasn't lied, is that single family homes on 8,000 to 10,000 square foot lots is what sells in this town, look at for example the vacancy rates. The vacancy rates on single family dwellings at the last report was 4%. The vacancy on apartments on multifamily dwellings is almost twice as much; it's over 7%. If you were to tell her we needed more multifamily dwellings which you have, she would say okay then why isn't it just the reverse? Why are there more vacancies in multifamily dwellings than there are in single family dwellings especially since you've told her that slightly under half of all of the single family dwellings in this town are in fact rentals. So even speculators who buy rental property and everybody else is moving to single family dwellings, to backpedal and say you're still going to create multifamily because by God you're going to have multifamily, flies in the face of your data which you provided us. She doesn't see any point to go back and look at the data and come forward with additional multifamily. The marketplace will drive those.

Code Analyst Schauer stated just to be clear, he wasn't suggesting that you direct us to go all the way back to the beginning and come back through the steering committee and Planning Commission. He was suggesting that if you gave pretty narrow direction on that issue we could provide something that's responsive to it and identify any potential hurdles we might see, try to find a way to address that any place where we would identify potential issues.

Councilor Hyde stated he withdraws his motion. Councilor Richardson withdrew her second.

Code Analyst Schauer stated if we tried for your next meeting it would be a little tight because it's basically a week's turnaround time before the packet is due but if that can be accomplished at your second March meeting that would give us enough time. This is legislative; we can get that information out to you in advance without the kinds of issues you'd run into with a quasi-judicial hearing.

MOTION

Councilor Kangas moved and Councilor Renfro seconded to continue until date certain, April 2, 2008. The motion passed unanimously.

g. Appeal of the Director's decision to deny land partition for property located at 540 East Park Street.

Councilor Richardson abstained from this hearing because she was a member of the Urban Area Planning Commission when that body heard this application.

Councilor Hyde abstained due to conflict of interest because he had a specific discussion about financing on the subject property.

City Manager Frasher stated this application is for the appeal of the Director's decision to deny a land partition for property located at 540 East Park Street. We'll begin the hearing with a staff report followed by a presentation by the applicant, statements by persons in favor of the application, statements by persons in opposition and an opportunity for additional comments by applicants and staff. Once that has occurred, the public comment portion will be closed and the matter will be discussed and acted upon by the Council.

Is there anyone present who wishes to challenge the authority of the Council to hear this matter? Seeing none, do any additional Council members wish to abstain from participating in this hearing or declare a potential conflict of interest? Seeing none, are there any Councilors who wish to disclose any discussions, contacts or other ex parte information they have received prior to this meeting regarding this hearing? There are none.

In this hearing the decision of the Council will be based upon specific criteria which are set forth in the Development Code. All testimony and evidence must be directed toward those criteria. The criteria which apply in this case are noted in the staff report. If you would like a copy of that report, please write that on a note to him and one will be provided to you. It is important to

RESOLUTION NO. 5317

It was moved by Councilor Cummings and seconded by Councilor Kangas that Resolution No. 5317 be adopted and the vote resulted as follows: "AYES": Richardson, Hyde, Kangas, Patterson, Cummings and Renfro. "NAYS": None. Abstain: Wendle. Absent: Berger.

Having received a favorable vote, Mayor Holzinger declared Resolution No. 5317 to have duly passed.

6. EXECUTIVE SESSION

City Manager Frasher stated the Council will now meet in executive session for the purpose of discussing subjects previously noticed for this executive session. The executive session is held pursuant to ORS 192.660(2)(h) and more specifically under the subsections of that statute which have been publicly noticed for this meeting. Representatives of the news media and designated staff shall be allowed to attend the executive session at the will of the Council. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the session except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, the City Council will return to open session and welcome the audience back into the room.

MOTION

Councilor Patterson moved and Councilor Kangas seconded a motion to go into executive session under ORS 192.660(2)(h). The motion passed unanimously.

MOTION

Councilor Kangas moved and Councilor Wendle seconded a motion to come out of executive session. The motion passed unanimously.

7. ADJOURN

There being no further business to come before the Council, Mayor Holzinger adjourned the meeting at 12:35 a.m., February 21, 2008

The ordinances, resolutions and motions contained herein and the accompanying votes have been verified by:

David Kanner
Administrative Services Director

These minutes were prepared by contracted minute taker Connie Murray.

2/20/08
CC HEARING

Housing Element

Comprehensive Plan Amendment
07-40500007

Housing Element

- Most of the current Housing Element is from the original Comprehensive Plan adoption, with population figures last updated in 1994
  - **Information in current documents now outdated.** New element includes more recent data from Census Bureau, Joint Center for Housing Studies, and other sources, development statistics, etc.)
  - **Population Forecast in current document only through 2010.** New housing element is based on forecast through 2027.
- Proposed Housing Element replaces existing Housing Element in Comprehensive Plan.

Action/Recommendation

- **Legislative Action.**
- **Action.** Adoption of ordinance amending the Housing Element of the Comprehensive Plan
- **Recommendation.**
  - The Steering Committee recommended approval of the proposed amendment.
  - The Planning Commission recommended approval of the proposed amendment with some additional changes to the narrative to provide clarification and documentation of demographic and housing trends and terminology. This did not include changes to the substance of the Steering Committee's recommendation.

Criteria for Amendment

a) Consistency with other findings, goals and policies in the Comprehensive Plan.

b) A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

c) Applicable planning goals and guidelines of the State of Oregon.

d) Citizen review and comment.

e) Review and comment from affected governmental units and other agencies.

f) A demonstration that any additional need for basic urban services (water, sewer, streets, storm drainage, parks, and fire and police protection) is adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

g) Additional information as required by the review body.

h) In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

Items received to be entered into record (received after Planning Commission hearing)

- 2 additional exhibits already included in the record as part of the packet.
  - Letter from Bill Peterson dated 2/4/08
  - Letter from John Chmelir dated 2/4/08
- E-mail from Bill Peterson on behalf of the Homebuilder's Association dated 2/18/08 requesting item be removed from 2/20/08 agenda
- E-mail from John Chmelir dated 2/19/08

Process Overview

- Consultant and Staff to facilitate process and address technical and legal components
- Opportunities for public involvement during development of alternatives pertaining to policy questions
- Based on feedback from public involvement program, Steering Committee to work to make recommendations on products submitted for public hearing process. Hope they are talking to citizens and constituents.

EXHIBIT C
TO CITY COUNCIL FINDINGS

Steering Committee

Member	Criteria/Role
Jay Eastwood	1 Representative from the Homebuilders or other residential developer
Gerard Fitzgerald	1 Representative from the Association of Realtors
John Lapas	1 Representative from Chamber of Commerce, Small Business Development Center or Towne Center Association
Warren Troy	1 Representative from Citizens for a Voice in Growth
Brad Carlson	1 Representative from the Mid-Rogue Watershed Council
(vacant)	1 Representative from health care provider / health- care, employment, housing, professional employee recruitment
Barry Russell	1 Representative from manufacturing employer / manufacturing, employment, housing, employee recruitment
Ron Fox	1 Representative from BOREDI or BRE Task Force / primary-sector employment and land needs
Jennifer Wheatley	1 Representative from arts-based employment sector (Artworks or other)
Nancy Groth	1 Representative from regional agri-business or agri-tourism / row and value-added products and tourism
Michael Carrollero	1 Representative from Josephine Housing Council or workforce housing representative
John Higgins	1 Representative from School District 7
David Marshall	1 Representative from Three Rivers School District
Bart VanDyce	1 Representative from Rogue Community College
Conrad Schutte	1 Student Representative from Grants Pass High School
Kathleen Sookie, Dave Sasek	2 Citizens at large
[redacted]	[redacted]
Dave Tyler	[redacted]
Lora Antone	[redacted]
Vicki Kirchner (Community Development Director)	[redacted]

Process

- Steering Committee meetings approximately one per month starting in January 2007 (have been meeting for approximately one year).
- Opportunity on Steering Committee meeting agenda for anyone to submit information to the committee. (May not be for immediate action, but for consideration and discussion at relevant part of process). Committee members and staff also have opportunity to share any feedback they have received at that time or as part of discussion of relevant agenda items.
- Liaisons on committee for Urban and Rural Planning Commissions, City Council, and Board of Commissioners to provide two-way feedback mechanism to address issues as early in the process as possible.
- Public workshop in May 2007 and online survey in June 2007 advertised in the newspaper and on the city website. More are scheduled for the next stages of the project.
- Joint workshop with City Council, Board of Commissioners, and Urban Area Planning Commission in September 2007. Steering Committee members also invited to attend, and several attended.
- Maintain list of interested parties and keep people informed of project status and opportunities for public participation.
- Post draft documents and Steering Committee meeting minutes on City website at www.grantspassoregon.gov, Your Government>Community Development>Planning Division>Urban Growth Boundary Evaluation
- Provide e-notification for Community Development News (or other news items) on City website, where user can select items for which they want to receive notifications when notices are posted.

Process Overview- Objectives

- Develop products that respond to technical issues, comply with legal requirements, and result in policy that reflects community values.
- Get information out as early in the process as possible to get input and feedback from many people and viewpoints as early in the process as possible. (Steering Committee includes representation from a cross-section of the community, also liaisons to Urban and Rural Planning Commissions, City Council and Board of Commissioners)
- We hope to get input at the Steering Committee stage to discuss, work through, and resolve as many issues as possible, and bring recommendations to the public hearing stage.

Process Overview- Objectives (continued)

- Ensure that recommendations from Steering Committee maximize ability for diverse constituents to have issues addressed early in an inclusive process.
- Hopefully, issues are raised through Steering Committee so they can address as a group and "roll up sleeves" and work through issues together, where constituents feel comfortable with recommendations carried forward.
- Desire to reduce likelihood of appeals and lengthy and costly process.

How has the process worked for this item?

- For the Housing Element, we initially thought the process had worked well. However, some issues after Steering Committee recommendation.
- Through several meetings, the Steering Committee worked through issues which were addressed in the document now before the City Council. The document was improved as a result of Steering Committee work.
- The Steering Committee members present at the November 5, 2007 meeting unanimously recommended approval.
- **Diverse representatives, including the representatives from the Homebuilders Association, the Association of Realtors, and Citizens for a Voice in Growth all voted in support of the recommendation.**
- The liaisons for the Urban Area Planning Commission, Rural Planning Commission, City Council, and Board of Commissioners shared any information they had received from the respective groups. **No concerns or issues were initially expressed through the liaisons that weren't addressed as part of the Steering Committee recommendation.**

How has the process worked for this item? (cont.)

- Following the Steering Committee recommendation, additional issues came up:
  - The Chair of the Planning Commission became the new liaison to the Steering Committee and submitted additional comments. These were addressed as part of the Planning Commission's recommendation. They involved changes to the narrative that provided additional clarification and documentation of demographic and housing trends and terminology, but didn't change the substantive recommendation of the Steering Committee.
  - Further comments and testimony were provided by additional members/representatives of the Homebuilders Association in advance of the Planning Commission hearing and during the Planning Commission hearing. The Planning Commission did not incorporate the requested revisions into their recommendation.

Status

- Based on Steering Committee vote and feedback through liaisons, we believed major issues were resolved with Steering Committee recommendation. There were discussions about issues of residential density and residential mix at Steering Committee meetings.
- Planning Commission made recommendation. Not all parties are satisfied with Planning Commission recommendation.
- Recommendation is now before City Council without concurrence from all parties.

Summary of Housing Element

- Purpose
- Framework for the Housing Needs Analysis (including summary of Oregon Statewide Planning requirements)
- Historical Development Trends in Grants Pass
- Housing Demand and Need
- Findings
- (No changes to policy section as part of amendment at this time)

State Law & Policy

State Law

- Goal 10: Housing

  "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."

State Law (cont.)

- Needed housing types (ORS 197.303):
  - Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
  - Government assisted housing;
  - Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
  - Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

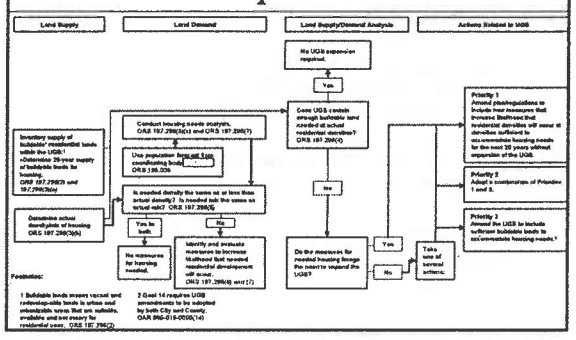
State Law (cont.)

- Refined the definition of buildable lands (ORS 197.296)
- Requires coordination of population projections by counties (ORS 195.036)
- Sets criteria for prioritizing land for UGB expansions (ORS 197.298)
- Sets specific requirements in ORS 197.296 for conducting residential buildable land inventories and **housing needs assessments** for … a city with a population of 25,000 or more… (Grants Pass is a "296" community, subject to these provisions).
- Requires demonstration of a 20-year buildable land supply

State Law (cont).

- OAR 660 Division 24
  - 20-year need must be based on population forecast
  - "Safe Harbor" estimates of household size based on most current Census Bureau data

State Requirements: It's complicated!



Housing Element and Other Elements

- Housing Element presents housing needs and addresses average density, needed housing mix, and "baseline" land needs figure.
- Urbanization Element that will be coming in next steps will include the overall buildable lands analysis, refined land needs analysis based on policy discussion and consideration of "efficiency measures".

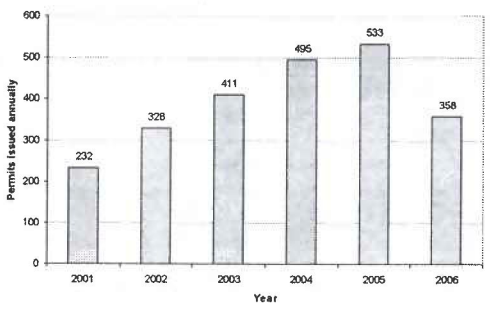
Residential Development in Grants Pass

Housing Stock: Grants Pass Census Data 1990-2000

- City added 2,383 new du in 1990's
- Slight increase in share of multifamily & manufactured dwellings
- Slight decrease in tenure (owner occupancy decreased/ renter occupancy increased)

	1990		2000		New DU 1990-2000	
	Number	Percent	Number	Percent	Number	% Change
Total Housing Units	7,480	100%	9,863	100%	2,383	32%
Single-family	5,484	73%	7,006	71%	1,522	28%
Multifamily	1,833	25%	2,547	26%	714	39%
Manufactured/Mobile	163	2%	310	3%	147	90%
Occupied Housing Units	7,145	100%	9,376	100%	2,231	31%
Owner Occupied	3,838	54%	4,986	53%	1,148	30%
Renter Occupied	3,307	46%	4,390	47%	1,083	33%

Dwelling Units Approved by Building Permits



New Dwellings by Type, 2001-2006

- Mix 2001-2006:
  - 75% single-family (both attached and detached)
  - 25% multifamily

Year	Single-family Number	Single-family Percent	Manufactured homes Number	Manufactured homes Percent	Multi-family Number	Multi-family Percent	Total
2001	210	91%	15	6%	7	3%	232
2002	193	59%	21	6%	114	35%	328
2003	257	63%	25	6%	129	31%	411
2004	350	71%	20	4%	125	25%	495
2005	395	74%	11	2%	127	24%	533
2006	259	72%	10	3%	89	25%	358
Total	**1,664**	71%	**102**	4%	**691**	25%	**2,357**
Average	**277**		**17**		**99**		**393**

More variety of housing types

Permits issued 2006:
- **39 of 259 Single-Family Homes were "attached" houses** *(share common wall but on individual lots)*
- (In 2007, 103 of 235 SFD were "attached")
- **26 Condominium units** *(Sold as individual units but on one parcel of land jointly owned by homeowners)*



Kinsington Court Condominiums – 36 "attached units" (Lower River Road)



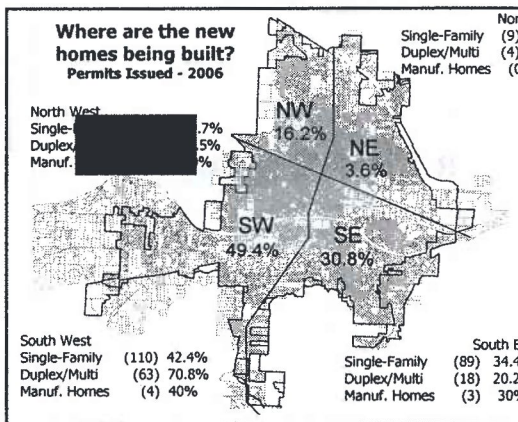
Maple Park Townhomes – 88 lots "attached houses" (Fruitdale Drive)



Sequoia Village Planned Unit Development – 114 lots "attached houses" (N Street)

Where are the new homes being built?

Permits Issued - 2006



North East
Single-Family (9) 3.5%
Duplex/Multi (4) 4.5%
Manuf. Homes (0) 0%

North West
Single-[redacted].7%
Duplex/[redacted].5%
Manuf. [redacted]%

South West
Single-Family (110) 42.4%
Duplex/Multi (63) 70.8%
Manuf. Homes (4) 40%

South East
Single-Family (89) 34.4%
Duplex/Multi (18) 20.2%
Manuf. Homes (3) 30%

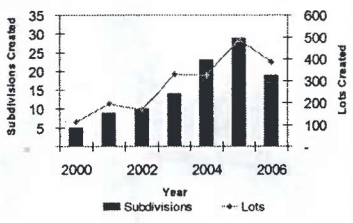
Increase in Construction Valuation

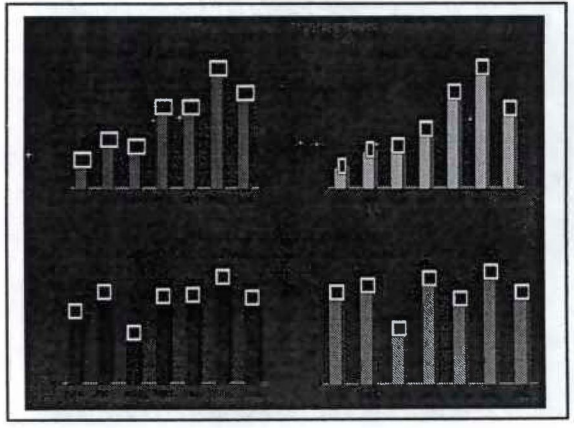
Since 2006, 26% of permits valued at $200,000 or more
- Rise in housing cost regionally
- Indicator of trend towards larger homes

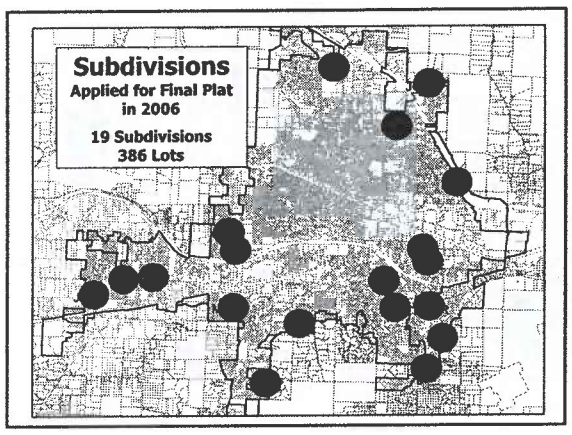
Year	Number of SFD permits	$200,000-$300,000 Number	$200,000-$300,000 Percent	$300,000+ Number	$300,000+ Percent
2001	210	9	4%	3	1%
2002	193	25	13%	6	3%
2003	257	62	24%	15	6%
2004	350	76	22%	23	7%
2005	395	81	21%	26	7%
2006	259	30	12%	9	4%

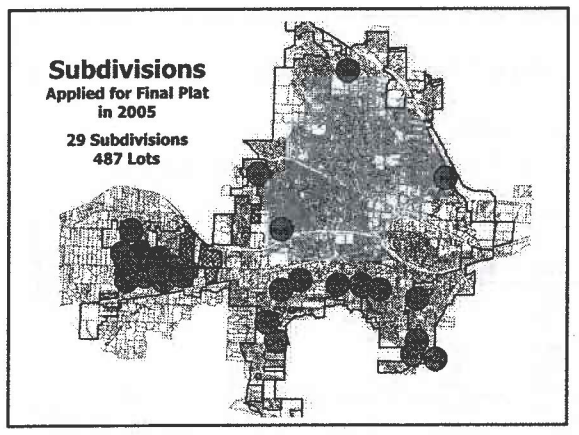
Subdivision Activity

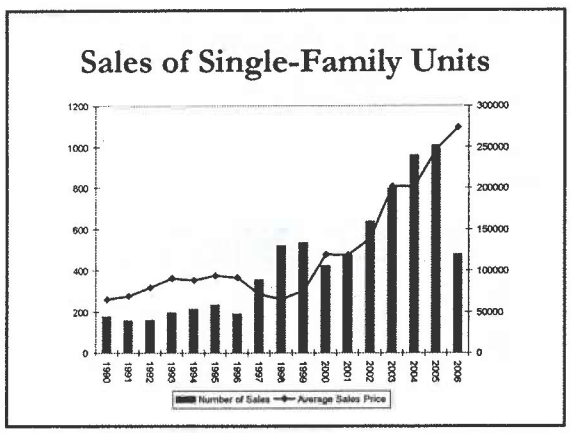
- Subdivisions
  - 109 platted
  - Annual average 16
- Lots
  - 2,003 created
  - Annual average: 286
- Doesn't include partitions

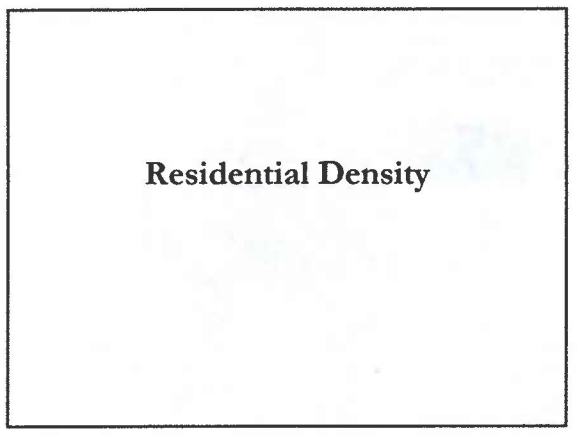


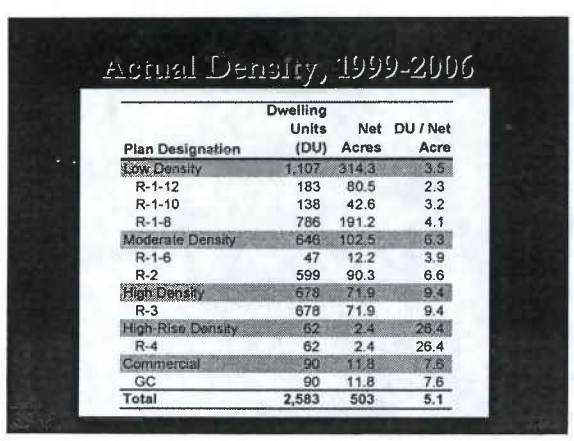




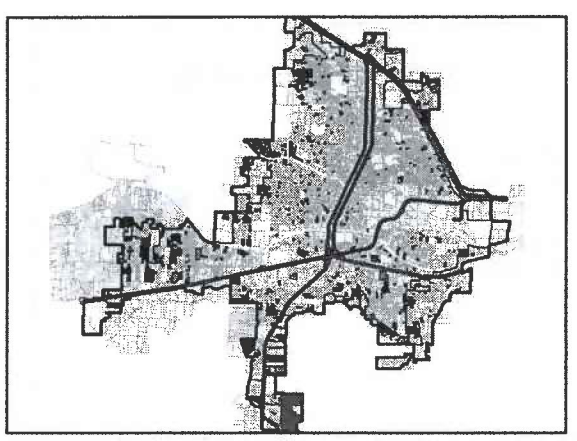








Plan Designation	Dwelling Units (DU)	Net Acres	DU / Net Acre
Low Density	1,107	314.3	3.5
R-1-12	183	80.5	2.3
R-1-10	138	42.6	3.2
R-1-8	786	191.2	4.1
Moderate Density	646	102.5	6.3
R-1-6	47	12.2	3.9
R-2	599	90.3	6.6
High Density	678	71.9	9.4
R-3	678	71.9	9.4
High-Rise Density	62	2.4	26.4
R-4	62	2.4	26.4
Commercial	90	11.8	7.6
GC	90	11.8	7.6
Total	2,583	503	5.1



Housing Needs

National Housing Trends

- Recent housing boom (1992-2005) then slowdown
  - National homeownership rate was 68.9% in 2005
  - Housing affordability decreased, with 1 in 3 households experienced cost burden
- Characteristics of new housing
  - Larger single-family units on smaller lots (both attached and detached)
  - Larger multifamily units
  - More household amenities

Regional and Local Demographic Trends: Migration & Age

- The region continues to be attractive to in-migrants
- The region has an aging population
- Grants Pass had a smaller household size (2.31) compared to the state
- Grants Pass has more households with children than county or state

Demographic Trends: More diversity

- The region is becoming more diverse
  - Grants Pass Hispanic population increased from 2.8% to 5.4% of population between 1990 to 2000
  - Josephine County's Hispanic population increased by more than 2,600 people between 1990 to 2006, from 2.8% to 5.3% of population
  - Increase in households other than married couples with children (79%).
  - Increase in one-person households.

Relationship Between Demographics and Housing Choice

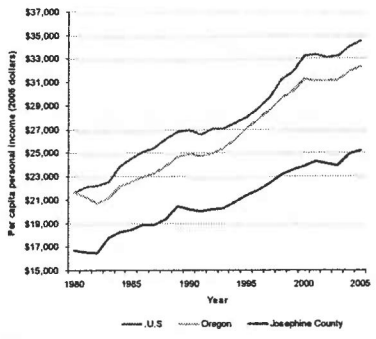
- Homeownership rates increase with income and age increases
- Choice of SFD housing increases with income
- Renters are more likely to choose multifamily units
- Income is strong determinate of tenure and housing choice for all ages

Implications for Grants Pass

- City will see a broader range of housing options:
  - Demand for SFD detached units will continue and eventually plateau as baby boomers downsize
  - Demand for affordable and high-end multifamily and attached single-family units is likely to increase
  - Demand for housing for families with children is likely to continue
  - Need for affordable housing is likely to increase with nontraditional households, Hispanic population, based on Census data in population report

Income and Affordability

Income



Sales Prices are increasing

Between 2000 and 2006

- Avg sales price increased $150k
- 130% increase
- Avg sales price nearly $275k in 2006

Year	Number	Avg. Price	% Change
2000	423	119,058	--
2001	473	118,027	-0.9%
2002	637	138,511	17.4%
2003	796	201,935	45.8%
2004	959	201,314	-0.3%
2005	1008	246,425	22.4%
2006	476	273,404	10.9%
Change 2000-2006			
Value		154,346	
Percent		130%	

Change in Income and Housing Costs in Josephine County

- Home values increased faster than rental cost or income
- Rental costs increased slightly faster than income

Year	Median Owner Value	Avg. Monthly Rent	Median HH Income	Ratio of Housing Price to Income	Ratio of Ann. Rent to Income
2000	$128,700	$534	$31,229	4.1	0.21
2006	$268,200	$628	$39,993	6.7	0.19
Change 2000-2005					
Value	$139,500	$94	$8,764		
Percent	108%	18%	28%		

Source: U.S. Census

Cost Burden

- Cost burden: when households pay more than 30% of income for housing
- 39% of all households experienced cost burden in 2000

	Owners		Renters		Total	
Percent of Income	Number	Percent	Number	Percent	Number	Percent
Less than 20%	1,012	33%	1,091	26%	2,103	29%
20% - 24%	587	19%	603	15%	1,190	17%
25% - 29%	487	16%	571	14%	1,058	15%
30% - 34%	339	11%	290	7%	629	9%
35% or more	625	20%	1,584	38%	2,209	31%
Total	3,050	100%	4,139	100%	7,189	100%
Cost Burden	**964**	**32%**	**1,874**	**45%**	**2,838**	**39%**

- A household earning median family income ($41,000) could afford a home valued up to about $104,250 without experiencing cost burden.
- Approximately

Different Housing Needs Through Different Life Stages

- People have different housing needs at different stages of their lives (varies for different people):
  - Children growing up in household
  - Moving out of home where they grew up
  - Young adults, including starting careers and/or starting families
  - Older adults
  - Younger active retirees & senior citizens
  - Senior citizens needing some assistance with daily living needs

Who needs housing in the 20-year period?

- Who will need housing over the next 20 years? A wide variety of people at different stages in life.
  - Younger active retirees - as baby boomers retire and move to the area
  - Older citizens who lived here or moved here as younger retirees and who will need assistance with some daily living needs
  - Families with children who are moving to Grants Pass
  - A variety of smaller households including one-person households and more households that don't include married families with children.
  - Younger people who may want to live and work in the community, who grew up here or want to move here and fill needed positions in the workforce created through retirement in the current workforce and from new jobs that the area is well positioned for if it can address workforce needs.

Units needed over 20 years

- 20-year forecast assumptions:
  - Housing mix

    67% Single-family (attached and detached): 5,800 units

    33% Multi-family: 2,960 units

    Total: 8,782 units (for 20,428 people)

    Source: ECONorthwest
  - While cyclical, this forecast averages 439 units per year

Housing is needed at all income levels

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products: Owner-occupied	Financially Attainable Products: Renter-occupied	
High (120% or more of MFI)	$55,800 or more	2,804	32%	All housing types; higher prices	All housing types; higher prices	↑ Primarily New Housing
Upper Middle (80%-120% of MFI)	$37,200 to $55,800	1,862	21%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI	$23,250 to $37,200	1,681	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	↓ Primarily Used Housing
Low (30%-50% or less of MFI)	$13,950 to $23,250	883	10%	Manufactured in parks	Apartments; manufactured in parks; duplexes	
Very Low (Less than 30% of MFI)	Less than $13,950	1,552	18%	None	Apartments; new and used government assisted housing	

Housing Needs Mix

- Tenure:
  - 60% owner-occupied
  - 40% renter-occupied
- Mix:
  - 67% single-family
  - Includes single-family detached, attached, manufactured homes and condos
  - 33% multiple family

Land needs for housing

•Approximately 1,500 acres needed for housing (could be affected by policy discussion, including discussion about efficiency measures, to be addressed in Urbanization Element)

•Also, approximately 60 acres needed for group quarters (not included in state definition of needed housing)

Housing Type	New DU	Percent	Gross Res. Acres	Density (DU/gross res ac)
Single-family types				
Single-family detached	5,093	58%	1,157.6	4.4
Manufactured in parks	88	1%	18.3	4.8
Single-family attached	703	8%	91.8	7.7
Subtotal	5,884	67%	1,267.7	4.6
Multi-family				
Multifamily	2,898	33%	230.0	12.6
Subtotal	2,898	33%	230.0	12.6
Total	8,782	100%	1,497.7	5.9

Source: ECONorthwest

Note: Table shows total acres needed, not the size of a UGB expansion

Thank You

- Questions?

Received by Kris W. 2-20-08
Item 1f at mtg
Bill Peterson

TO: Mayor Holzinger and Members of the Grants Pass City Council

FROM: Bill Peterson, 300 N. W. Sinclair Drive, Grants Pass, OR

DATE: February 20, 2008

SUBJECT: Suggested Changes to the Housing Element of the Urban Growth Boundary Analysis

Why Have an Urban Growth Boundary?

The State Land Use process describes the preservation of natural resources (Goal 5), efficient urbanization (Goal 14), agricultural and forest land preservation (Goals 3 and 4), land use planning efficiency (Goal 2), public facilities (Goal 11), housing and economic development (Goals 9 and 10), transportation (Goal 12), and energy conservation (Goal 13). These all assume that land that is not in an urban growth boundary will be preserved, and that UBG's should be a small as possible. The underpinning of this approach is a belief that in the rural areas, land will not be subdivided to small parcels, developed in manners that create urban development problems at later times, and that resources are legitimately preserved.

Does Rural Land Status Preserve Land and Reduce Growth?

In Josephine County, the urban growth boundary around Grants Pass is certainly not the limit of development identified as urban (2.5 acre parcels or less). A quick look at the maps in Colonial Valley, Merlin, E. Jones Creek, adjacent to the community college, and similar areas certainly belie the belief that a smaller urban growth boundary will result in less committed and parcelized land and increased land use efficiencies. This approach has actually resulted in more land consumption, a greater dispersion of the population, and increased demands on infrastructure, particularly transportation and law enforcement.

When Land is Developed in the Rural Area, What Happens to the City?

In the development of the urban growth boundary agreement amendments in 1997, the county readily admitted that they lacked the financial tools to develop infrastructure to serve populations that urbanize. The county is certainly not a negative force, it simply is a very different environment that lacks the capacity to get infrastructure constructed to meet needs. The populations in these areas rely on Grants Pass as the civic, commercial, and cultural center. They consume services from the City, and will not be part of the solution.

All the lands being considered for inclusion in the UGB have some level of parcelization that has already occurred. In some of the areas that you will be required to consider, the infrastructure in place is already in need of serious upgrade, and absent the impetus of developable lands, will not have the financial capacity to fix the problems that already exist. Along with this infrastructure problem, the City will still have to deal with the traffic, crime, and other population impacts.

EXHIBIT D
TO CITY COUNCIL FINDINGS

What is in the Best Interest of the Future Leaders of this City?

The Urban Growth Boundary is the future City. If this council limits that boundary to the "minimum" as suggested and does not work to bring in as much land as can be reasonably justified, they will perpetuate the status quo, forcing population that comes to the area to locate in the outlying county areas if they are seeking low density housing. These individuals consume municipal resources, while contributing little to the maintenance or expansion of the City infrastructure or to the ability for the City to control its own destiny.

Is the UGB Synonymous with Growth?

Land in the Urban Growth Boundary can be controlled by the City. The regulation of how development occurs, the terms of infrastructure development, and the timing of development and infrastructure are all issues that can be determined by the City. If you follow the current recommendations and minimize the land included in the UGB, you turn the decisions that drive your community and growth over to the County for determination.

The Economics of Land Value

We have all shared a concern about workforce housing, and "affordable housing". The wisdom of the state of Oregon is to increase high density housing and limit land supply. The greater the supply of potentially developable land, the lower the cost to acquire the land and get housing into the marketplace.

The Housing Element Conclusion of Housing Mix

John Chmelir has provided you with an analysis of the historical housing construction trends. Your population element firmly identifies the only population growth that this community will experience is from in migration. Your housing element then spends a full chapter describing the economics of the current population, and demographic trends of the current community populations over time. It does not recognize the housing you are attempting to provide is **NOT FOR THE DEMOGRAPHIC OF THIS COMMUNITY**, it is for the in migrant.

All population growth in Josephine County between 2000 and 2006 was the result of net migration because the County had about 1,500 more deaths than births." Simply stated, the entire purpose of your work is to accommodate the planned growth that will result from in migration. In the housing element, the statement is: "Over the next decade, 88% of net household growth is expected to come from gains in the number of homeowners." The preferred tenure for all demographic segments identified, except over 75, was single family.

Decreasing the percentage of single family housing starts from 75 to 67% reduces the land potentially part of the UGB, your future City.

Summary

If this City Council continues to believe that the City is better equipped to handle the impacts of potential growth, and should be in a position to control and manage growth, then the City should optimize the land that is included in the UGB, and restore the percentage of single family to the levels of the most recent periods (75%). If the City wishes to believe that minimizing the land in the UGB, reducing the revenues potentially available to the City and the City's limits, and trusting the County to be the steward of land use and development, then you should follow the recommendations now coming from the advisory committees.

Received by Kris W.
Item 1f at mtg 2-20-08

TO: Mayor Holzinger and Grants Pass City Council
From: John Chmelir
2/19/08
RE: HOUSING ELEMENT CONSIDERATIONS

CONCLUSION
The plan uses the economics of the current population to justify raising the amount of high-density housing from the historic 25% of the housing mix to 33% over the next 20 years; but the folks generating almost all the growth increase come from somewhere else and with a different economic situation. **Without in-migration, the City population would be decreasing** and more and less-expensive housing inventory would be available every year. **It seems more reasonable to plan for the folks that will want the housing than those that do not create the demand.**

The plan as presented creates 718 multi-family units for which there is no historic demand and creates a shortage of 695 single-family units for which the demand has been demonstrated historically. Comparing the recommendation to the historic demand indicates that there is approximately 100 acres too little land brought into the UGB.

The shortage will create price premium on the single-family units. The population moving in has more real estate equity than those already here and will demand those units. **The plan as recommended may have the perverse effect of filling those multifamily units with locals since they will no longer be able to afford their desired single-family dwellings.**

Why?

DISCUSSION
Pg 9-8 Table 9.30.1 is misleading because it does not classify the manufactured homes as single family which they are otherwise and in other places defined. 9.20 indicates that manufactured homes are meant to be installed on lots and used as single family residences. **So the market over the past 6 years has required 75% single family homes, and 25% multifamily.**

Pg 9-13 Table 9.30.5 Net densities are way too high. In Meadow Wood Subdivision, as an example of hillside development that generally has satisfied all expectations regarding trees and slopes, the densities are 2.6 DU/ac for the 42.8 acre main subdivision and 3.5 DU/ac for the 10-acre almost level expansion. **So you can't meet the conflicting desires of the community to preserve trees and respect landforms at these building densities.**

Pg 9-18 The description justifies departing from the historic housing distribution averages in Grants Pass not by describing recent phenomena here, but by describing trends from across the country, trends that have no evidence or impact here. **The mind wanders back to table 90.30.1 and begins to wonder why we propose 67% single family for the future when over the past 6 years the market has required 75%.**

Pg 9-19 Table 9.40.5 Tom Schauer stated that historically "Group Quarters" housing is not in the multi-family percentages, historic or prospective. That clarifies a seeming conflict.

See attached Excel Spreadsheet:

As presented, the recommendation creates a **shortage of 695 single family lots** while proposing 718 multi-family units more than would be used, based upon historic rates. **That will**

EXHIBIT E
TO CITY COUNCIL FINDINGS

drive a price premium that will be the reverse of the objective to create more affordable housing! To meet 20-year needs at historic use rates**, the city should actually bring in 1597.7 acres versus 1497.7 proposed, a shortage of 100 acres.**

Mr. Schauer has explained that there is no intention to include a code provision requiring development to meet minimum densities in any zone.

Without in-migration, the City population would be decreasing and more and less-expensive housing inventory would be available every year. Why not plan the UGB expansion for the in-migrants who drive the need?

In-migrants have greater real estate equity than a comparable local buyer, so any shortage of low density land will carry with it a price premium, driving out locals that could otherwise afford to live in single family residences. Forcing them into High Density Housing will result in their desire to make up for the satisfaction of low density living by adding amenities (Pg. 9.25), thus driving up the relative cost of all High-density housing, completely counter-productive to the desire to create more affordable housing in Grants Pass. If this type of directed zoning worked then the cheapest lot in Ashland would cost way less than the likely $250,000 actual price, and condos would not cost $650,000 as they in fact do.

The current UGB is approximately 28.2 miles long. If the City were to expand equally along that 28.2 miles, **adding the 100 acres would expand the UGB perimeter an imperceptible 29 feet,** roughly half the width of a City street ROW. That small expansion will make a huge difference in affordability for our employees and our children over the next 20 years.

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24 March 2008

TO: **Grants Pass City Council**
CC: **Tom Schauer and Jim Huber**
FROM: **Bob Parker and Beth Goodman**
SUBJECT: **HOUSING NEEDS ANALYSIS ASSUMPTIONS**

ECONorthwest prepared the following memo at the request of city staff in accordance with direction from City Council at the February 20, 2008 meeting. The direction provided was to bring back a document with a revised housing mix of 75% single-family / 25% multi-family consistent with the historic housing mix of the analysis period, and to identify some of the potential implications of doing so.

ECONorthwest is working with the City of Grants Pass to update the housing element of its comprehensive plan. A key part of the process is developing analysis that supports assumptions about future housing needs. The draft housing element and findings were approved by the Stakeholder Committee and the Planning Commission. In their January hearing, the Planning Commission received testimony that the housing needs analysis should use a different housing mix assumption. Similar testimony was presented at the February 20th City Council hearing. Specifically, the testimony suggested the housing needs analysis use a 75% single-family/25% multifamily housing mix. The draft Housing Element used a 67%/33% housing mix.

Council directed staff to revise the housing element to reflect a different housing mix. This memorandum presents a summary of how changing the mix assumptions from the 67/33 to 75/25 mix affects the results of the housing needs analysis (e.g., how many acres of residential land are needed).

KEY ASSUMPTIONS AND IMPACTS ON THE RESIDENTIAL LAND NEED RESULTS

The testimony provided to Council suggested that changing the housing mix would increase the need for residential land by approximately 100 acres. Table 1 compares the land need from the current mix assumption (67/33) and the proposed mix assumption (75/25). Our analysis comes to the same general conclusion as that provided in testimony. The "baseline" described in the table below means the baseline 67/33 mix in the current report. The 75/25 mix is compared to this baseline.

EXHIBIT F
TO CITY COUNCIL FINDINGS

Table 1. Impact of key variables on residential land need

Variable	Current Assump. (67/33 mix)	Historic Trend (75/25 mix)
Population in Households	19,686	19,686
Avg HH Size	2.36	2.36
Occupied Dwellings	8,342	8,342
Vacancy rate	5.3%	5.3%
Total Needed Dwellings	8,782	8,782
Housing mix		
Percent Single-Family	67%	75%
Percent Multifamily	33%	25%
Single-Family Dwellings	5,884	6,587
Multifamily Dwellings	2,898	2,196
Average Density (DU/gross ac)		
Single-Family	4.6	4.6
Multifamily	12.6	12.6
Average Density	5.8	5.5
Total Acres Needed for Housing		
Single-Family	1,275	1,427
Multifamily	230	174
Total	1,505	1,602
% of Baseline	100%	106%
Buildable Land Capacity		
Current Capacity (July 2008)	5,396	5,396
Surplus (Deficit)	(3,386)	(3,386)
Additional Residential Acres Needed in UGB		
Residential Acres (for Housing)	462	546
Group Quarters	33	33
Public and Semi-Public	369	369
Total	**864**	**948**
% of Baseline	100%	110%

Source: Analysis by ECONorthwest
Note: ECO is in the process of reviewing various elements of the housing needs analysis. The final results may vary from the figures presented in Table 1

JUSTIFICATION FOR HOUSING MIX ASSUMPTIONS

It is important to consider the review standards that DLCD and the Land Use Board of Appeals use for these studies. Planning documents are generally held to the "substantial evidence" test when questions about assumptions arise. In simple terms, this requires the record to reflect "substantial evidence" that supports the assumptions that a reasonable person would agree with.

The housing needs analysis builds from a set of state policy requirements. Specifically, ORS 197.296(5) requires that the determination of housing capacity and need 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.

The analysis in the draft Housing Element considers these five factors and concludes that the needed housing mix is 67% single-family and 33% multifamily. This mix is justified primarily by changes in demographic characteristics (more non-traditional households, more single-person households, and a general aging of the population). Income is also a key factor in justifying the housing mix—the draft Housing Element concludes that more than 2,400 new households in Grants Pass will have annual household incomes of less than $25,000. These households will primarily need multifamily housing.

Using a housing mix of 75% single-family and 25% multi-family would be an indication of one of the following:

1. An assumption that the housing mix over the past planning period has met housing needs, and will also meet housing needs over the next planning horizon. As described above, this is not supported by substantial evidence.

   There was public testimony presented that a change from 75%/25% to 67%/33% for new housing units during the planning period was unlikely because the mix was substantially different than what the market had built over the past period, which includes an inherent assumption that needs have been met by the market.

   or

2. An assumption that the housing needs over the next planning horizon will be substantially different than the housing needs over the past planning period.

   There was public testimony presented that there will be a substantial increase of in-migration of baby-boom retirees with equity that will continue to drive a high percentage of single-family housing types to an extent that isn't reflected in the historic trends. There was public testimony that planning for the current population is the wrong population to plan for, and that the population to plan for is the population that will be moving here, with a high percentage of baby-boom retirees leading to a housing mix that follows the historic mix.

   As described above, this is not supported by substantial evidence. The analysis indicates there will also be demand for other housing types to address changing demographics and meet needs for households with a variety of income levels. The net migration that has occurred in the past also represents a higher figure of both in-migration and out-migration.

> A variety of housing types would be needed to retain and attract people at different stages of housing need in their housing lifecycle to address workforce needs for the planning period.

As the public testimony suggests there are potentially different interpretations of the data presented in the draft Housing Element. The draft element was submitted to DLCD for review and no comments were received. There is, however, a possibility that DLCD will raise concerns about the recommended housing mix, which could result in an appeal of Council's decision.

The assumption of 75%/25% housing mix would need to be supported by substantial evidence. That evidence would have to support one of the two conclusions described above.

Additional testimony was presented and discussed about a desire to have jurisdiction and management for land use and infrastructure planning for a larger area. While that may be discussed as a policy objective for UGB planning, that discussion is unrelated to the housing needs analysis and findings and does not provide substantial evidence for the record to address housing needs.

At this point, the direction from Council was to bring back information regarding the housing mix and acreage and some of the implications for using a 75%/25% housing mix rather than a 67%/33% housing mix. That information is provided above.

In order to support this conclusion, it will be necessary to provide additional evidence on the record in support of the second conclusion above. Evidence on the record doesn't support this conclusion as a likely natural occurrence. City Council would need to adopt policy that would support this direction. Policy would be necessary to drive a housing need that is unlikely to occur absent such policy. This policy may be subject to scrutiny by DLCD as it relates to the policy in the statewide planning goals, and could result in appeal.

In accordance with the discussion and direction from Council for a 75%/25% mix, we will make revisions to the Housing Report for the continued City Council public hearing, with the need for Council to provide policy in support of this mix.

Item: Ordinance Amending the Housing Element of the Comprehensive Plan.

Date: April 2, 2008

RECOMMENDED ACTION:

The Urban Area Planning Commission recommended that City Council adopt the draft that was in the packet for the February 20, 2008 hearing.

At the February 20, 2008 hearing, Council provided direction for a revised document. The ordinance document in this packet is in accordance with the direction from Council.

PROCEDURE:

Follow procedure for an Ordinance.

BACKGROUND:

Materials

The full record has not been duplicated again in this packet. The record of the proceedings up through the February 20, 2008 City Council meeting is available in the packet from that meeting, and Council received copies of materials distributed at that meeting. ***If you need to refer to those materials, please bring your packet and materials from the February 20, 2008 meeting.*** Only the new materials that were not included in the February 20 packet or presented at the February 20 hearing are included in this packet.

A copy of the full record is available at the Community Development Department and will be available at the April 2 hearing.

Revisions

At the February 20, 2008 meeting, public testimony was presented regarding the housing mix in the draft document. Council members also presented information regarding the housing mix during discussion. Council directed staff to revise the needed housing mix outlined in that draft to reflect the historical housing mix and new evidence provided at the hearing related to future Grants Pass residents and their likely housing preferences.

The ordinance in this packet is a revised draft with the revised housing mix and other associated revisions. The revisions result in a change to land needs of approximately one hundred acres.

Council members noted that the change to the housing mix is needed largely for two reasons. First, Council noted that income information related to housing needs does not reflect situations where residents, principally retirees, have accumulated assets, and that their housing needs are not related to current income. There has been information presented regarding Josephine County ranking high in bank deposits, which Council noted in support of this conclusion. Council noted that historic need has driven the historic housing mix, and that the historic housing mix has therefore met the historic need.

ITEM: 1.a. ORDINANCE AMENDING THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN

EXHIBIT G
TO CITY COUNCIL FINDINGS

BACKGROUND (cont.):

Council also referenced vacancy rates, with multi-family vacancy rates (7%) higher than single-family vacancy rates (4%), as evidence that multi-family housing types are being provided to meet demand.

Second, Council noted that growth will continue to be driven by net in-migration largely from retirement. Council noted that the historic information regarding county-to county migration patterns shows substantial in-migration from southern California. Council noted this is largely retirement population with accumulated assets, and the retirement of the baby boom will reinforce this growth from in-migration of retirement population with accumulated assets. Council noted this will continue to drive demand for single-family housing types consistent with the historical housing mix.

The revised draft has been updated to change the needed housing mix for the 20-year planning period from 67% single-family/33% multi-family to 75%/25%, to reflect the changes in acreage associated with this mix, to outline the reasons Council found this mix should be used, and to note that Council intends to adopt policy in support of this in conjunction with work in the next steps on the Urbanization and Land Use Elements. It is important to note that the 75% single-family figure includes affordable single-family housing types such as attached single-family, small-lot single-family, and manufactured homes.

The memo distributed on March 24 noted there was insufficient information in the record to support this conclusion. The revised document provides additional information in the record in support of the Council direction.

General Information

The proposed amendment will replace the existing Housing Element of the Comprehensive Plan, which was adopted in 1982 and last amended in 1994. The proposed element discusses the framework for housing needs analysis, historical development trends in Grants Pass, and housing demand and need. It also outlines land needs to meet housing needs. More detailed information is provided in the Planning Commission's Findings and the Housing Element document itself. The land needs may be affected by policy decisions discussed in the next steps of the process, and this will be addressed in the upcoming elements (Urbanization Element and Land Use Element).

RELATIONSHIP TO COUNCIL GOALS:

This action relates to the Council goal of **GROWTH MANAGEMENT** by providing updated housing and demographic data and identification of housing needs and associated land needs for the planning period. This action completes part of the work in the City Council Work Plan related to UGB planning.

COST IMPLICATION:

There is no direct cost to the City to adopt the amendment.

Ordinance 5437 including Exhibit "A" which were provided in the April 2, 2008 City Council packet are attached to the Notice of Adopted Amendment. They are not photocopied again at this location in this packet to avoid duplication.

EXHIBIT H

TO CITY COUNCIL FINDINGS

POWERPOINT FROM 4/2/08
CITY COUNCIL HEARING.

Housing Element

Comprehensive Plan Amendment
07-40500007

(continued from February 20, 2008)

Housing Element

- Most of the current Housing Element is from the original Comprehensive Plan adoption, with population figures last updated in 1994
  - **Information in current documents now outdated.** New element includes more recent data from Census Bureau, Joint Center for Housing Studies, and other sources, development statistics, etc.)
  - **Population Forecast in current document only through 2010.** New housing element is based on forecast through 2027.
- Proposed Housing Element replaces existing Housing Element in Comprehensive Plan.

Criteria for Amendment

a) Consistency with other findings, goals and policies in the Comprehensive Plan.

b) A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

c) Applicable planning goals and guidelines of the State of Oregon.

d) Citizen review and comment.

e) Review and comment from affected governmental units and other agencies.

f) A demonstration that any additional need for basic urban services (water, sewer, streets, storm drainage, parks, and fire and police protection) is adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

g) Additional information as required by the review body.

h) In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

Action

- **Legislative Action.**
- **Action.** Adoption of ordinance amending the Housing Element of the Comprehensive Plan
- At the February 20, 2008 hearing, Council provided direction for a revised document. The draft ordinance in the document is in accordance with the direction provided.

Revisions

- Testimony at February 20 hearing and information from Council resulted in direction from Council
- Revised housing mix
  - Reflect historical housing mix (75% SFD/25% MFD)
    (75% single-family includes affordable single-family housing types)
  - Reflect evidence provided at hearing related to future Grants Pass residents and their likely housing preferences
  - Includes related changes to land needs (+~100 acres)

Basis for Revisions

- Income and Accumulated Assets
  - Income information related to housing needs didn't reflect situations where residents, principally retirees, have accumulated assets and housing needs are not related to current income
- Growth will continue to be driven by net in-migration, largely from retirement.
  - Substantial component of retirement population with accumulated assets
  - Retirement of baby-boom will reinforce in-migration of this retirement population

EXHIBIT I
TO CITY COUNCIL FINDINGS 1

Supporting Information

- Pages 9-50 through 9-52. Information regarding trends and statistics pertaining to wealth and assets by age group
- Income only accounts for a portion of worth
- Data not available at state or city level to definitively determine component of worth attributed to income vs. accumulated assets. Reasonable to attribute part of worth to assets for some of population in evaluating housing needs.
- Assumptions about who will move here, provides reasonable bound for assumptions regarding needed housing mix
- Additional data provided in support of the conclusions – not necessary to adopt policy pertaining to mix as noted previously, but good idea to articulate policy in next steps in articulating community development objectives.
- Zoning such as R-2/R-3 provides flexibility to accommodate range of housing types.

Thank You

- Questions?

Received at Mtg. 4-2-08 by Kris W.

CITY OF GRANTS PASS

April 2, 2008
7 P.M. City Council Meeting
Council Chambers - 101 N.W. "A" Street

Agenda Item

1. PUBLIC HEARING:

   a. Ordinance amending the Housing Element of the Comprehensive Plan. **Pages 1-72**

The City Council is urged to listen to its highly paid Consultant and implement the consultant suggest housing mix of 67% single family residences and 33 % multi-family dwellings.

The 75% - 25% split cannot be justified and is not suitable for managing the city's growth the way it should be done under accepted planning criteria.

Continuing the trend of the past is against the will of the majority of the citizens of Grants Pass who have clearly expressed that the rate of growth must be curbed.

The 75% - 25% is just a self-serving request from the Homebuilders Association to continue doing what they have done in the past, manipulating the city's business fro their profits.

Why is the city spending the people's money to support such an unfounded request?

Make your decision to day and trust your consultant who will keep you in compliance with State regulations.

Respectfully submitted,

Holger T. Sommer

Holger T. Sommer

EXHIBIT J
TO CITY COUNCIL FINDINGS

City Council Meeting
April 2, 2008
7:00 p.m.
City Council Chambers

The Council of the City of Grants Pass met in regular session on the above date with Mayor Holzinger presiding. The following Councilors were present: Cummings, Wendle, Kangas, Patterson, Hyde, Renfro, Richardson and Berger. Also present and representing the City were City Manager Frasher, City Attorney Woodburn, Assistant City Manager Samson, Finance Director Reeves, Public Safety Director Henner, Community Development Director Huber, Parks and Community Services Director Seybold and Streets Supervisor Scrivner.

The invocation was given by Martin Seybold followed by the Pledge of Allegiance.

PROCLAMATION

Mayor Holzinger, on behalf of the Council of the City of Grants Pass, proclaimed the week of April 13 to April 19, 2008 as Public Safety Telecommunicator's Week. The Proclamation was accepted by Sue Miller, Cindy Hughitt and Maria Hall.

1. PUBLIC HEARINGS

a. Ordinance amending the Housing Element of the Comprehensive Plan.

Code Analyst Schauer stated this item is a legislative action continued from your February 20th meeting. All of the legislative hearing rules still apply.

This would amend the Housing Element of the Comprehensive Plan, replacing the current element that was last updated with figures from 1994 with a new element. The criteria for amendment are the same as presented before, A through H found in the Comprehensive Plan. There are findings provided to that effect. The action is legislative, the adoption of an ordinance amending the Housing Element of the Comprehensive Plan.

At your February 20th hearing Council provided direction for a revised document from the draft that was presented at that time. The draft ordinance in your packet is in accordance with the direction you provided. Based on testimony presented at the February 20th hearing and information from Council at that time, you provided direction to us. Predominately that was related to revising the housing mix during the planning period to reflect the historical housing mix

of 75% single family, 25% multifamily. Your packet notes that that 75% still includes a variety of single family housing types. The revised housing mix is to reflect evidence provided at your hearing related to future Grants Pass residents and their likely housing preferences. It includes related changes to land needs of about 100 acres.

The basis for the revision is predominately in two areas that related to the revisions, the first one being the relationship between income and accumulated assets that people have in terms of their overall worth. The income information in the report did not reflect situations where residents (principally retirees) have accumulated assets and their housing needs aren't entirely related to their current income. Second, public testimony was related to the fact that growth will continue to be driven by net in-migration, largely from retirement population. Again, that there will be a substantial component of retirement population with accumulated assets and the retirement of the Baby Boomers will continue reinforce in-migration of that retirement population.

There is additional evidence on the record in the material we've provided and in the revised Housing Element attached to the ordinance. Predominately that is on pages 9-50 through 9-52 of the document. There are some supporting findings that carry that information through to the conclusions at the end of the document. Those relate to some of the trends and statistics pertaining to wealth and assets by age group. It reflects the discussion that income accounts for only a portion of worth. Data is not available to definitely determine the component of worth attributed to income versus accumulated assets down to the City level so it is reasonable to attribute part of the worth to assets for some of the population when we look at housing needs.

There are some assumptions that you provided direction on based on discussion and testimony about who will move here. That provides a reasonable bound for some of the assumptions regarding the needed housing mix. Again, that relates to the migration of retirement population. There is additional data provided in support of the conclusions in the document. The memo that was distributed last week noted a need to adopt policy relating to this housing mix.

After working through and revising the document, providing some of that information about accumulated wealth, the conclusion is it is not necessary to adopt policy pertaining to that mix as we noted previously. At some of the next stages in the process it would be a good idea to

articulate some of that policy in your community development objectives. One of the things when we're looking at identifying needs over a twenty year period trying to identify what that mix is, who will be moving here exactly, there isn't certainty in that. One of the things that is beneficial in trying to address that needed mix, we do have some provisions in our current regulations with zoning, e.g., R-2 and R-3 zones, that do provide some flexibility to accommodate a range of different housing types. Those can accommodate both single family and multifamily housing types.

We had fairly specific direction from the Council at the last meeting. The revised ordinance reflects that direction. Bob Parker from ECONorthwest is here this evening if you have questions for him. He'll conclude there and answer any questions you might have.

Councilor Berger stated she missed the first part of this hearing last week so she had a couple of thoughts on it. It's probably really difficult to predict the future. As far as the accumulated assets that people have, maybe six months ago they thought they had a whole lot more than they do today so there is a good example. We don't know what people will have probably next year and to know what we're going to have over twenty years is extremely difficult. Her question might be about the flexibility issue when we do adopt this sort of thing. Maybe we see ten years down the road that what we had projected isn't really coming to fruition, how much can we play with this. Perhaps you address that with your R-2, R-3 zoning. She would like to just state that the demographic change over a twenty year planning period is sort of crucial. We've heard a lot from the Homebuilders Association about the Baby Boomers. Some of them will be in their 50's and 60's and want houses with yards and gardens. Some will be in their 70's and 80's and not want that. Are we going to provide for older people or old people? Are we going to provide housing for that? This has come to her mind simply because she is thinking about moving her 90 year old father up here with his caregiver. There is no way her father wants a house and a yard in this point in is life despite being an avid gardener. Are we providing for a range of people, including younger people too who are going to have to service all of the seniors? Do we have, are we really considering, affordable housing for the full range of the spectrum?

Code Analyst Schauer replied in short the answer is yes we're considering that. The

question between the last meeting and this meeting is how much of that future population is that? We've established a range. As a City over 25,000, there is a statutory provision that has some additional requirements that don't apply to cities under that threshold. It requires us to do monitoring over a time and make adjustments if needed. In answer to the first part of your question, we do need to look at these and make adjustments if we're not meeting the needs over time.

The second part of that is we are planning for a mix of both multifamily and single family housing types. We've also identified a need to provide for group quarters which actually is a separate category. That includes some of the institutions that don't fall under residential definitions. Some types of senior care facilities are group quarters that are more like nursing homes than residential types of uses. Those have been allocated separately in addition to this mix.

There is the multifamily housing allocation. As noted, the single family allocation also includes a variety of housing types, single family detached, single family attached, manufactured homes, those types of uses. It's a question of how much. The mix that is reflected in this ordinance is 75/25 which has been the historic mix rather than the 67/33 that was presented in the previous draft.

Councilor Berger stated she is favoring the original proposal. The new proposal, 75/25, is going to add an additional 100 acres to the urban growth boundary. If we used our acreage, the area already in the urban growth boundary, wisely with infill and higher density, we could easily satisfy that 100 acres without having to change the ratio.

Mayor Holzinger asked if anyone in audience wished to speak to this item.

Holger Sommer, 2000 Hugo Road, Merlin, Oregon stated Mayor, he wants to make sure he is not cut off so please take charge of this meeting. Mr. Martin Seybold is very quick on the draw. The City Council is urged to listen to its highly paid consultants and implement the consultant's suggested housing mix of 67% singly family residents and 33% multifamily dwellings. The 75/25 split cannot be justified and is not suitable for managing the City's growth the way it should be done and under accepted planning criteria. That's why you have an expensive

consultant hired. Continuing the trend of the past is against the will of the majority of the citizens of Grants Pass who have clearly expressed that the rate of growth must be curbed. The 75/25% is just a self-serving request from the Homebuilders Association to continue doing what they have done in the past, manipulating the City's business for their profit. Why is the City spending the people's money to support such an unfounded request? In his estimate it was probably about $10,000 to $15,000 with just this request put in addition to on the bill of the consultant. Make your decision today and trust your consultant who will keep you in compliance with the State because he guarantees you in consulting with the State this is going to backfire on you.

John Chmelir, 2262 Elderberry, Grants Pass, Oregon stated he recommends approval. He moved to the Rogue Valley first in 1977 and became a homebuilder and developer in 1980. The demographics were essentially the same then as they are now. That's twenty-seven years ago. The growth in the Rogue Valley, and he lived in Ashland at the time, the growth there and the growth in most of the Rogue Valley were people moving here from somewhere else. It wasn't growth because kids were growing up and staying here. It was in-migrants. Those people then as today, even in the worst of times in the early 80's when everything was very, very, very slow, even in the worst of times, those people that were coming here had real estate equity and were able to purchase a large percentage of their homes for cash. That's the same demographic you have today. Somebody who bought their home in 1970 in wherever California for $50,000 and sold it last year for $950,000, maybe they only get $750,000 this year but they can come here and still buy mainly with cash and have cash to put in the banks. That's why we have a very high percentage of bank deposits in Grants Pass and in the Rogue Valley in general. The way the report has been changed, the recommendation has been changed, accurately places the most weight not on trends from across the country or measures that perhaps the folks in Salem want to see but rather what historically has happened in this town over the past planning horizon; he can vouch for twenty-seven years. What better demographics should you be planning for than what you know, not for trends that are happening in Denver or Atlanta or wherever on the east coast. He too believes multifamily is important but he really fears if you don't have a big enough mix of single family then the people who come here with the cash, with the ability, will drive the prices

up, take the available single family and push people who are already in single family and their children into those. It might be a self-fulfilling prophesy. If you don't have enough single family in low density housing, you'll push people into the multifamily housing but he doesn't think that's what they want to do. If you create this increase in price, which he believes not having enough low density will, you can achieve the same kind of thing you have in Ashland. When his kids went to grade school there were five elementary schools in Ashland. Now there's three. Two of them have closed because families have been pushed out. He's afraid the same thing would happen here.

Mayor Holzinger asked if anyone else in the audience wished to speak for or against this ordinance. Seeing none, he turned it back to Council for action.

Councilor Hyde stated one reference was to a hundred acres. That sounds like a huge amount. He's not saying that it's not but if you look generally on single family you get four to four and a half houses per acre. Over twenty years you're talking the potential of four hundred to four hundred fifty houses which is twenty a year. That is what the expansion is. He doesn't think those houses will be built unless the market would warrant them. If you look at the market today, you wouldn't see those being built. A hundred sounds like a lot but it needs to be quantified. The one thing that supply does do is drive down the costs. In economics you have supply versus demand. If you have oversupply then prices drop and if you're concerned about affordable housing, to some extent that gets addressed with a little bit more supply. While he has some of those sensitivities that others would have, 75% and the 25% is a good fit. He's not very good with a crystal ball. He knows that the past isn't a perfect indicator. He can probably guarantee that's wrong but he doesn't know if it should be 74/26 or 76/24 but it is an indicator and we do have a large population of Baby Boomers coming in and a huge transfer of wealth. He doesn't think those people when they get that transfer of wealth are going to look for high density housing. They're leaving some of that, especially in California, to move here.

Councilor Kangas stated Code Analyst Schauer touched on monitoring. How often is that monitored?

Bob Parker, ECONorthwest, replied the monitoring is something that the City is already

doing through the annual land development reports. The key issue in monitoring is to make a determination of whether all of these forecasts are moving at the rate that we anticipated they would. It may be in five years you need to review your urban growth boundary again; it may be in fifteen years. So don't look at this as a static process. It's important for you to keep this in context. It's a long range forecast. Councilor Berger made some really good points about the uncertainties that exist around those. The State requires you to plan for housing needs and to provide land for those needs. In our assessment this ends up being in many respects a process that's qualitative in nature. There is no formula or model that you can put information in and make the future any more certain. The key point is to use the forecast in this to inform your policy choices. That's the second part of this process that we're moving into right now. Part of those policy choices depend on what you want this community to be in the future. We've got a lot of process in front of us and he would caution that Council not get bogged down in these numbers at this point because a hundred acres is certainly within the realm of error that you might expect over a twenty year forecast so that we can move into the next phase of the process which is really doing the planning for the community, the important work of looking where and how Grants Pass will grow in the future.

Councilor Berger stated just to clarify what you said, what we are going to pass tonight (or not pass) would establish, would inform toward future planning on the rest of the urban growth boundary. If we're looking at lower density, higher density, that's kind of determined tonight or at least suggested tonight by what we adopt, right? Mr. Parker replied it will provide the foundational element. The Housing Element of the plan, just as the Economic Element, determines how much land you will need under a set of assumptions. The next step of the process will be to go through what the State calls an Alternatives Analysis which requires a city to look at lands inside the urban growth boundary and how you want to deal with those, whether there are measures that the city would like to adopt to more efficiently use those lands and to look outside if you can't meet the need inside. He doesn't think there is any plausible way you can do that based on the analysis that we've done. Then, you begin to look outside of the urban growth boundary. We'll begin that process next week with the steering committee.

Councilor Berger stated it seems she saw you do a presentation sometime in late fall or winter where we actually had an additional one hundred acres of available infill presently before expanding the urban growth boundary. Is she correct with that? Is that considered in this whole thing? Mr. Parker replied yes it is. In the buildable lands inventory we looked at lands that were classified as vacant or partially vacant. We looked at infill lots, which is a very specific definition. We also looked at redevelopment potential. That redevelopment potential is still an open question that we're working through with the committee at this point. There is some flexibility in terms of the recommendations that come to you with respect to how much redevelopment you want to encourage. You need to consider this in the context of the different types of land uses. For example, in our analysis we concluded the City will need somewhere on the order of 600 acres of commercial land. The policy question in front of you is how do you want to meet that need. Do you want to meet it by amending the urban growth boundary and providing all that land at the fringe of your community? Do you want to meet that need through a combination of policies to encourage employment downtown or redevelopment of existing commercial areas with some new commercial areas? There is a lot of flexibility in how that will come about.

Councilor Richardson stated she had an opportunity this afternoon to participate in a conference call we would call the Jim and Tom and Bob Show. She really did appreciate it. It highlighted for her something that's very important. If we look at it today there is something called burden. She believes as it was explained to her it talks about the percentage of income people have to pay for their homes. A telling thing for her is that according to HUD a household earning a median family income of $41,000 could afford a home valued up to $104,000. How many $104,000 homes are there in Grants Pass? We look at apartments or we look at home ownership and home ownership is frequently considered that transformational event that gets folks from the lower income levels into what is considered to be the middle class. Regardless of which one of these we do, and she does support the 75/25 mix, but regardless of which one we do, we are going to have to look into our community and say how can we increase the affordability of housing for those people who will be providing services to the Boomers who come with the cash. There are a lot of things we're going to have to decide as policy decisions way

beyond 67/33 or 75/25. We're talking about 2% of the total land mass of the City of Grants Pass. That's noise.

Mr. Parker stated he would encourage you to remember in the context of affordability, the City plans for housing and the private sector builds housing. You control is somewhat limited through the planning tools that you have. That's what makes this allocation of land by type so important and why we're having this discussion, why the Homebuilders brought new evidence into the record.

Councilor Berger stated when you said planning tools, so if we were to try to want to change some of our planning policies of the past and we then continue to stay with predicting the same mix, it would probably incline us to change those policies.

Mr. Parker stated yes and no would be his response to that. There is an opportunity to do that. One of the things that the consulting team will be doing in the next phase of this is taking a comprehensive look at all of the policies that you've got in the Comprehensive Plan to implement this. We're working through a process where we're going to combine the physical elements of the planning with the policy actions. When he says physical, it's the issue of how you want this community to look and what policy mechanisms do you need to move it towards that. There are ways to build flexibility into the process. As Code Analyst Schauer mentioned, you've got a fairly flexible zoning scheme right now with your R-2 and R-3 zones that allow single family and multifamily housing. The market can respond to those needs as they come about to some extent. There certainly is a whole other process and a broad range of potential actions or policies that will be considered at the committee level.

ORDINANCE NO. 5437

AN ORDINANCE AMENDING THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN.

It was moved by Councilor Hyde and seconded by Councilor Wendle that Ordinance No. 5437 be read for the first time by title only and the vote resulted as follows: "AYES": Kangas, Patterson, Cummings, Wendle, Renfro, Richardson and Hyde. "NAYS": Berger.

Thereupon Councilor Cummings moved and Councilor Patterson seconded a motion that said Ordinance be read a second time by title only and the vote resulted as follows: "AYES": Berger, Kangas, Patterson, Cummings, Wendle, Renfro, Richardson and Hyde. "NAYS": None.

Mayor Holzinger declared that said Ordinance had been read twice by title only according to Charter provision and stated that roll be called. Roll call vote upon the final passage of the

adoption of said Ordinance resulted as follows: "AYES": Hyde, Richardson, Patterson, Kangas, Cummings, Wendle and Renfro. "Nays": Berger.

Having received a favorable vote on second reading, Mayor Holzinger declared Ordinance No. 5437 to have duly passed.

b. Appeal of the Urban Area Planning Commission's decision to affirm the Director's denial of the Big Pine Plaza Minor modification of approved site plan.

MOTION

Councilor Wendle moved and Councilor Berger seconded a motion to continue until date certain, June 4, 2008. The motion passed unanimously.

c. Ordinance amending the Comprehensive Plan Map, and Zoning Map for property located at 717 & 723 NW 5th Street.

MOTION

Councilor Wendle moved and Councilor Berger seconded a motion to continue until date certain, April 16, 2008. The motion passed unanimously.

d. Ordinance amending the Comprehensive Community Development Plan by incorporating the Riverfront Trail Map, adopting the Master Parks and Recreation Plan and amending the Urban Area Master Transportation Plan.

City Manager Frasher stated at this time we'll open a public hearing to consider an ordinance amending the Comprehensive Community Development Plan by incorporating the Riverfront Trail Map, adopting the Master Parks and Recreation Plan and amending the Urban Area Master Transportation Plan. We'll begin the hearing with a staff report followed by public comment and then the matter will be discussed and acted upon by the Council.

Is there anyone present who wishes to challenge the authority of the Council to hear this matter? Seeing none, do any Council members wish to abstain from participating in this hearing or declare a potential conflict of interest? There were none.

In this hearing the decision of the Council will be based upon specific criteria. All testimony and evidence must be directed toward those criteria. The criteria which apply in this case are noted in the staff report. It is important to remember that if you fail to raise an issue with enough detail to afford the Council and the parties an opportunity to respond to the issue you will not later be able to appeal that issue to the Land Use Board of Appeals.

Director Huber stated what is before you this evening is a series of amendments to the Comprehensive Plan and also to the Master Transportation Plan. This comes to you by way of

The ordinances, resolutions and motions contained herein and the accompanying votes have been verified by:

David Loewen
Administrative Services Director

These minutes were prepared by contracted minute taker Connie Murray.

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