HOUSING ELEMENT

CITY OF MEDFORD
COMPREHENSIVE PLAN

ADOPTED DECEMBER 2, 2010

ORDINANCE NO. 2010-250

PREPARED BY
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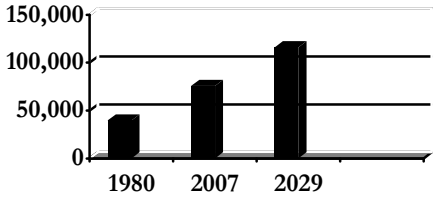
EXECUTIVE SUMMARY

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

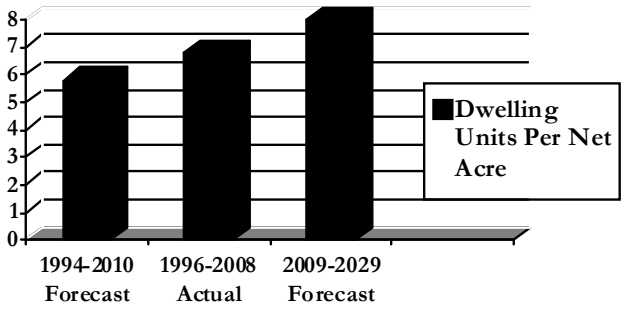
Medford's Population 1980 - 2029



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

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

Average Net Density of Medford's Residential Development

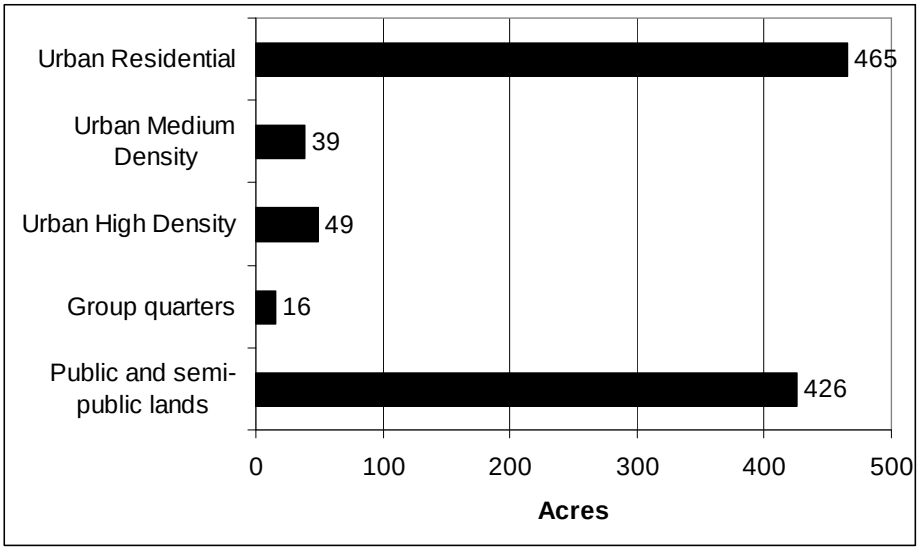


Because Medford has a need for housing of all types, future development is assumed to occur similarly to past development; the mix of housing is expected to continue with 65% single-family types and 35% multi-family types.

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

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

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



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

I. REGULATORY BACKGROUND

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

LEGISLATIVE FRAMEWORK

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

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

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

1995 HOUSING ELEMENT

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

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

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

Land Use Regulations

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

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

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

Infill and Efficient Use of Land

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

INFILL AND LAND USE EFFICIENCY STRATEGIES MEDFORD LAND DEVELOPMENT CODE

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

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

1995 Implementation Measures

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

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

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

CONSOLIDATED PLAN

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

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

CITIZEN INVOLVEMENT

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

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

Methods

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

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

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

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

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

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

HOUSING ELEMENT FORMAT

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

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

The *Housing Element* also includes two appendices:

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

II. POPULATION AND DEMOGRAPHIC TRENDS

GROWTH TRENDS

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

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

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

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

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

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

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

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

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

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

*Note: AAGR is average annual growth rate

AGE CHARACTERISTICS

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

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

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

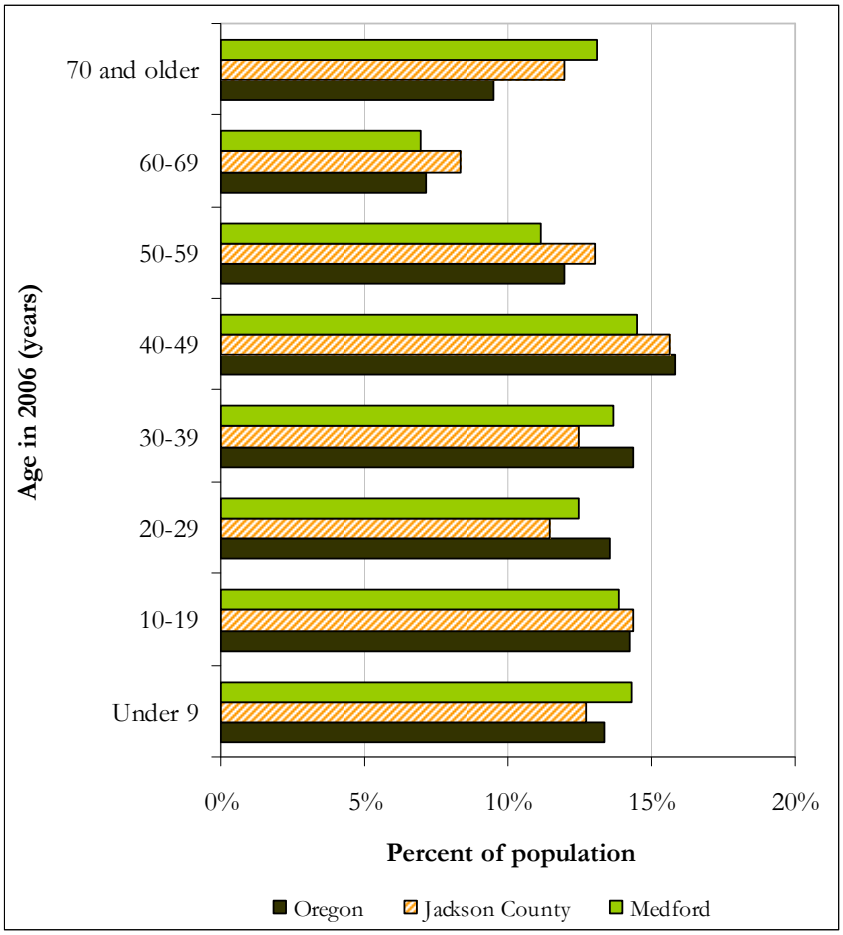
	1990		2000		Change 1990 to 2000		
Age Group	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Share**
Under 5	3,575	8%	4,398	7%	823	23%	-1%
5-17	8,274	18%	11,901	19%	3,627	44%	1%
18-24	4,126	9%	5,453	9%	1,327	32%	0%
25-44	14,496	31%	17,214	27%	2,718	19%	-4%
45-64	8,314	18%	13,753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

Source: U.S. Census, 1990 and 2000

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

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

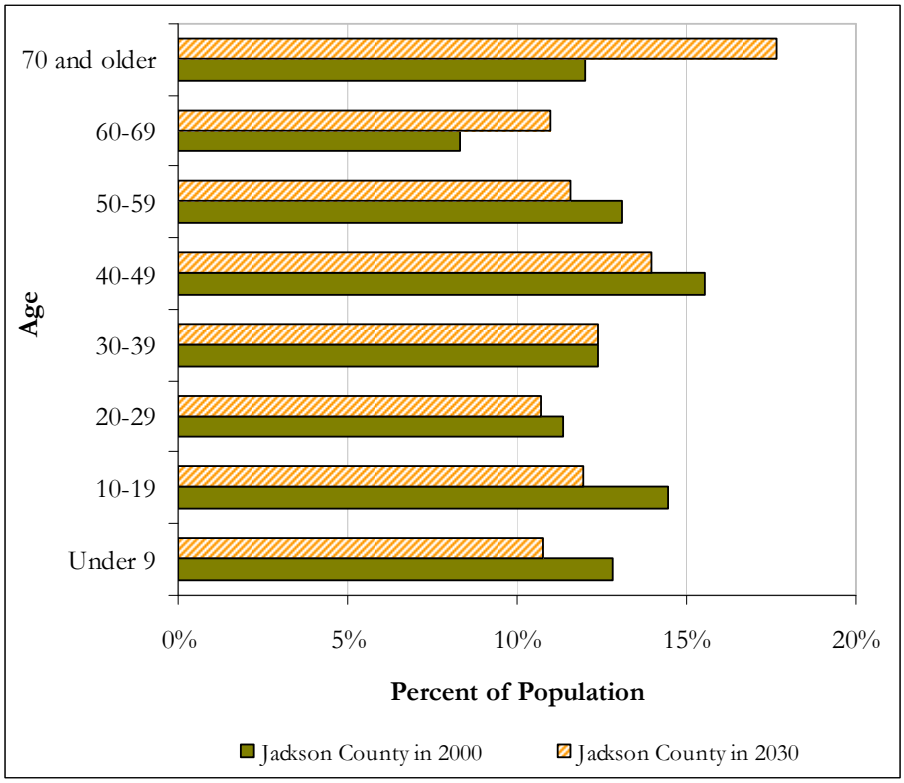
FIGURE 1 - AGE DISTRIBUTION, 2000
OREGON, JACKSON COUNTY AND CITY OF MEDFORD



Source: U.S. Census

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

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



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

HOUSEHOLD SIZE

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

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

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

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

HOUSEHOLD COMPOSITION

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

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

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

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

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

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

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

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

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

HOUSEHOLD MOBILITY

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

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

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

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

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

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

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

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

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

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

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

ETHNIC POPULATION

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

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

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

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

Source: U.S. Census, 1990 and 2000

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

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

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

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

DISABLED POPULATION

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

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

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

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

HOMELESS POPULATION

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

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

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

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

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

SUMMARY OF POPULATION AND DEMOGRAPHIC TRENDS:

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

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

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

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

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

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

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

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

IMPLICATIONS OF POPULATION AND DEMOGRAPHIC TRENDS ON HOUSING NEED

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

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

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

III. HOUSING INVENTORY TRENDS

HOUSING UNIT GROWTH

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

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

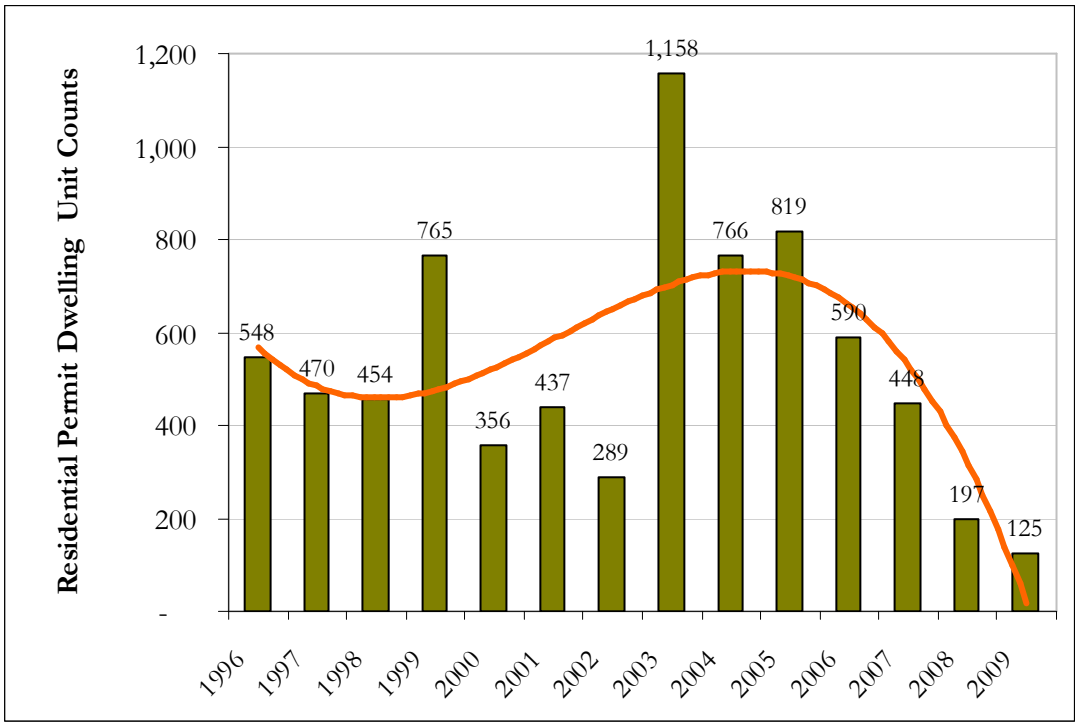
Year	Dwelling Units	New units	Percent change
1980	16,887	--	--
1985	17,872	985	6%
1990	19,988	2,116	12%
1995	23,606	3,618	18%
2000	26,199	2,593	11%
2005	29,668	3,469	13%
2009	31,028	1,360	5%
Change 1980-2009			
Number	14,141		
Percent	84%		
AAGR	2.1%		
Change 1996-2009			
Number	7,422		
Percent	25%	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

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

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

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

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



Source: City of Medford

TENURE

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

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

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

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

Source: U.S. Census, American Community Survey, 2008
Note: Percent Change refers to the percent change by tenure between 1990 and 2008. In other words, owner occupied housing grew by 51% over the 1990 to 2008 period.
Note: The margin of error in the 2008 American Community Survey data in Table 11 suggests that homeownership rates in Medford in 2008 could range from 48% to 58%.

HOUSING MIX

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

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

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

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

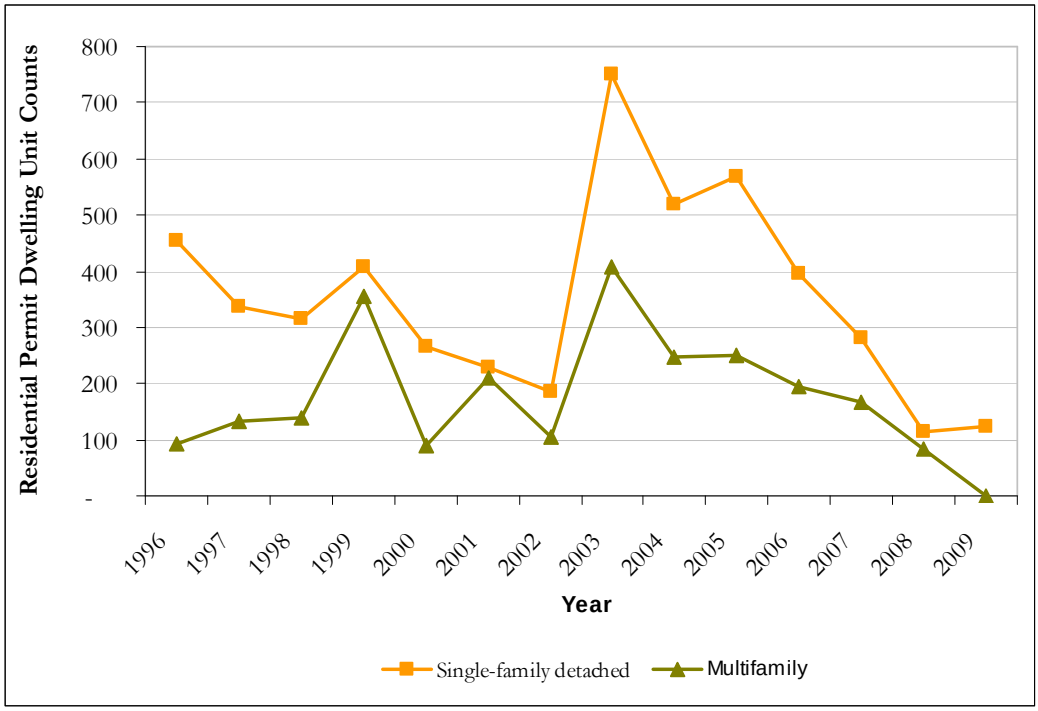
	Single-family detached		Multifamily			
Year	Permits Issued	Percent of Annual Total	Permits Issued	Percent of Annual Total	Total	Percent of 1996-2009 Total
1996	454	83%	94	17%	548	7%
1997	336	71%	134	29%	470	6%
1998	316	70%	138	30%	454	6%
1999	409	53%	356	47%	765	10%
2000	266	75%	90	25%	356	5%
2001	228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

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

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

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

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



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

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

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

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

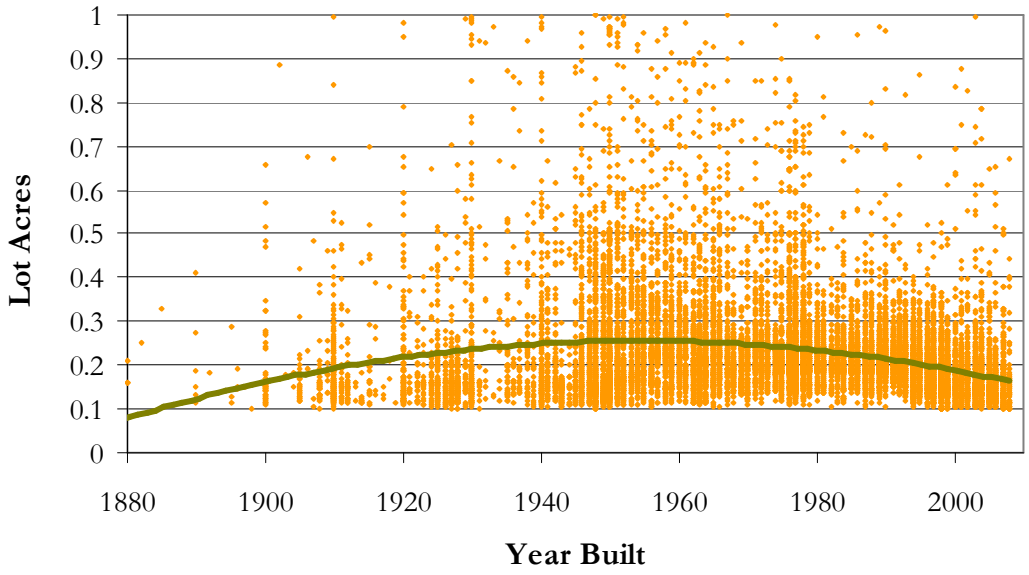
Sources: U.S. Census; City of Medford
Note: Single-family housing types include manufactured homes and attached homes on individual lots. Multi-family includes condominiums, townhouses, and duplexes and apartments.

HOUSING DENSITY

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 15 depicts the density analysis by zoning district:

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

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

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

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

GROUP QUARTERS

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

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

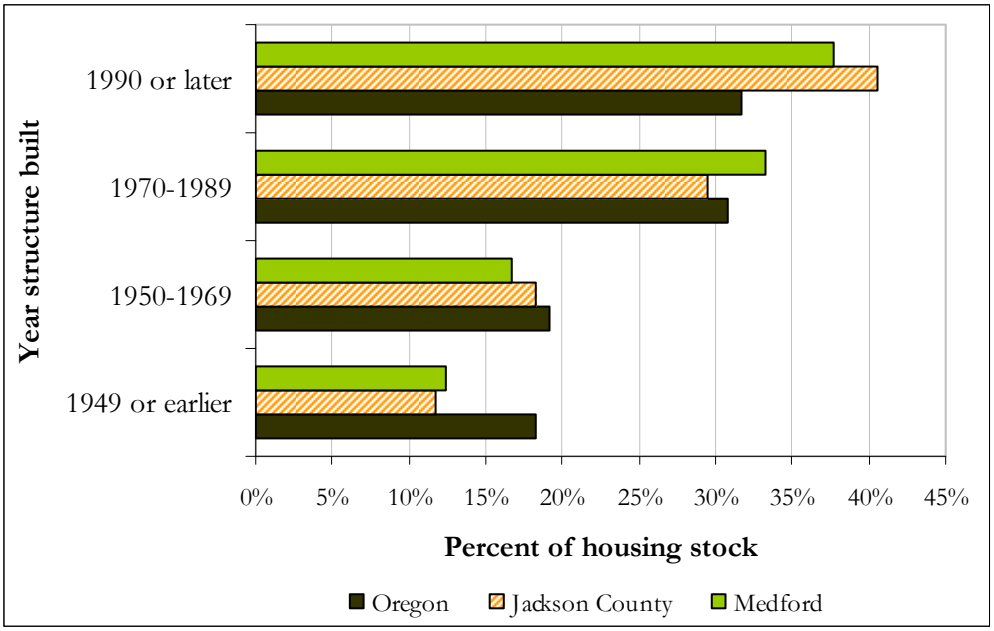
[12] The estimate of population in group quarters presented in this section is based on U.S. Census data. The Census' definition of group quarters is: "The Census Bureau classifies all people not living in households as living in group quarters. There are two types of group quarters: institutional (for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

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

HOUSING AGE

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

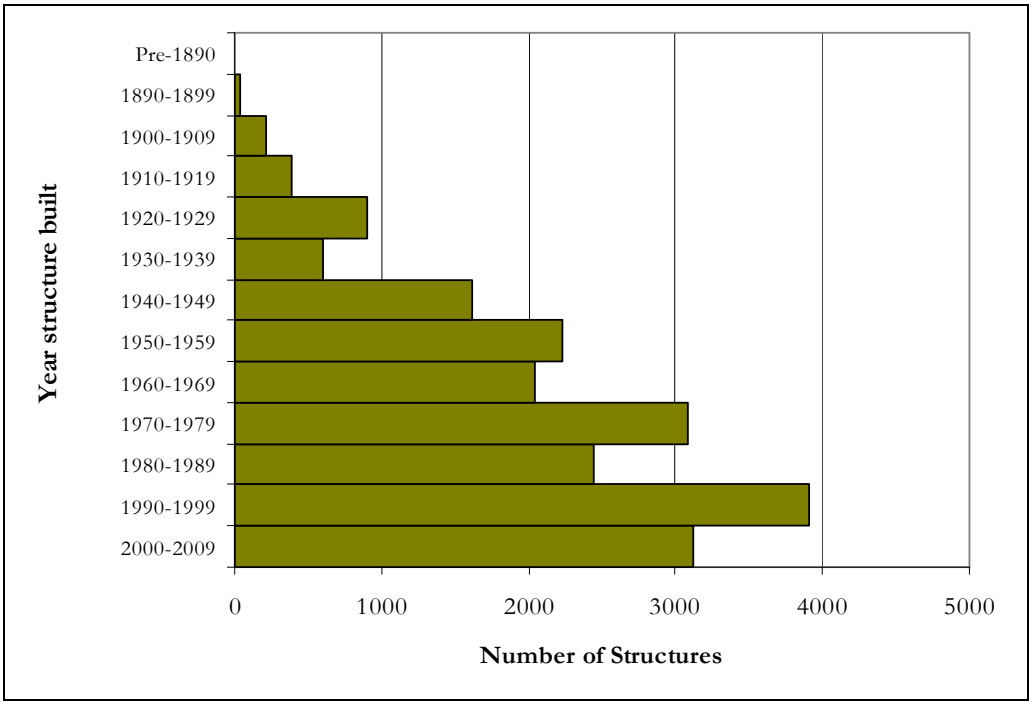
FIGURE 6 - AGE OF HOUSING STOCK PERCENT, 2008
OREGON, JACKSON COUNTY, AND CITY OF MEDFORD



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

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

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



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

HOUSING CONDITION

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

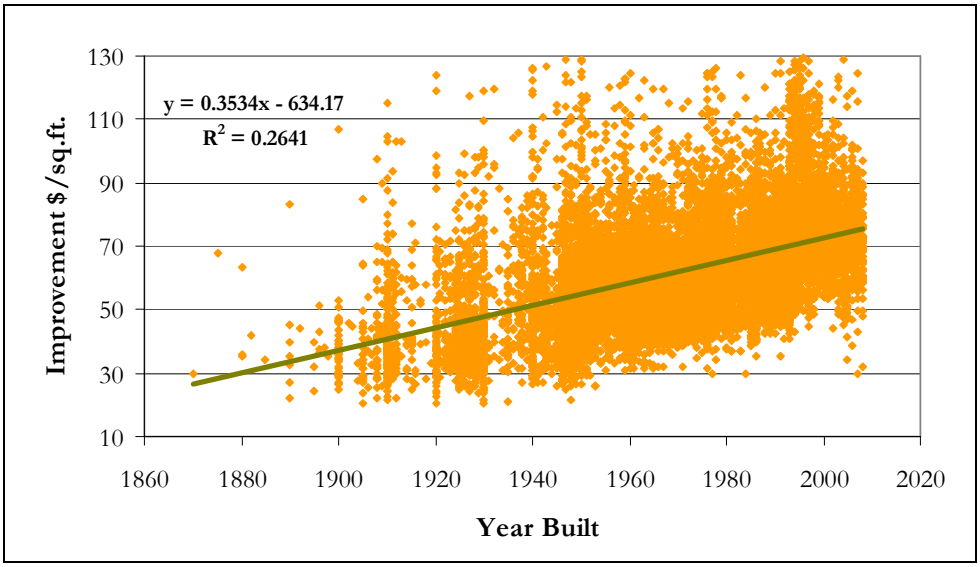
The City conducted a conditions survey for the City of Medford *Consolidated Plans 2005-2009* and *2010-2014*. The areas surveyed, located west of I-5 and north and west of downtown, had about 2,600 single-family units in residential neighborhoods. The surveyor visually inspected each structure from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

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

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

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

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



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

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

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

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

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

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

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

VACANCY RATES

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

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

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

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

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

OVERCROWDING

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

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

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

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

SUMMARY OF TRENDS IN HOUSING INVENTORY:

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

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

IMPLICATIONS OF HOUSING INVENTORY ON HOUSING NEED

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

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

IV. HOUSING AFFORDABILITY AND INCOME ANALYSIS

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

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

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

INCOME

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

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

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

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

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

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

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

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

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

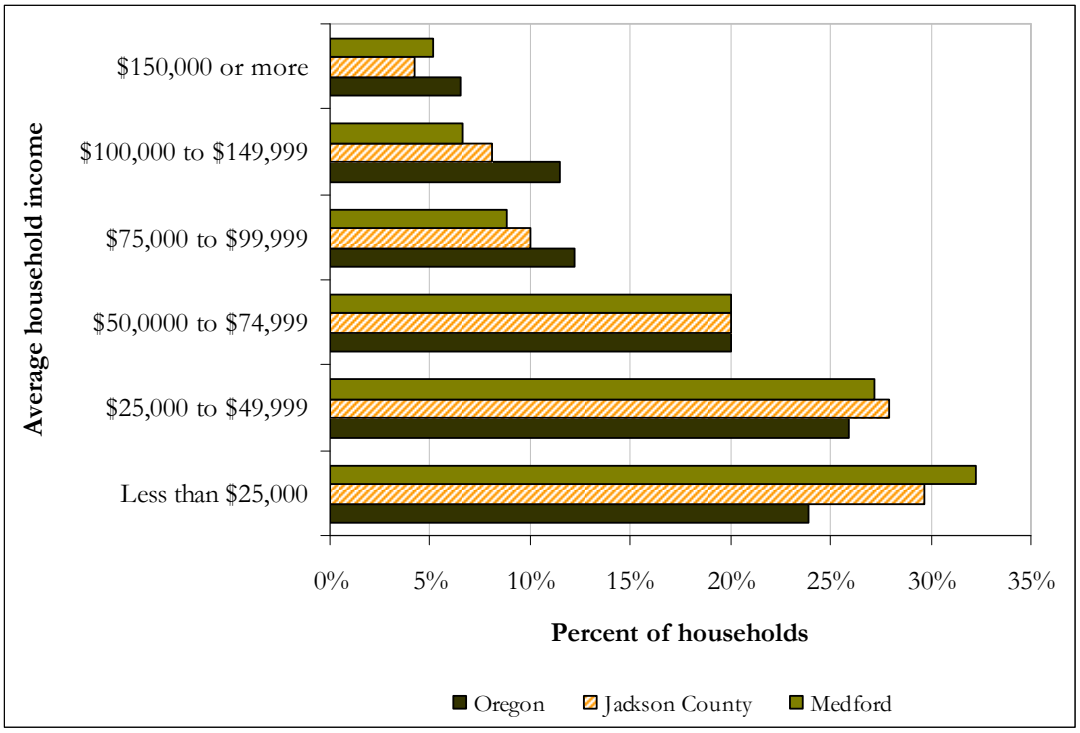
TABLE 18 - INCOME AND POVERTY, 2008
CITY OF MEDFORD, JACKSON COUNTY, AND OREGON

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

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

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

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



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

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

HUD has set a standard grouping of households by income. The grouping or distribution is based on the median family income (MFI) for the jurisdiction in question. For the fiscal year 2008, MFI for Medford was $52,581 according to the American Community Survey.

Table 19 shows that the HUD household income grouping is as follows:

TABLE 19 – HUD MEDIAN FAMILY INCOME GROUPINGS AND ESTIMATED NUMBER OF HOUSEHOLDS PER GROUP, 2008
CITY OF MEDFORD

Income Level	Definition	Income range based on 2008 MFI	Estimated Households in Medford	
			Number	Percent
Extremely low income	Income up to 30% of MFI	$0 - $15,774	5,970	19%
Very low income	Income between 31% and 50% of MFI	$15,774 - $26,290	4,204	14%
Low income	Income between 51% and 80% of MFI	$26,291 - $42,065	5,824	19%
Moderate income	Income between 81% and 95% of MFI	$42,066 - $49,952	2,173	7%
Middle income	Income between 96% and 120% of MFI	$49,953 – $63,097	2,783	9%
Upper income	Income above 120% of MFI	$63,098 and higher	9,667	32%

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

HOUSING PRICE AND VALUE

To get a full perspective on housing needs, it is important to recognize and properly analyze the distinctions between housing price, housing value, and housing costs. For proper analysis, the "housing market" must necessarily be segmented into ownership and rental markets because these are essentially two separate markets from the consumer's perspective. Ownership markets are long-term large asset markets. Rental markets are comparatively short-term markets which function to provide shelter as a good to be used by the consumer.

In a market based economy, housing price is derived from activity in the market. Market dynamics result in prices being set by transactions between willing buyers and willing sellers, and will vary with the supply of willing sellers (or landlords in the rental market) and demand of willing buyers (or tenants in the case of the rental market). This is true in both ownership and rental housing markets. Housing ownership price information is generally only available from past sales sources, such as Jackson County records, and proprietary sources, such as the Southern Oregon Multiple Listing Service. Rental price information is available from the U.S. Census through the American Community Survey.

Housing value is an estimate of the price the unit of property (improvements and land) would fetch if that particular housing were made available to the market. While housing value can be estimated for all the housing in the planning area, it is critical to understand that value estimates contain implicit assumptions about housing markets. In aggregate, if all the housing in an area were actually exposed to the market at a particular time, the value estimates would be too high because the supply of willing sellers would have increased without a corresponding supply of willing buyers. In this way, housing value is a proxy for housing price for all housing in an area, but is not precisely the same as housing price. Housing value data is available from the Jackson County Assessor. This data will generally trend with housing price, but the estimated value may not equate precisely to the absolute value that would be set by the market at a particular time.

Both housing prices and values have two fundamental components, improvement prices [or values] and land prices [or values]. Improvement prices [or values] are affected by housing size, housing quality and housing type. Land prices [or values] are affected by location and the amount of land. In order to make meaningful conclusions regarding housing price trends and values, these components and factors should be properly accounted.

Ownership housing prices increased across all of Oregon between 2000 and 2007. Consistent with statewide trends, prices of ownership units rose rapidly in Southern Oregon. According to the Office of Federal Housing Enterprise Oversight (FHEO), the average sales price of a single-family home in Jackson County, the Medford Metropolitan Statistical Area (MSA), increased 85% between 2000 and 2006. The FHEO's housing price index (HPI) indicates that single-family sales prices in the Medford MSA started decreasing in the second quarter of 2007 and has decreased every quarter through 2009.

Table 20 shows the change in housing price in Medford from 2001 through 2008. Average sales price increased by 68% over the eight-year period, from nearly $155,000 to more than $260,000. Median sale prices increased 66% or about $91,000 over the eight-year period.

Table 20 also shows changes in housing price that started in 2006 in Medford's housing market. The number of units sold peaked between 2003 and 2005, and began decreasing in 2006. Sales prices peaked in 2006, at an average of about $303,000, and decreased by about $42,500 by 2008. This price trend reflects the national and statewide changes in home values which decreased between 2006 and 2008.

TABLE 20 - CHANGE IN HOUSING PRICE, 2001 TO 2008
CITY OF MEDFORD

Year of Sale	Units Sold	Median Sales Price	Average Sales Price
2001	1,220	$138,000	$154,921
2002	1,236	$150,000	$168,188
2003	1,515	$175,000	$199,792
2004	1,648	$203,200	$234,766
2005	1,636	$254,950	$289,690
2006	1,228	$269,700	$303,224
2007	929	$258,000	$295,635
2008	621	$229,000	$260,565
Change 2001 to 2008			
Amount		$91,000	$105,644
Percent		66%	68%

Source: southern Oregon Multiple Listing Service (MLS)
Note: 2008 data is current through October 24, 2008

Since 2008, prices have continued to decline in the City of Medford. For 2009, West Medford home prices dropped an additional 24.7% from 2008, to a median price of approximately $140,000. East Medford home prices dropped an additional 14.3% to a median price of $210,000. The median home price throughout the City has dropped to approximately $185,000 which represents an approximately 34% increase during the nine-year period from 2001 to 2009. Thus, short-term price trends have corrected significantly and are now back in line with more typical long-term asset price trends that reflect economy-wide inflation over time.

Single-family dwellings represent the majority of the City's housing stock. For this reason, an understanding of the fundamentals of value for this housing stock type is essential to understanding the fundamentals of the entire market for all types. Medford's single-family dwelling value fundamentals are depicted in the below table:

TABLE 21- SINGLE FAMILY DWELLING (SFD) VALUE FUNDAMENTALS, 2009
CITY OF MEDFORD

	Stat Class 1& 2		Stat Class 3 & 4		Stat Class 5,6& 7		Grand Total	
Year Built Categories	All	Since '95	All	Since '95	All	Since '95	All	Since '95
Typical SFD Unit Count	1,211	6	15,017	2,938	1,670	816	17,898	3,760
Mean Real Market Value (RMV)	$150,227	$209,198	$222,859	$250,228	$468,615	$524,169	$240,876	$309,613
Mean Year Built	1936	1999	1975	2001	1992	2003	1974	2002
Mean Square Footage	938	596	1,597	1,682	2,839	3,012	1,669	1,969
Mean Lot Size	0.22	0.30	0.23	0.18	0.32	0.31	0.24	0.21
Total Net Acres	267	2	3,408	534	537	252	4,213	788
Percent RMV that is Land	70%	56%	54%	48%	33%	32%	53%	45%

Source: Jackson County Assessor; Analysis by CSA Planning Ltd.
Note: This analysis data set is limited to representative urban SFD lots that are .1 to 1 acre in size; the count data will not equate to the count data of total SFD's in the City nor will mean lot size precisely equal the mean lot size for the SFD in the density calculations.

Table 21 controls for housing quality categories, as defined by the Jackson County Assessor in the Stat Class data set. The control quality results in mean values increasing as the Stat Class group increases. This data presents a number of essential fundamentals to understanding the City's housing market. Medford has only built six Stat Class 1 and 2 units since 1995. This creates a small numbers problem for the actual data contained in that column, but it also reveals an important fact. The mean year-built of Stat Class 1 and 2 homes is 1936. The data suggests that it is prohibitive from a cost and/or regulatory (modern building codes) standpoint to provide less than a Stat Class 3 single-family dwelling.

Stat Class 3 and 4 homes represent 78% of the analysis data set that have been built since 1995. The values of the homes built since 1995 are 11% greater than for Stat Class Group 3 and 4 for all years built. Lot sizes on the newer homes of this quality Stat Class group are 20% smaller. The homes are just 5% larger on average. Thus, the remaining 6% value difference is the result of higher total lot value despite the average lot being 20% smaller. In other words, lots where houses have been built since 1995 are valued at $1.92 a square-foot more than houses of similar quality built earlier.

The data also suggests a significant shift in single-family dwelling quality since 1995 as a share of the total stock. These units make up just 9% of the total stock, but represent 22% of the stock with a year built since 1995. Stat Class 5+ housing units tend to be high to very high quality housing units as evidenced by a mean value that is more than twice as high per unit. They also tend to be larger units, with an average square footage that is 44% larger than the Stat Class 3 and 4 group. It is this phenomenon that creates the paradoxical relationship between quality and value. As both the quality and size of the units go up, the lot size and total land price also increase, but at a much slower rate as a proportion of the total value. The percent of total value that is in the land is 21% less for all years built between Stat Class 3 and 4 and Class 5+, and 16% less for the stock built since 1995. Efficient use of urban land is often conceptualized as jobs per acre or dwelling unit densities, but another measure of efficient use of urban land is investment (or value) per acre. Stat Class 5+ single-family dwelling units represent a 19% premium from a value per square foot standpoint for year built since 1995.

The above data summary and analysis has important implications for housing need in Medford, as follows:

- Construction of new low quality single-family housing to meet lower income needs is not something the market does. Investigation into barriers preventing such may prove beneficial to meet the needs of lower incomes.
- Higher quality houses use more land per unit, but make much higher investments per square foot of land.
- Lot sizes for moderate quality homes (Stat Class 3 and 4) have trended significantly lower since 1995, at the same time, the housing sizes for this quality home have increased slightly.

HOUSING COST AND AFFORDABILITY

Housing cost, as the term is commonly used in land use planning and housing policies, is a way of expressing the gross amount a household spends on housing. Housing affordability is the cost of housing in relation to household income.

The amount households in aggregate spend on housing will tend to vary with housing prices/values described above to some degree over time, but they are not equivalent. The differences between prices and costs may vary significantly for individual households. For example, consider two identical households that each bought identical new houses in the same neighborhood in 1990 with a conventional fixed mortgage. One household received an inheritance in 2002 and paid off their mortgage. The other hypothetical household took equity out and refinanced in 2002. These two otherwise identical households have similar housing values that would be expected to fetch a similar price, but the former household has a much lower housing cost than the latter. The housing cost of ownership units are affected by factors that include property taxes, level of equity/investment in the housing relative to the price, indebtedness and interest rates to finance the housing ownership, and the condition/maintenance of the housing. Rental housing costs are determined directly by the rental price in the traditional market with gross costs offset for some renters by government subsidies.

The U.S. Census recognizes these differences, and, for that reason, provides owner costs statistics that reflect mortgage status. For a given housing size and type, gross monthly housing costs tend to be lowest for owners with high levels of equity (such as no mortgage), then, renters paying market rents, followed by owners that have a mortgage.

TABLE 22 - HOUSING COSTS, 2008
CITY OF MEDFORD

	Median Housing Costs	Percent of Occupied Households
Owner Household - No Mortgage	$427	16.5%
Rental Household	$817	45.6%
Owner Household w/Mortgage	$1,567	37.9%

Source: U.S. Census American Community Survey, 2008; Analysis by CSA Planning Ltd.

Table 22 shows that the standard relationships to housing costs for most communities in America are reflected in the Medford data. The American Community Survey does not publish more disaggregated data for housing costs, such as for housing costs that could be related to the size of the unit, number of bedrooms, or other aspect of cost which could be examined.

Table 23 shows a comparison of housing value and rent to household income for 2000 to 2008. The data show that the median value of owner-occupied units increased 100% during this eight-year period, while the median rent increased 35%. Median household income increased 10% during the period. Recent sales price and income trends suggest that the ratio of housing price to income is decreasing for ownership units.

TABLE 23 - COMPARISON OF SALES PRICE AND MONTHLY RENTS TO HOUSEHOLD INCOME, 2000-2008
CITY OF MEDFORD

Year	Median Owner Value	Average Monthly Rent	Median Household Income	Ratio of Housing Price to Income	Ratio of Annual Rent to Income
2000	$132,400	$605	$36,481	3.6	0.20
2008	$265,000	$817	$40,093	6.6	0.24
Change 2000-2008					
Value	$132,600	$212	$3,612		
Percent	100%	35%	10%		

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

Home values started to decrease in Medford (and nationally) in 2006, which was the beginning of a downturn in the housing market, both locally and at a national level. The number of residential foreclosures started to increase in 2007. The national foreclosure rate in 2006 was 0.46% of all mortgages and increased to 0.71% in 2007 and to 1.19% in the second quarter of 2008.[16]

In October 2008, 0.22% of mortgage holders in the U.S. had at least one foreclosure filing reported during the previous month, a 5% increase in foreclosure reports from September 2008, and a 25% increase from October 2007. Oregon's rate of mortgage holders with a foreclosure report was lower than the national rate. About 0.18% of mortgage holders in Oregon had at least one foreclosure filing reported during the previous month, a 21% increase in foreclosure reports from September 2008 and a 159% increase from October 2007. Jackson County's rate of mortgage holders with at least one foreclosure filing report was 0.41%, higher than the state average in October 2008.

In the short term, foreclosures will increase demand for rental units. They will exert downward pressures on home prices and values. They will reduce demand for construction of new units until vacancy rates decrease and the relative prices between existing and new homes can restore demand. The increased rate of foreclosures will have an impact on housing need in Medford over the next few years, but over the 20-year period, it is expected that trends will move towards their long-term equilibrium state.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Table 24 shows an analysis of affordable housing wage and rent gap for households in Medford at different percentages of median family income (MFI). The data are for a typical family of four. The results indicate that a household in 2008 must earn $14.00 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate. Households earning 50% of the MFI and less are unable to afford a two-bedroom unit at HUD's Fair Market Rent ($730 per month) without experiencing cost burden. The analysis shows that in 2008, 29% of Medford's households earned 50% or less of the MFI ($26,291 or less).

[16] "U.S. Housing Market Conditions," U.S. Department of Housing and Urban Development Office of Policy Development and Research, November 2008.

TABLE 24 - AFFORDABLE HOUSING WAGE AND RENT GAP BY HUD INCOME CATEGORIES, 2008
JACKSON COUNTY

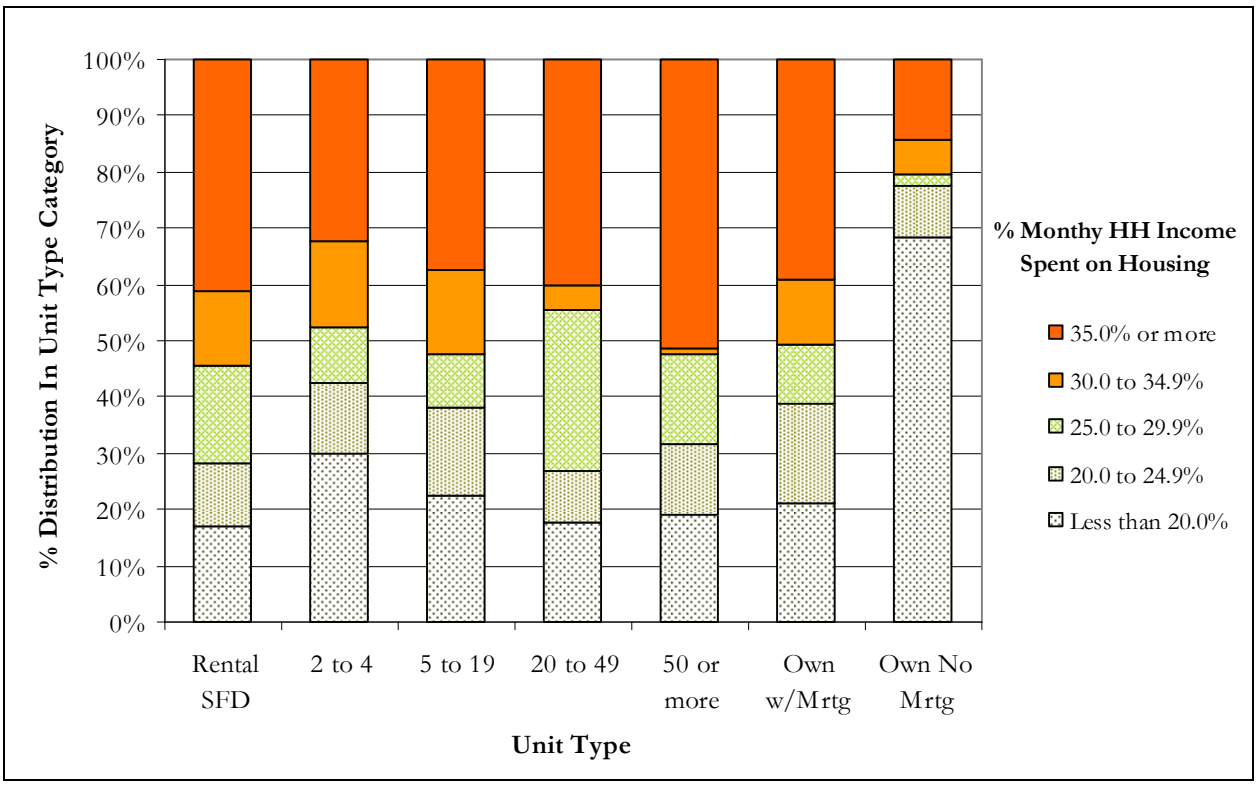
	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Derived Hourly Wage	$7.95	$7.56	$12.60	$20.17	$25.21	$30.25
Annual Wage	$16,584	$15,774	$26,291	$42,065	$52,581	$63,097
Annual Affordable Rent	$4,975	$4,732	$7,887	$12,619	$15,774	$18,929
Monthly Affordable Rent	$415	$394	$657	$1,052	$1,315	$1,577
HUD Fair Market Rent (2 Bedroom)	$730	$730	$730	$730	$730	$730
Is HUD FMR Higher Than The Monthly Affordable Rent?	yes	yes	yes	no	no	no
Rent Paid Monthly OVER 30% of Income	$315	$336	$73	na	na	na
Rent Paid Annually OVER 30% of Income	$3,785	$4,028	$873	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	23%	26%	3%	na	na	na
Total Spent on Housing	53%	56%	33%	21%	17%	14%
For this area what would the "Affordable Housing Wage" be?	$14.00	$14.00	$14.00	$14.00	$14.00	$14.00
The Affordable Housing Wage Gap IS:	***$ 6.05***	***$ 6.44***	***$ 1.39***	***na***	***na***	***na***

Source: HUD
Note: estimates are based on a family of four

HUD has defined affordability based on the premise that households should pay no more than 30% of their income on housing costs, which, for renters, includes utilities, and, for homeowners, includes interest, insurance and property taxes. A household is defined as having an excessive cost burden if their housing costs exceed 30% of their income, and a severe cost burden if housing costs exceed 50% of income.

Figure 10 presents the basis to consider housing affordability by housing type. The American Community Survey does not collect or publish data on the number of units in the structure for owner-occupied housing units, so the comparison has some limitations, but these are minor limitations in Medford because the vast majority of owner-occupied units are detached single-family dwellings. Having this data differentiation would not be expected to result in results that are meaningfully different. The transition from orange (solid fill) to green (stipple fill) indicates the point at which there may be a cost burden, because housing costs are exceeding 30% of household income.

FIGURE 10 - HOUSING AFFORDABILITY BY HOUSING TYPE, 2009
CITY OF MEDFORD



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

This figure presents several interesting relationships. First, this graph depicts how affordable housing becomes when the owner's equity is 100%. These units are generally single-family dwellings, and are by far the most affordable of any of the other housing types.

Second, rental units in larger structure are not as affordable as one might expect. Buildings with more than 20 units tend to be less affordable than buildings with fewer units. There are relatively few of these buildings in Medford, but this pattern is reflected in Statewide data, so it suggests that these results are not localized and due to small observations problems. Potential explanations may be replacement of land costs per unit with higher construction costs per unit associated with larger buildings. It is also possible these buildings tend be occupied by a non-normal distribution of gross income ranges thus resulting in the percentages reported.

The figure indicates that structures with two to four units tend to be most affordable in the rental market. Fewer than 50% of those units have tenant households that are cost-burdened. This tends to include units in a highly competitive rental market, and it appears the data reflects these unit-types are relatively affordable.

Medford's households experienced cost burden with about the same frequency as County households. In 2000, 34% of households in Jackson County were cost burdened, with 47% of renters in Jackson County cost burdened and 25% of owner households cost burdened.

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

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher income may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.

- Cost burden compares *income* to housing costs and does not account for choices with households with *accumulated wealth*. As a result, the estimate of how much a household can afford to pay for housing may not reflect a household's ability to pay for housing. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house. They may choose to have a mortgage because the interest is tax-deductible even though they could have purchased the house outright because that arrangement has the best *bottom line* for the household's balance sheet.

Thus, cost burden has limitations as an indicator, and is only one of several indicators of affordability. Table 25 shows a rough estimate of affordable housing cost and units by income levels for Medford in 2008. Several points should be kept in mind when interpreting this data:

- Because all of the affordability guidelines are based on median family income, they provide a rough estimate of financial need and may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors, such as accumulated assets, purchasing housing as an investment, and the effect of down payments, and interest rates on housing affordability.
- Households compete for housing in the marketplace. In other words, lower cost housing units are not necessarily available to low income households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table 25 indicate that in 2008:

- Nearly 20% of Medford's households could not afford a studio apartment at HUD's estimate of $489 fair market rent.
- About 30% of Medford's households could not afford a two-bedroom apartment according to HUD's estimate of $730 fair market rent.
- About 60% of Medford's households could afford a three-bedroom apartment based on HUD's estimate of $1,062 fair market rent.
- A household earning median family income ($52,581) could afford a mortgage of about $157,743. The value of the home could be more, depending on the amount of the down payment on the house, interest rates, equity in past properties, and other factors.
- There was a deficit of 4,453 dwelling units that are affordable to households earning less than $25,000 per year.
- There was a surplus of 728 dwelling units available to households that earn between $25,000 and $35,000 per year. Nearly all of the units available at these income and price ranges are rental units. Units affordable to households in this income range are priced between $625 per month and $875 per month. Many of these surplus units are probably rented by households earning less than $25,000 because of the deficit in dwelling units affordable to households earning less than $25,000.
- There was a deficit of 3 dwellings for households that earn between $35,000 and $50,000 per year.
- There was a deficit of 1,322 dwellings for households that earn between $50,000 and $75,000 per year.

TABLE 25 - ROUGH COMPARISON OF HOUSING AFFORDABILITY AND SUPPLY OF DWELLINGS, 2008
CITY OF MEDFORD

Income Level	# of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	Notes
Less than $10,000	3,231	11%	$0 to $250	$0 to $30,000	1,048	776	(1,407)	
$10,000 to $14,999	2,424	8%	$250 to $375	$30,000 to $45,000	310	206	(1,908)	
$15,000 to $24,999	4,211	14%	$375 to $625	$45,000 to $75,000	422	2,651	(1,138)	2008 HUD FMR Studio: $489; 1 bdrm: $581
$25,000 to $34,999	3,526	12%	$625 to $875	$75,000 to $105,000	287	3,967	728	HUD FMR 2 bdrm: $730
$35,000 to $49,999	4,790	16%	$875 to $1,250	$105,000 to $150,000	529	4,258	(3)	HUD FMR 3 bdrm: $1,062; 4 bdrm: $1,094
Medford MFI, 2008:	$52,581		$1,315	$157,743				
$50,000 to $74,999	6,122	20%	$1,250 to $1,875	$150,000 to $225,000	3,496	1,305	(1,322)	
$75,000 to $99,999	2,696	9%	$1,875 to $2,450	$225,000 to $300,000	4,467	534	2,305	
$100,000 to $149,999	2,039	7%	$2,450 to $3,750	$300,000 to $450,000	3,435	340	1,736	
$150,000 or more	1,582	5%	More than $3,750	More than $450,000	2,591	0	1,009	
Total	30,621	100%			16,584	14,037		

Source: 2008 American Community Survey, U.S. Census; HUD Section 8 Income Limits, HUD Fair Market Rent.
Based on Oregon Housing & Community Services. Housing Strategies Workbook: Your Guide to Local Affordable Housing Initiatives, 1993.
Notes: FMR is Fair Market Rent

The conclusion based on the data presented in this section is that, in 2008, Medford had a deficit of nearly 4,450 housing units affordable for households earning less than $25,000, primarily rental households. Medford also had a surplus of about 980 units affordable to households earning between $35,000 and $99,000. Increases in housing prices between 2000 and 2006 contributed to the deficit of affordable housing. Housing prices decreased by about 15% between 2006 and 2008.

The analysis in Table 25 probably somewhat overestimates housing needs for households below the median family income. The distribution of households by income level does not include accumulated assets which can be used to purchase housing, particularly equity accumulated by homeowners. The US Census does not collect data on households' net worth, thus, it is impossible to evaluate how these assets would affect housing needs by income level.

SUMMARY OF HOUSING AFFORDABILITY AND INCOME ANALYSIS:

1. Income increased in Medford over the 1989 to 2007 period. During the 2008-2009 recession, incomes have fallen as unemployment has risen.
2. Medford's income is similar to Jackson County averages but below Oregon's averages. Medford's median household income in 2009 was about $10,000 (20%) lower than Oregon's median household income. Medford's median family income in 2009 was about $8,600 (14%) lower than Oregon's median family income.
3. Housing prices increased in Medford between 2001 and 2006. Average sales price increased by 68% over the eight-year period, from nearly $155,000 to more than $260,000. Sales prices peaked in 2006, at an average of about $303,000, and decreased by more than $40,000 by 2008.
4. Lot sizes for houses of similar quality built since 1995 have decreased. As single-family housing improves in quality, the percent of value in the land decreases. The relative share of high-quality single-family homes has increased since 1995 when compared to the stock as a whole.

5. The affordability of homeownership decreased over the 2000 to 2007 period, while rental affordability did not change. The median value of owner-occupied units increased 100% during this seven-year period, while the median rent increased 35%. Median household income increased 10% during the period. Prices of single-family dwellings started decreasing in the 2nd quarter of 2007, and continued to decrease through the 3rd quarter of 2008. During this period, prices decreased nearly 15%. The incidence of foreclosures over the last two years (2007 – 2008) has added pressures to rental markets, which allowed rents to increase slightly in 2008 from 2007 despite falling incomes.
6. Housing affordability is a problem for low income households. Households earning 50% or less of HUD's estimated Median Family Income in Jackson County ($52,700 in 2007) may have problems affording housing in Medford. In 2007, about 33% of Medford households were considered very low income.
7. Affordability varies by housing type. Owner-occupied housing that does not have a mortgage is by far the most affordable housing type, and these tend to be dominated by single-family dwelling types in Medford. Single-family dwellings that are rented or have a mortgage tend have comparable relative levels of affordability. The rental market's most affordable housing types tend to be in structures with four or fewer dwelling units.
8. Nationally, people aged 55 and over are wealthier than the average. Median net worth in 2000 was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families aged 75 years and older ($163,100) remains substantially higher than the average net worth for all families ($93,100). Two of the most important assets for all families are a family's primary residence and their financial assets. The value of these assets is higher for people 45 years and over when compared to the average value for all families and peaks for families aged 55 to 64 years.
9. Medford is likely to continue attracting retirees or people nearing retirement age. The State expects the number of people aged 60 years and older in Jackson County to more than double between 2000 and 2030. A large share of the growth in people 60 years and older is likely to result from in-migration, most frequently from other parts of Oregon or from California. On average, people in these age groups have greater wealth than younger people, which increases their ability to purchase higher-priced single-family dwellings.

IMPLICATIONS OF HOUSING AFFORDABILITY AND INCOME ANALYSIS ON HOUSING NEED

Housing affordability is a concern in Medford, as it is in Jackson County and most communities in Oregon. The sales price of single-family dwellings in Medford doubled over the 2000 to 2007 period. During the same period the cost of rent in Medford increased by 35% and median household income increased by 10%.

Housing affordability is most acute for lower income households, who are most likely to be renters. About 30% of Medford's households (about 10,000 households) could not afford a two-bedroom apartment according to HUD's estimate of $730 fair market rent in 2008. Low income households were also more likely to have difficulties purchasing or paying for a home, with the possible exception of low-income households with substantial assets that allowed them to purchase a house (e.g., retirees that moved to Medford with profits from selling their house in a more expensive housing market).

About 70% of Medford's households are able to afford at least a two-bedroom apartment at market rates. These households may choose to live in either affordable rental units or may to choose to purchase dwellings. Households of these types will continue to need a range of housing choices over the 2010-2029 planning period.

Housing types can be affected through land use planning, and so can sizes, to a lesser degree. Housing improvement quality per square foot is not regulated and has a significant effect on absolute prices and housing values. Land value as a percentage of the total housing unit value decreases as housing quality increases.

V. RESIDENTIAL LAND NEEDS

Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10. Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

State policies governing housing needs analyses require an estimate of the needed net density range for each land use plan designation, based on the types of structures that are allowed, and on an estimate of the density at which each structure type is likely to develop based on development trends and local policies. Allowed structure types are the same as the needed housing types identified in ORS 197.303 and include:

- Single-family detached units – includes stick-built single-family detached units and manufactured homes on individual lots and are usually in Medford's Urban Residential (UR) GLUP Map designation.
- Manufactured homes – includes manufactured or mobile homes in mobile home parks and are usually in the UR GLUP Map designation. Manufactured homes on individual lots are treated as single-family detached dwellings.
- Single-family attached units – includes condominiums, townhomes, row houses and other attached units on individual lots. Single-family attached dwellings are located in all of Medford's residential GLUP Map designations.
- Multifamily units – includes duplexes, triplexes, four-plexes, and apartment buildings with five or more units. Multifamily units are in the UM and UH GLUP Map designations, although duplexes are also allowed in the SFR-10 zone of the UR GLUP Map designation. This category of housing type also includes senior housing facilities with two or more dwelling units per structure.

These types include various market segments such as low-income households, family households, and elderly households. The density and mix analysis does not include an estimate of needed government-assisted housing. ORS 197.303 requires cities to plan for government assisted housing. Government assisted housing can be any of the types listed above. Medford allows government assisted housing in all of its residential designations. Because government assisted housing is similar in character as other housing (with the exception of government subsidies), it is not necessary to develop separate density estimates for these housing types.

ORS 197.296 defines factors to establish sufficiency of buildable lands within urban growth boundaries to meet projected growth for a 20-year period, and requires analysis and determination of residential housing patterns. It applies to cities with populations of 25,000 or more and requires cities to:

- Demonstrate that its comprehensive plan or regional plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years (ORS 197.296(2));
- Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands (ORS 197.296(3)(a)); and
- Conduct an analysis of housing need by type and density range to determine the number of units and amount of land needed for each needed housing type for the next 20 years (ORS 197.296(3)(b)).

Medford meets the population threshold for these statutory requirements.

RESIDENTIAL BUILDABLE LANDS INVENTORY

The City prepared and adopted a residential Buildable Lands Inventory (BLI) in 2007 to document the amount of buildable land in each land use plan designation, based on data from the Jackson County's Assessor's database and

City of Medford building permit data. The inventory classified all land within Medford's UGB into one of the following categories:

- **Developed land** - included land that is considered fully developed and publicly- or quasi-publicly-owned parcels, including those with the designation of Parks/Schools or Airport.
- **Potentially Redevelopable land** - included land with a ratio of real market improvement value to land value of less than or equal to 0.33, except that parcels under 0.05 acres in size were excluded. These parcels were evaluated in the Housing Element analysis on a case by case basis to estimate their site specific characteristics that may result in a strong market likelihood that any given parcel will redevelop during the 2009-2029 planning period.
- **Vacant land** - included land classified as vacant in the Assessor's database and for which no building permit data from the City of Medford has been issued. The analysis excluded parcels under 0.08 acres in size, unless the parcel was clearly part of a platted undeveloped subdivision lot awaiting future construction. Vacant land also included partially developed residential parcels 1.0 acres in size or larger. The capacity of these partially vacant parcels was one minus the calculated capacity of the acreage based upon the presence of an existing dwelling.
- **Unbuildable land** - primarily included land that had environmental constraints, such as wetlands on the Local Wetland Inventory, adopted Riparian Corridors, and floodways.

Since 2007, land has developed in Medford. This Housing Element analysis included a review of all building permit data from 2007 through 2009, and removed all newly built land from the inventory. This review also included some quality control analysis that resulted in a small number of parcels being reclassified from the 2007 BLI.

Table 26 shows buildable residential land by plan designation in Medford's UGB in 2007, and as updated to reflect construction through 2009. The City had about 2,308 acres of buildable vacant and partially vacant residential land, with 92% located in the Urban Residential plan designation. Eighty-one percent of Medford's buildable residential land is vacant.

TABLE 26 - VACANT AND PARTIALLY DEVELOPED BUILDABLE RESIDENTIAL LAND BY PLAN DESIGNATION, 2009
CITY OF MEDFORD

Plan Designation	Vacant	Partially Developed	Total Buildable	Percent of Total
Urban High Density Residential (UH)	132	14	145	6%
Urban Medium Density Residential (UM)	35	6	41	2%
Urban Residential (UR)	1,703	419	2,122	92%
Total	***1,870***	***439***	***2,308***	***100%***
Percent of Total	***81.00%***	***19.00%***	***100.00%***	

Source: City of Medford Adopted Buildable Lands Inventory, 2007

Table 27 shows buildable residential land on slopes of 15-25% and 25% or greater. About 847 of Medford's 2,308 acres of buildable land (37%) have a slope of 15%-25% and 265 acres (11%) have a slope greater than 25%. Forty percent (840 acres) of the 2,122 acres in the UR designation are on slopes of 15-25%, and 12% (265 acres) in the UR designation is on slopes of 25% or greater. The analysis of lands with slopes over 15% is significant in Medford because the City's development code has locational criteria which recognize the challenges of attaining minimum densities on steep slopes, even through thoughtful design. OAR 660-008-0005(2) considers land with slopes of 25% or greater generally unbuildable for purposes of density calculations. Lands with slopes over 25% were given development capacity for the purpose of this analysis based on current zoning.

Zone	Locational Criteria	Density Range
SFR-2	Slopes of over 15%, and/or other environmental constraints, such as soils, geology, and flooding	0.8 to 2.0 DU/gross acre
SFR-4	Slopes exceeding 5%, but less than 15%	2.5 to 4.0 DU/gross acre

TABLE 27 - ACRES AND PERCENT OF BUILDABLE RESIDENTIAL LAND ON SLOPES BY PLAN DESIGNATION, 2007
CITY OF MEDFORD

Plan Designation	Land on Slopes	Total Buildable
Slopes of 15-25%		
Urban High Density Residential (UH)	4	0.14%
Urban Medium Density Residential (UM)	3	0.11%
Urban Residential (UR)	840	32.42%
Total on 15-25% slope	**847**	**33%**
Slopes of 25% or greater		
Urban High Density Residential (UH)	0	0.00%
Urban Medium Density Residential (UM)	0	0.00%
Urban Residential (UR)	265	10.2%
Total on slopes of 25% or greater	**265**	**10%**

Source: City of Medford

Infill and Redevelopment

Infill and redevelopment strategies seek to maximize use of lands that are not fully-developed or are underutilized. Such strategies may use existing infrastructure by identifying and implementing policies that improve market opportunities, and reduce impediments to development in areas suitable for infill or redevelopment. This section evaluates three strategies the City already has in place: (1) redevelopment potential; (2) mixed-use development (e.g., residential development in commercial zones); and (3) accessory dwelling units.

- **Redevelopment potential.** Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used for the Medford Buildable Lands Inventory was an improvement to land value ratio of less than 0.33:1.00. Not all of the parcels that meet this criterion for redevelopment potential are expected to experience a strong market likelihood to support redevelopment during the 2009-2029 planning period.

TABLE 28 - POTENTIALLY REDEVELOPABLE LAND BY LOT SIZE DESIGNATION, 2007
CITY OF MEDFORD

Lot Size	Total Acres	Average % Likelihood	Number of Lots	Net Acres
0.1 - 0.99	100	29%	241	23
1.00 - 1.99	170	34%	125	60
2.00 - 2.99	90	52%	37	49
3.00 +	171	83%	20	151
Total Redevelopment				***284***

Table 28 shows land expected to redevelop during the 2009-2029 planning period by lot size. The analysis in Table 28 is based upon a site by site estimate of market likelihood to redevelop for all parcels identified in the 2007 adopted and acknowledged BLI as potentially redevelopable. Redevelopment likelihood generally increases as parcel size increases.

Table 28 shows that approximately 284 acres of land is likely to redevelop in Medford over the 2009-2029 period. The table shows that 53% of all potentially redevelopable acres are expected to experience a strong market likelihood to redevelop during the planning period. Acres by plan designation are reported in Table 30.

- **Residential development in commercial zones.** ORS 197.296(4)(a)(C) requires cities to inventory "lands that may be used for a mix of residential and employment uses under the existing planning or zoning." Medford allows multi-family housing in the Commercial and Service Commercial land use designations. Since 1996, the data date of Medford's last Periodic Review, the City permitted 316 new dwellings in the Commercial plan designations. This is equivalent to 4.6% of all new units during the period. The City's Housing Element estimates this percentage will continue and that 4.6% of all new units will be supplied in Commercial plan designations. The proposed West Main Transit-Oriented District (TOD) is an example of a primarily underutilized commercial area being planned for infill with higher density residential units to become a 'mixed-use' area. Medford also encourages construction of multi-family units along transit corridors such as Highway 99.

- **Accessory dwelling units.** The City of Medford permits accessory dwelling units ("mother-in-law units") outright in single-family residential zones. Allowing accessory units is one way to produce smaller, more affordable dwelling units that are also satisfying places to live. According to City building permit data, Medford approved 117 accessory dwelling units between 1996 and 2006, or an average of 12 units per year. The need for accessory dwelling units is likely to be driven by: (1) housing affordability; and (2) demographics.

    - The change in housing affordability is likely to continue to drive demand for accessory dwelling units. Housing affordability decreased in Medford until 2008. Since that time prices have been in decline, but this decline has been accompanied by new affordability challenges related to diminished incomes and earning potential due to a severe recession.

    - Demographic changes are likely to drive demand for accessory dwelling units. Two groups in particular have disproportionate difficulty in finding and retaining affordable housing: single person households and senior citizens. Section II described demographic changes in Medford. Twenty-seven percent of Medford's population was 60 years and older in 2008. The OEA forecasts that the number of residents 60 years and older will double between 2000 and 2030.

Assuming that the need for accessory dwelling units continues, and that development of accessory dwellings remains relatively constant over the planning period, accessory dwelling units could provide an additional 240 dwelling units, about 1.6% of the forecast housing need for the 2009-2029 period.

Residential Development Capacity

The estimate of the capacity of residential buildable land is based on vacant, partially vacant, and redevelopable land identified in the Buildable Lands Inventory. The capacity of residential land is measured in dwelling units and is dependent on densities allowed in specific plan designations. In short, land capacity is a function of buildable land and density.

Each plan designation has several zones that permit various housing types and densities. The estimate of the capacity of residential buildable land used the assumptions shown in Table 29. These assumptions are based on current zone density ranges. The density assumptions are 75-80% lower than theoretical maximum densities for each zone. This is consistent with observed densities which tend to be somewhat lower than allowable densities due to a variety of factors such as parcel configuration, topography and other natural features. Parcels with capacity for a fraction of a dwelling unit were rounded down to the nearest whole dwelling unit (e.g., the capacity for a parcel that could accommodate 3.4 dwelling units would be 3 dwelling units).

Medford has policies that require lower density zoning on slopes. Table 29 shows the range of possible densities for single-family residential zoning district and density assumptions based on Medford's development policies, taking into account slopes. For example, the SFR-2 district is applied in areas where *"density requirements and locational characteristics of this urban residential district are a function of topographic conditions, such as slopes of over 15%."* It has an allowable density range of between 0.8 and 2.0 dwellings per gross acre. Some un-zoned Urban Residential areas with slopes over 15% were expected to develop at the SFR-2 density as opposed to the average UR density applied elsewhere throughout the planning area; these areas also experience public facilities, geologic, and ownership constraints that diminish the likelihood of their ability to attain the average density in the UR designation. The density assumptions in Table 29 were used to develop the capacity estimates in Table 30. The density assumptions are based on the allowable range of densities according to Medford's policies.

TABLE 29 - ESTIMATED RESIDENTIAL DEVELOPMENT DENSITY BY ZONING DISTRICT AND PLAN DESIGNATION, 2009 CITY OF MEDFORD

Zone (Plan)	Name / Description	Density Range (du/gross ac)	Density Assumption
SFR-00	Single-Family Residential - (Placeholder , Use UR Plan Density)	1 du/lot (4.07)	4.1
SFR-2	Single-Family Residential - 2 dwelling units per gross acre	0.8 - 2.0	1.6
SFR-4	Single-Family Residential - 4 dwelling units per gross acre	2.5 - 4.0	3.3
SFR-6	Single-Family Residential - 6 dwelling units per gross acre	4.0 - 6.0	5.0
SFR-10	Single-Family Residential - 10 dwelling units per gross acre	6.0 - 10.0	6.7
MFR-15	Multiple-Family Residential - 15 dwelling units per gross acre	10.0 - 15.0	12
MFR-20	Multiple-Family Residential - 20 dwelling units per gross acre	15.0 - 20.0	14.9
MFR-30	Multiple-Family Residential - 30 dwelling units per gross acre	20.0 - 30.0	22.4
(UR)	Urban Residential		4.1
(URS)	Urban Residential - Slope >15%		1.5
(UM)	Medium Residential		12
(UH)	High Residential		15.2

Source: City of Medford

Note: Two very steep areas of the UGB zoned SFR-00 are presumed to develop at SFR-2 densities rather than the GLUP average due to significant topographic, geologic and public facilities constraints. County-zoned lands assume Plan designation densities.

The Buildable Lands Inventory indicated that Medford has 2,308 acres of vacant and partially vacant residential land. Table 28 indicates that Medford has 284 acres of residential land that is likely to redevelop over the 20-year period. Table 30 provides a general estimate of how much housing could be accommodated by vacant, partially vacant, and redevelopable lands based on current zoning. In addition to capacity on vacant, partially vacant, and

redevelopable lands, Medford has an estimated capacity for 691 new dwellings on lands designated for commercial uses, and 240 accessory dwelling units. In total, Medford has capacity for 11,424 dwelling units within the existing UGB.

TABLE 30 - ESTIMATED RESIDENTIAL DEVELOPMENT CAPACITY BY PLAN DESIGNATION, 2009
CITY OF MEDFORD

Land Status/Plan Designation	Acres	Capacity (in Dwelling Units)	Density (DU/ Gross Acre)
Vacant			
UH	132	2,061	15.7
UM	35	396	11.3
UR	1,703	5,454	3.2
Subtotal	1,870	7,911	4.2
Partially Vacant			
UH	14	200	14.6
UM	6	56	8.7
UR	419	1,050	2.5
Subtotal	439	1,306	3.0
Redevelopable land			
UH	13	174	13.8
UM	8	43	5.7
UR	263	1,059	4.0
Subtotal	284	1,276	4.5
Commercial Land (mixed use)	na	691	
Accessory Dwelling Units	na	240	
Total	***2,592***	***11,424***	

Source: City of Medford
Notes: Capacity on Commercial land is estimated as 4.6% of total need.
Capacity for accessory dwelling units is based on estimate of 12 issued permits annually--a rate approximately equal to the observed rate between 1996 and 2009. The analysis assumes that all new accessory dwellings will locate in the UR designation.
Gross densities are sometimes lower than the City's overall density range for plan designations because of lot configurations and the methodology used to estimate capacity. For example, an 8,500 square foot lot in the SFR-4 zone would have capacity of one dwelling unit because the theoretical minimum lot size would be 6,500 square feet.

NEW DWELLING UNITS NEEDED, 2009 TO 2029

Table 31 presents a housing need projection for the City of Medford for 2009 to 2029. The fact base that supports the assumptions used in Table 29 are presented in Section III Housing Inventory. The projection is based on the following assumptions:

- Population will increase by 35,591 people from 2009 to 2029, as forecast in Jackson County's adopted population forecast.

- Two percent of the new population or 712 people will locate in group quarters, based on the share of population in group quarters from the 2000 US Census, and the assumption that the share of population in group quarters will increase.
- The average household size will trend from the 2000 US Census figure of 2.47 towards long term national household size estimates of 2.41, but at a modest pace over the 20-year period, to 2.45 people per household.
- Vacancy rates for all housing types is estimated to be 5.5%. This assumption reflects changing vacancy rates. The 2008 American Community Survey estimated vacancy in Medford at 7.8%. This is high when compared to the rates in the 2000 and 1990 US Census. However, Medford's observed 1990 and 2000 rates were somewhat low when compared to Statewide averages and typical vacancy rates in metropolitan areas. It is expected that rates will trend back downward and approach an average between current rates and rates observed in 1990 and 2000, thus an average of 5.5% was used to reflect a downward trend, but not quite to reach levels observed in 1990 and 2000.
- The needed mix of housing is assumed to reflect housing types supplied since the last periodic review. During the last periodic review, Medford's Housing Element was reviewed and acknowledged to comply with statewide policies to provide a mix of housing appropriate to Medford's needs, and during that time, Medford has issued a variety of building permits for a range of housing choices for Medford residents. The Housing Element plans to continue this effort, and plan for roughly proportional housing types over the next twenty years. The needed mix is allocated based upon plan designations using the below housing need projection as the control total for dwelling units to be supplied during the planning period.

Table 31 shows that Medford will need 15,050 new dwelling units between 2009 and 2029, at an average of 753 units per year. Over the 1996 to 2009 period, Medford issued an average of 605 residential building permits annually.

TABLE 31 - HOUSING NEED PROJECTION, 2009 TO 2029
CITY OF MEDFORD UGB

Variable	Estimate of Housing Units (2009-2029)
Change in persons	35,591
minus Change in persons in group quarters	712
equals Persons in households	34,879
Average household size	2.45
New occupied DU	14,266
times Aggregate vacancy rate	5.5%
equals Vacant dwelling units	785
Total needed new dwelling units (2009-2029)	**15,050**
Totals	
equals Total new occupied dwelling units	14,266
Aggregate household size (persons/occupied DU)	2.45
plus Vacant dwelling units	785
equals **Total new dwelling units**	**15,050**
Dwelling units needed annually	753

FORECAST OF HOUSING NEED BY COST

Table 32 presents an estimate of needed housing by income and housing type. This estimate required an approximation of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the US Census, and (2) analysis by ECONorthwest.

The housing need analysis (Table 31) indicated that Medford needs 15,050 new dwelling units for the 2009-2029 period. Table 32 shows income in relation to housing affordability. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 48% of households in Medford could be considered high or upper-middle income in 2008 and that about 48% of the housing need, primarily for new units, will derive from households in these categories. Approximately 23% of Medford's households have income less than 50% of MFI ($26,290 or less) and will have housing needs ranging from homeownership of affordable units such as manufactured homes in mobile home parks to renter units such as apartments, duplexes, and government assisted housing.

TABLE 32 - ROUGH ESTIMATE OF HOUSING AFFORDABILITY, ADDITIONAL HOUSEHOLDS, 2009-2029
CITY OF MEDFORD

				Financially Attainable Products		
Market Segment by Income	**Income Range**	**Number of households**	**Percent of Households**	**Owner-occupied**	**Renter-occupied**	
High (120% or more of MFI)	$63,098 and higher	4,751	32%	All housing types; higher prices	All housing types; higher prices	↑
Middle & Moderate (81%-120% of MFI)	$42,066 - $63,097	2,436	16%	All housing types; lower values	All housing types; lower values	Primarily New Housing
Low (51%-80% of MFI)	$26,291 - $42,065	2,862	19%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	Primarily Existing Housing
Very Low (31%-50% of less of MFI)	$15,774 - $26,290	2,066	14%	Manufactured in parks	Apartments; manufactured in parks; duplexes	↓
Extremely Low (Less than 30% of MFI)	$0 - $15,774	2,934	19%	None	Apartments; new and used government assisted housing	

Source: 2008 American Community Survey, U.S. Census; HUD Median Family Income, HUD Fair Market Rent.
Based on Oregon Housing & Community Services. Housing Strategies Workbook: Your Guide to Local Affordable Housing Initiatives, 1993.

Table 33 builds on the housing affordability information presented in Table 32 and the allocation of housing presented in Table 38. Table 33 shows an estimated distribution of housing by type of units. Higher income households (80% and greater of MFI) are most likely to choose and be able to afford to live in single-family detached dwellings. Lower income households (50% or lower of MFI) are most likely to be able to afford to live in apartments. In short, Table 33 shows how the needed housing mix meets housing needs by income levels.

TABLE 33 - NEEDED HOUSING UNITS BY INCOME AND BY HOUSING UNIT TYPE, 2009-2029
CITY OF MEDFORD

Market Segment by Income	Household Income range	Single-family detached	Manufac-tured in Parks	Single-family attached	Duplex	Multi-Unit	Total	% by Income
High (120% or more of MFI)	$62,520 or more	4,009	0	121	227	394	***4,751***	***32%***
Upper Middle (80%-120% of MFI)	$41,680 to $62,520	1,763	64	62	105	441	***2,435***	***16%***
Lower Middle (50%-80%) of MFI	$26,050 to $41,680	2,019	75	73	124	571	***2,862***	***19%***
Low (30%-50% or less of MFI)	$15,630 to $26,050	939	54	53	89	931	***2,066***	***14%***
Very Low (Less than 30% of MFI)	Less than $15,630	256	249	75	106	2,249	***2,935***	***20%***
Total		***9,034***	***395***	***384***	***651***	***4,586***	***15,049***	***100%***
Percent by Type		***60%***	***3%***	***3%***	***4%***	***30%***	***100%***	

Source: 2007 American Community Survey, U.S. Census; HUD Median Family Income

FORECAST OF HOUSING NEED BY TYPE AND TENURE

The next step in the analysis is to forecast housing need by structure type and tenure. Table 34 shows an estimate of needed housing by structure type and tenure for the 2009-2029 planning period.

Table 34 uses mix assumptions that are consistent with the allocations in Table 38, and tenure assumptions consistent with the 2000 Census observations.

- The *Housing Element* assumes that households that move to Medford in the future will have characteristics similar to those that moved to Medford in the recent past (since 1996).
- The needed tenure split is expected to be consistent with the 2000 US Census figure of 57% owner-occupied, and 43% renter-occupied housing. The City's policies encourage homeownership opportunities for Medford households.
- Between 2000 and 2006, growth in homeownership costs outpaced growth in income. Sales prices of single-family dwellings more than doubled between 2000 to 2006, while income increased by 10%. Sales prices declined nearly 15% between 2007 and 2008 and have continued to decline through all of 2009 and the first half of 2010.
- Income only accounts for a portion of a household's worth. Median net worth in the U.S. was $93,100 in 2004 and was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families aged 75 years and older ($163,100) remained substantially higher than the average net worth for all families ($93,100). See Table 43 in Section 6.
- Medford's future housing needs will be driven by in-migration. The OEA's forecast projects that growth in people aged 50 to 70 years will account for nearly one-quarter of population growth over the 2000 to 2030 period. Many of these in-migrants are likely to move to Medford from out of state, based on historic in-migration patterns. Many of these in-migrants are likely to have higher than average net worth (with a net worth that is $100,000 to $150,000 higher than average net worth) and are likely to have wealth from selling their previous home or from other accumulated assets. These residents are likely to choose to purchase a home, most frequently a single-family detached unit.
- Housing tenure is a function of both personal preference and household finances. Generally, households with higher incomes and/or accumulated wealth have the option of renting or owning, and, therefore,

their tenure choices reflect their household preference. Households with lower incomes and little accumulated wealth may not satisfy lending requirements for home ownership.

- All household types are rented and owned in Medford. Single-family detached homes are the most common form of ownership, but many single-family homes are also available to the rental market. Some multi-unit projects are condominium-ized and owned by individual owners, but most multi-family projects are consumed by renters. Manufactured homes in parks are generally operated as a hybrid where the unit itself is owned and the unit space in the park is rented out by the park operator (in the below table, unit owners are reported as owners). Single-family attached and duplex housing types are projected to exhibit a strong balance of ownership to rental arrangements.

TABLE 34 - ESTIMATE OF NEEDED DWELLING UNITS BY TYPE AND TENURE, 2009-2029
CITY OF MEDFORD

	Owner-Occupied		Renter-Occupied		Total	
Housing Type	**New DU**	**Percent**	**New DU**	**Percent**	**New DU**	**Percent**
Single-family types						
Single-family detached	6,541	76%	2,494	39%	9,034	60%
Manufactured in parks	335	4%	59	1%	395	3%
Single-family attached (in SF zones)	230	3%	153	2%	384	3%
Subtotal	7,107	83%	2,706	42%	9,812	65%
Multi-family						
Duplex	326	4%	326	5%	651	4%
Multi-Unit	1,147	13%	3,440	53%	4,586	30%
Subtotal	1,472	17%	3,765	58%	5,237	35%
Total	***8,600***	***100%***	***6,450***	***100%***	***15,050***	***100%***

Note: Percentages are calculated by column
Note: Single-family attached and condo/townhomes are the same housing type in Medford. Single-family attached units are allowed in some single-family zones, i.e., townhomes are allowed in the SFR-10 zone, and condo/townhomes are allowed in multifamily zones.

Overall, the above Table 34 functions as a reasonableness test as to whether planned housing types, based upon delivered housing since 1996, can reasonably be expected to accommodate tenure demands. There are a number of forces such as interest rates, housing prices, household wealth and income potential, commodity prices, and demographics that will ultimately determine the tenure by the type of housing mix. However, the above estimates depict a relatively robust distribution of planned housing types and one that can reasonably be expected to respond to fluctuations in ownership rates during the planning period.

FORECAST OF HOUSING NEED BY TYPE AND DENSITY

The next step of the analysis provides an estimate of needed dwelling units by housing type and density. Table 35 shows the forecast of needed housing units by type and density in Medford. The forecast meets the requirement of ORS 197.296(7) that cities determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years.

- The average density of all housing types between 1996 and 2009 was 6.8 dwellings per net residential acre. Single-family residential (UR) averaged 5.3 dwellings per net acre, there was no development in the medium-density designation (UM), and high-density residential (UH) averaged 16.9 dwellings per net acre.

- For manufactured dwellings in parks, the needed density for the 2009-2029 period forecasts a slight increase from historical densities, reflecting a density of 6.2 units per acre based upon the analysis.
- Oregon State Law requires cities first assess housing needs and residential land supplies according to actual development trends observed since the last periodic review. That analysis and the results thereto are provided in Appendix B. After careful consideration by the Medford Planning Commission during the course of the Housing Element review, the Planning Commission concluded that the City's existing housing and development policies, in the context of future development conditions and trends, are likely to result in slightly higher but fully attainable densities over the next twenty years. Based upon this policy choice, the below table depicts the future density assumptions in relation to the observed and delivered density since the last periodic review.

The City assumes the following net densities by housing type for the 2009-2029 period:[17]

TABLE 35 - NEEDED NET DENSITY BY HOUSING TYPE, 2009-2029
CITY OF MEDFORD

Housing Type	Actual Net Density (1996-2009)	Future Density (DU/Net Acre)	Effective Avg. Lot Size (SF)
Single-family types			
Single-family detached	5.0	5.8	7,485
Manufactured in parks	6.0	7.0	6,223
Single-family attached	9.9	12.5	3,485
Multi-family			
Duplex	11.2	14.0	3,111
Multi-Unit	19.0	22.5	1,936

Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.

The effective lot sizes are derived from the net density assumptions (e.g., 43,560 sq. ft. per acre divided by net density equals average lot size in sq. ft.).

- Topography, lot configurations, and other factors typically result in delivered densities being somewhat less than the maximum theoretical densities prescribed by local land use regulations. The assumed average needed densities account for these factors and make reasonable assumptions that future development may be somewhat more efficient than past development. .
- Medford has delivered an appropriate range and mix of housing types since 1996 in a reasonably efficient manner, and, therefore, future densities on a per-unit-by-type basis are expected to be relatively similar.

The forecast shows land need in net acres. Net acres is the amount of land needed for housing, not including public infrastructure (e.g., roads). Gross acres is the estimated amount of land needed for housing inclusive of public infrastructure.[18] The net to gross factor allows for conversion between net acres to gross acres. The net to gross factor is highest (23%) for single-family detached dwellings, decreasing to 10% for multi-unit projects. The

[17] The City's 1995 housing needs analysis uses *gross* densities. Consistent with guidance provided in the DLCD *Workbook*, ORS 197.296, and OAR 660-024, this analysis uses *net* densities.

[18] According to Medford's *Land Development Code*, gross acres include land to the center line of any abutting right-of-way. Gross acres exclude: reserve acreage, natural unbuildable areas, future right of way dedication, resource protection areas, common open space, and other dedication areas.

reason for using different net to gross factors for different housing types is that infrastructure for single-family detached dwellings will require more land than infrastructure for multi-family dwellings.

ORS 197.296(7) requires a comparison of actual density and mix (in this instance, the density and mix observed between 1996 and 2009) and needed density and mix. Table 36 reports the actual achieved net to gross factors for sample projects constructed from 1996 to 2009. The sample projects represent approximately 28% of all total units constructed during the analysis period. Table 36 shows that the assumptions used in the analysis for future development patterns utilize a net-to-gross factor that is slightly higher for multi-family projects than those analyzed in the sample. This is reasonably appropriate because the sample projects tend to be larger multi-family projects where more efficiency can be realized than smaller in-fill projects. The single family net-to-gross factors utilized in the analysis are somewhat lower than the observed factors in the sample analysis. Again this is reasonable because, the sample is weighted toward the larger projects. Many of these projects have utilized neo-traditional development patterns supported by Oregon Statewide Planning Goal 12, resulting in a tightly gridded street pattern which causes high ratios of streets to dwellings. Some of the future units will be infill projects that will tend to utilize existing infrastructure.

TABLE 36 - REDEVELOPMENT ASSUMPTIONS AND LAND BY LOT SIZE AND PLAN DESIGNATION, 2009-2029
CITY OF MEDFORD

GLUP	Zone	Housing Type	Number of Sample Projects	Average Measured Net to Gross Factor	Analysis Assumption	Measured - Analysis Difference
UH	MFR-30	Multi-Unit	1	***9.2%***	10.0%	***-0.8%***
UH	MFR-20	Multi-Unit	1	***8.4%***	10.0%	***-1.6%***
UR	SFR-10	Single family	8	***23.0%***	23.0%	***0.0%***
UR	SFR-6	Single family	8	***28.0%***	23.0%	***5.0%***
UR	SFR-4	Single family	9	***25.9%***	23.0%	***2.9%***
UR	SFR-2	Single family	1	***23.9%***	23.0%	***0.9%***

A comparison of data in Table 37 to data in Table 14 shows that the needed average density of 8.0 dwellings per net acre is 1.2 units per net acre more dense than the dwelling units per net acre achieved from 1996-2009.

TABLE 37 - FORECAST OF NEEDED HOUSING UNITS BY TYPE AND DENSITY, 2009-2029
CITY OF MEDFORD

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Assumption
Single-family types					
Single-family detached	9,034	60%	5.8	1,552	23%
Manufactured in parks	395	3%	7.0	56	15%
Single-family attached	384	3%	12.5	31	12%
Subtotal	9,813	65%	6.0	1,639	
Multi-family					
Duplex	651	4%	14.0	47	12%
Multi-Unit	4,586	30%	22.5	204	10%
Subtotal	5,237	35%	20.9	250	
Total	***15,050***	***100%***	***8.0***	***1,890***	

Note: Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.
A sample of net to gross factors for projects developed since 1996 showed that single-family detached housing (all plan designations) averaged about 25% net to gross (including only streets).

The final step in the housing needs analysis is to allocate housing needs by plan designation to determine the number of needed housing units and gross acres required to meet identified housing needs for the 20-year period. Table 38 provides an allocation of housing units by Medford's three residential plan designations. The acreages are based on the net density assumptions and net-to-gross factors shown in Table 37. Based on Table 38, the needed density by plan designations are:[19]

- UR – 5.9 DU/Net Acre; 4.8 DU/Gross Acre
- UM – 15.6 DU/Net Acre; 12.8 DU/Gross Acre
- UH – 18.1 DU/Net Acre; 21.3 DU/Gross Acre
- C – 25.7 DU/Net Acre; 21.9 DU/Gross Acre

The housing needs analysis suggests the following allocations of housing by plan designation and type:

- The needed housing mix is generally consistent with housing delivered since 1996 - 60% will be single-family detached; 2.6% will be single family attached and manufactured in parks. It is expected that 4.3% will be duplexes and 30.5% will be multi-unit multi-family. This mix meets needed housing types by price range as shown in Table 33. Consistent with Table 37 and the findings above, the overall needed density is 6.3 dwellings per gross acre.
- Sixty-seven percent of needed dwelling units will locate in the Urban Residential designation, which allows single-family detached, manufactured (detached and in manufactured home parks), rowhouses,

[19] The densities by plan designation identified above are for buildable acres. As discussed previously in the document, the City's development code requires lower density zoning be applied to land on steep slopes.

and duplexes at up to 10 units per gross acre. Rowhouses, duplexes, and townhomes are allowed in the SFR-10 zone.

- Seven percent of needed dwellings will locate in the Urban Medium Density Residential designation, which allows single-family attached, rowhouses, duplexes, and multi-family dwellings at 10 to 15 units per gross acre.
- Twenty-two percent of needed dwelling units will locate in the Urban High Density Residential designation, which allows rowhouses, duplexes, and multi-family dwellings at 15 to 30 units per gross acre.
- Five percent of new dwellings will locate in Commercial plan designations. All of these units will be multi-family dwellings at 20 to 30 units per gross acre.
- Manufactured dwellings on lots are allowed in all zones that allow single-family housing.
- Manufactured dwellings in parks are allowed in the Urban Residential designation.

TABLE 38 - ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION, 2009-2029
CITY OF MEDFORD

	Plan Designation									
	Urban Residential		Urban Medium Density Residential		Urban High Density Residential		Commercial		Total	
Housing Type	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**
Single-family										
Single-family detached	8,828	1,970	75	17	74	17	57	0	9,034	2,003
Manufactured in parks	384	65	0	0	9	2	2	0	395	66
Single-family attached	148	13	113	10	123	11	0	0	384	35
Subtotal	9,360	2,048	188	27	206	29	59	0	9,813	2,104
Multi-family										
Duplex	278	23	338	27	22	2	13	1	651	52
Multi-Unit	398	20	467	23	3,101	153	620	31	4,586	196
Subtotal	676	42	805	50	3,123	155	633	32	5,237	279
Total	***10,036***	***2,090***	***993***	***78***	***3,329***	***184***	***692***	***32***	***15,050***	***2,383***
Percent of Acres and Units										
Single-family										
Single-family detached	58.7%	82.7%	0.5%	0.7%	0.5%	0.7%	0.4%	0.0%	60.0%	84.0%
Manufactured in parks	2.6%	2.7%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	2.6%	2.8%
Single-family attached	1.0%	0.6%	0.8%	0.4%	0.8%	0.5%	0.0%	0.0%	2.6%	1.5%
Subtotal	62.2%	85.9%	1.2%	1.1%	1.4%	1.2%	0.4%	0.0%	65.2%	88.3%
Multi-family										
Duplex	1.8%	0.9%	2.2%	1.2%	0.1%	0.1%	0.1%	0.0%	4.3%	2.2%
Multi-Unit	2.6%	0.8%	3.1%	1.0%	20.6%	6.4%	4.1%	1.3%	30.5%	8.2%
Subtotal	4.5%	1.8%	5.3%	2.1%	20.8%	6.5%	4.2%	1.3%	34.8%	11.7%
Total	***67%***	***88%***	***7%***	***3%***	***22%***	***8%***	***5%***	***1%***	***100%***	***100%***

Note: Historic density data by housing type is not available for the UM designation because none has yet been constructed. As a result, Table 38 uses average densities by plan designation and housing type to determine needed acres.

PROJECTION OF RESIDENTIAL LAND NEED: 2009 TO 2029

This section has presented the supply of buildable residential land (Table 30) and dwelling units needed by housing type and plan designation (Table 38). The estimate of residential land need is based on a comparison of the supply of buildable residential land with the need for residential land. Table 39 presents land need for residential development for the 2009-2029 period. The results of Table 39 show the following range of residential land needs:

- **Deficit in UR.** Medford has a deficit of buildable land in the Urban Residential (UR) designation of about 465 gross acres.
- **Deficit in UH.** Medford has a deficit of buildable land in the Urban High Density Residential (UH) designation of about 49 gross acres.
- **Deficit in UM.** Medford has a deficit of buildable land in the Urban Medium Density Residential (UM) designation of about 39 gross acres.
- **Housing in Commercial Designations.** Medford will experience about 691 units constructed in commercial designations, but this is treated as exogenous supply that can be commingled in mixed use projects and Planned Unit Developments within the commercial land base.

TABLE 39 - LAND NEEDED FOR NEW DWELLING UNITS, BUILDABLE ACRES, 2009-2029
CITY OF MEDFORD UGB

Plan Designation	DU Capacity	DU needed	Surplus/ (deficit)	Needed Density (DU/Net Ac)	Net Acres	Needed Density (Gross)	Needed Gross Buildable Acres
UH	2,435	3,329	(894)	21.3	42	18.1	49
UM	495	993	(498)	15.6	32	12.8	39
UR	7,803	10,036	(2,233)	5.9	381	4.8	465
Commercial (CC/CN)	691	692	(1)				
Total	***11,424***	***15,050***	***-3,626***		***455***		***553***

Note: The land need identified in Table 39 is for net buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.

OTHER RESIDENTIAL LAND NEEDS

Cities need to provide land for uses other than housing and employment. Public facilities such as schools, churches, parks, and other non-profit organizations will expand as population increases. Many communities have specific standards for parks. School districts typically develop population projections to forecast attendance and need for additional facilities. All of these uses will potentially require additional land as a city grows.

Previous sections estimated land need for housing; this section considers other uses that consume land and must be included in land need estimates. The need for these lands largely occurs independent of market forces. Many can be directly correlated to population growth.

For the purpose of estimating land needed for other uses, these lands are classified into three categories:

- *Lands needed for public operations and facilities.* This includes lands for city facilities, schools, substations, and other public facilities. Land needs are estimated using acres per 1,000 persons for all lands of these types.

- *Lands needed for parks and open space.* The estimates use a parkland standard of 4.3 acres per 1,000 persons based on the level of service standard established in the Medford *Leisure Services Plan Update*.

This estimate includes land needed for neighborhood and community parks, which usually locate in residential plan designations. It does not include land needed for natural open space and greenways, which may also be located in residential plan designations.

- *Lands needed for semi-public uses*. This includes hospitals, churches, fraternal organizations, and related semi-public uses. The analysis includes land need assumptions using acres per 1,000 persons for all lands of these types.

Table 40 shows land in public and semi-public uses by type. The data show that Medford had a total of 1,313 acres in public and semi public uses in 2007. This equates to 17.0 acres per 1,000 persons.

Table 40 shows that Medford will need about 425 acres of land for all public and semi-public uses or 11.6 acres per 1,000 people between 2009 and 2029. The information in Table 40 is based on the following assumptions:

- City park land needs are based on the level-of-service established in the City's parks plan of 4.3 acres per 1,000 persons.
- School land needs are based on the fact that Medford School District 549c expects to need to build one elementary and one middle school over the planning period, which would require 20 acres. Lands in the Phoenix School District have been planned for additional schools in the Southeast Plan area, and these schools are not yet developed.
- Land needs for other uses, including churches, fraternal organizations, and government, are based on maintaining the same ratio of acre to population as currently exists for these land uses.
- The City currently has a large privately owned public golf-course (Cedar Links Golf Course) that is approved as a planned unit development, and the residential capacity analysis assumes that this project will be built out during the planning period resulting in the loss of considerable private semi-public park/recreation land. Additionally, there is a private park held in trust and known as the Howard Sports Park in West Medford. This park is not fully built out, and, when built, will function as privately owned public recreation space. The residential development of Cedar Links Golf Course and the build-out of the Howard Sports Park will result in a net loss of approximately 43.7 acres of privately owned and operated public open/space and recreation space.
- There are approximately 19 acres of park land planned in Southeast Medford that are not currently deeded to the City, nor are they constructed. Therefore, it is expected that those 19 acres within the existing UGB will serve as supply for some portion of the 153 acres of new parkland demand estimated in Table 40.

TABLE 40 - SUMMARY OF PUBLIC AND SEMI-PUBLIC LAND NEED BY TYPE, 2009-2029
CITY OF MEDFORD UGB

Type of Use	Existing Acres	Acres / 1000 Persons	Assumed Need (Ac/1000 Persons)	Estimated Need per 1000 Persons 2009-2029	Planned Unbuilt Supply in Existing UGB
City	113	1.5	1.5	64	
City Parks	527	6.8	4.3	153	19
County	36	0.5	0.5	17	
State	47	0.6	0.6	22	
Federal	26	0.3	0.3	12	
Other public agency	43	0.6	0.6	20	
Schools	265	3.4	0.6	20	26
Church	159	2.1	2.1	73	
Fraternal	96	1.2	1.2	44	
Private Parks/Recreation					-43.7
Total	***1,313***	***17.0***	***11.6***	***425***	***1.3***
Net Needed for UGB					***426***

Source: City of Medford 2007 GIS data

RESIDENTIAL LAND NEEDS

Table 39 presented a comparison of land needed for residential development over the 2009 to 2029 period, and Table 40 shows a summary of public and semi-public land needs over the same period.

Table 41 shows:

- Need for 465 gross acres in the UR designation
- Need for 49 gross acres in the UH designation
- Need for 39 gross acres in the UM designation
- Need for 16 gross acres for development of group quarters, predominantly nursing homes[20]
- Need for 426 gross acres for public and semi-public uses
- Need for a total of 996 gross acres in residential designations

[20] The estimate of land need for group quarters is based on the estimate of people in group quarters and average household size shown in Table 31. Development of group quarters was assumed to occur in the UH designation at the same density as other multifamily housing in UH (12.2 du per gross acre).

TABLE 41 - TOTAL RESIDENTIAL LAND DEFICIT BY PLAN DESIGNATION, 2009-2029
CITY OF MEDFORD

	Needed land (Gross Ac)
Residential development	
UR	465
UM	39
UH	49
Group quarters	16
Public and semi-public lands	426
Total	***996***

Source: City of Medford GIS data

Note: The land need identified in Table 41 is for buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.

SUMMARY OF RESIDENTIAL LAND NEED

The following section provides a summary of residential land needs in Medford for the 2009-2029 period.

1. Medford has about 2,308 acres of buildable residential land, with 92% located in the Urban Residential (UR) plan designation. Eighty-one percent of Medford's buildable residential land is vacant.
2. Medford has 531 acres of potentially redevelopable land. Redevelopment will vary based on location, type of development, site size, and market demand. Approximately 284 net acres of land is likely to redevelop in Medford over the 2009-2029 period. Fifty-three percent of redevelopable acres are assumed to redevelop.
3. Five percent of Medford's residential development has located in commercial zones since 1996. Assuming this trend continues about 691 new dwelling units will locate in commercial zones in Medford over the planning period.
4. Medford approved 117 accessory dwelling units between 1996 and 2006, or an average of 12 units per year. Accessory dwelling units could provide an additional 240 dwelling units, about 1.6% of the forecast housing need for the 2009-2029 period.
5. Medford will need 15,050 new dwelling units to accommodate population growth between 2009 and 2029. The forecast shows that an average of 753 new dwelling units will be needed annually, which is higher than the average number of building permits issued (605) over the 1996 to 2009 period. The forecast assumes 65% of needed housing for 2009-2029 will be single-family housing types (single-family detached, single-family attached and manufactured homes) and 35% will be multi-family (duplexes and multi-unit buildings).
6. Medford's tenure split is expected to reflect the 2000 US Census ratio of 57% owner-occupied units and 43% renter-occupied units. Factors supporting Medford's tenure split include: (1) Medford's homeownership rate has historically been 57% of units in 1990 and 2000; and (2) the State forecasts that the fastest growing age group will be people 60 years and older, many of whom are likely to prefer homeownership of both single-family detached and attached units.
7. Needed net density for single-family types for the 2009-2029 period are: 5.8 dwellings per net acre for single-family detached units; 7.0 dwellings per net acre for manufactured units in parks; and 12.5

dwellings per net acre for single-family attached units. Needed density for multi-family units are: 19.0 dwellings per net acre.

8. Medford will need about 1,890 net buildable residential acres, or about 2,383 gross buildable residential acres to accommodate new housing between 2009 and 2029. The forecast results in an average residential density of 8.0 dwelling units per net residential acre and of 6.3 dwelling units per gross residential acre for new residential units built between 2009 and 2029. This represents a modest but achievable increase in the historic densities based on Medford's implementation of its adopted and acknowledged Housing Element reviewed and approved in Medford's last periodic review.

9. Each plan designation will experience development. About 67% of housing (10,036 units) will locate in the Urban Residential designation. The Urban Medium Density Residential designation will have 7% of residential development (993 units), the Urban High Density designation will have 22% of residential development (3,329 units), and Commercial designations will have 5% of residential development (692 units).

10. Based on existing and expected uses, Medford has a need for about 426 acres for public and semi-public uses over the 2009 to 2029 period, such as parks, schools, government uses, churches, and other public or semi-public uses.

11. Medford has a deficit of land in all plan designations for forecast residential development during the 2009 to 2029 period. Medford will need an additional 996 gross acres within its UGB to accommodate residential growth and accompanying uses in residential areas over the planning period. Medford will need 465 additional gross buildable acres in the UR designation, about 49 additional gross buildable acres in the UH designation, and additional 39 gross buildable acres in the UM designation. Medford does not have a deficit of land for housing in Commercial plan designations, and this land is treated as Goal 14 efficient land uses that will contribute 692 housing units. Medford will need about 16 gross buildable acres for development of group quarters.

VI. STRATEGIES FOR MEETING HOUSING NEEDS

Oregon land use laws require communities to provide land use policies that promote adequate housing. Each community must consider the broader housing need of the region in arriving at a fair allocation of housing types and amounts, including multiple-family, attached single-family, detached single-family, and manufactured housing. The term regional fair share usually refers to the proportion of housing by type, tenure, and price that a community would have if housing and population were distributed evenly throughout the market area. Local standards and procedures for reviewing applications must be "clear and objective," and there must be legal reasoning, supported by state and local planning regulations, to deny projects. The Oregon Administrative Rules (OARS) require cities to provide certainty in the housing development process. Approval standards, special conditions, and procedures regulating development of needed housing must be clear and objective, and must not cause unreasonable cost or delay.

As previously stated, Medford's residential land need must be accommodated by first changing the General Land Use Plan designations of buildable lands within the current urban growth boundary. This process is already underway in what is called an Internal Rezone Review. Through this process Medford anticipates designating more land within the current Urban Growth Boundary as Urban Medium Density Residential (UM).

Medford's current plan designations and zoning districts comply with the various statutory requirements for needed housing types. This section reviews some specific housing needs identified during the update process. Those specific needs include:

- **Manufactured home parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development. The determined need for manufactured dwellings in parks must be based on population projections; household income levels; housing market trends of the region; and an inventory of mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development because they are more likely to close and be changed to another land use.
- **Housing needs of seniors.** This population includes households with individuals aged 55 and over. The housing needs analysis estimates the number of individuals and households in this age group, and provides a projection of the need for group quarters such as nursing homes, and residential care facilities, and retirement communities.
- **Downtown housing.** Downtown housing can take many forms which can achieve multiple community development objectives including creating a more vibrant downtown, supporting downtown businesses, and reducing transportation demands.

MANUFACTURED HOMES

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

The City had 708 manufactured homes in 1990 and 1,115 manufactured homes in 2000, more than 90% of which were in manufactured home parks. Between 1996 and 2006, the City issued 72 permits for manufactured homes on lots and 288 permits for new manufactured homes in parks. According to Census data, 83% of the manufactured homes in the City were owner-occupied in 1990—a figure that decreased to 81% in 2000.

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner rather than the manufactured home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured home owners in parks are also subject to the land rents of the property owner. It is generally not within the means of a manufactured home owner to relocate a manufactured home to escape rent

increases. Living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

The City of Medford *Land Development Code* was amended in the 1990s to meet state requirements for allowing manufactured housing on lots and in parks. Individual manufactured homes outside parks are allowed in all single-family residential zoning districts, subject to the specific placement standards permitted by state law. The standards are intended to assure that the manufactured homes are generally consistent with other single-family dwelling units, having features such as a pitched roof and a garage.

The *Land Development Code* conforms with state requirements for the siting of manufactured home parks. State law requires that manufactured home parks be allowed in zoning districts which permit residential densities of six to 12 units per acre. The City is allowed to establish clear and objective criteria and standards for the placement and design of parks. State law restricts the establishment of new parks in areas planned for commercial or industrial use.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development. Moreover, the city is required to provide a projection of future need for manufactured home parks based on population projections, household income levels, market trends, and an inventory of existing parks in areas planned and zoned for commercial, industrial, or high density development. Table 42 presents the inventory of mobile and manufactured home parks within the Medford UGB in 2007. The results show that the Medford UGB had 1,265 spaces on 184 acres.

TABLE 42 - INVENTORY OF MOBILE/MANUFACTURED HOME PARKS, 2007 MEDFORD UGB

NAME	LOCATION	ZONE	GLUP MAP	SPACES	ACRES	DENSITY (DU/AC)
CITY						
SHIRLEEN	602 RIVERSIDE AVE.	C-C	CM	32	2.8	11.4
12TH STREET	401 EAST 12TH ST.	C-G	CM	32	2.3	13.9
IDLE WHEELS	2252 TABLE ROCK RD.	MFR-20	UH	181	26	7.0
TABLE ROCK	2385 TABLE ROCK RD.	MFR-20	UH	132	19.1	6.9
VILLAGE	2335 TABLE ROCK RD.	MFR-20	UH	60	6.5	9.2
VALLEY CENTER	3410 N. PACIFIC HWY.	C-G	CM	50	3.4	14.7
MYRA LYNN	924 CAROL AVE.	SFR-10	UR	225	33.2	6.8
J AND D	801 CENTRAL AVE.	C-G	C	22	0.6	36.7
LINDEN	833 JACKSON ST.	C-L	CM	29	1.3	22.3
WINDSTONE	2552 THORNE OAK DR.	SFR-10	UR	108	17.61	6.1
PEACHWOOD	1570 PEACH STREET	SFR-10	UR	147	18.4	8.0
SAN GEORGE ESTATES	10 SOUTH STAGE RD.	SFR-10	UR	146	27.4	5.3
KINGS HWY	211 KINGS HWY	SFR-10	UR	43	7.6	5.7
EL CAMINO	1500 KINGS HWY.	SR-2.5	UR	16	1.6	10.0
SUBTOTAL				**1,223**	**167.8**	**7.3**
UGB						
WELDON	2600 STERNS WAY	SR-2.5	UR	42	16.2	2.6
TOTAL				***1,265***	***184.0***	***6.9***

Source: City of Medford Planning Department

The housing need projection prepared for the planning period estimates a need for 395 new manufactured dwellings in parks by the year 2029, or an average additional need of about 20 per year.[21] The average number

[21] ORS 197.480(2) only requires an estimate of mobile or manufactured homes in parks. For the purpose of this analysis, manufactured homes in subdivisions or on infill lots are considered part of the single-family need.

added per year between 1996 and 2009 was 13. The additional units will require approximately 55 net acres, at an average density of 6.2 units per acre (the delivered density since 1996) and 75 gross acres.

The need projection must also include the potential displacement of homes in the parks within commercial, industrial, or high density designations. In 2007, there were five manufactured home parks with a total of 185 spaces (13% of the total spaces) in areas designated for commercial use, and 373 spaces (29% of the total spaces) in three parks designated for high density use. There is no indication at this time that they are being considered for closure. Should they all be closed, 63 acres of buildable residential land would be required to replace them, in addition to the 75 acres needed by 2029. The small parks of less than 35 spaces are generally in commercial areas, allow small trailers, and provide very low income housing.

HOUSING NEEDS OF SENIORS

The demographic composition of America is experiencing considerable change. Americans are living longer and the percentage of elderly Americans is increasing. This demographic shift coincides with the baby boom generation reaching retirement age. Many experts believe this demographic shift will have significant effects on the housing market; however, the literature is inconclusive on exactly how aging will affect housing demand and need.

According to the Oregon Office of Economic Analysis' 2004 forecast of population by age, Jackson County will have a larger share of population aged 60 and older in 2030 than in 2000. The forecast projects that the number of people aged 60 and older will more than double in Oregon and Jackson County between 2000 and 2030. It is reasonable to expect that Medford will experience similar changes in this age group of residents as the County and State.

Medford has many facilities that provide housing for the elderly. In 2000, Medford had 1,285 people living in nursing or convalescent homes and other group quarters. In addition to group quarters, there were 2,000 residents in retirement facilities in 2007. The Rogue Valley Manor is the largest retirement facility in the City, with a range of housing types and prices, including a skilled nursing facility, congregate care, assisted living, attached dwelling units, and affordable housing units. The Rogue Valley Manor had approximately 980 residents in 2007.

It is likely that the growing retired and elderly population will lead to new housing needs and preferences. Determining housing needs for retired and elderly requires examining the following trends:

- **Housing mobility.** A lot has been written about the desires of retirees and "empty nesters" to move to new homes later in life. Much of the data on this topic is anecdotal, and frequently contradictory. An AARP survey conducted in 2000 found that 69% of respondents aged 55 years and over expected to continue living in their current residence, and 30% of seniors expect to move.[22] Challenges that seniors face in continuing to live in their current home include changing healthcare needs, financial concerns, home maintenance, loss of mobility, and property taxes.

  Other studies have found that seniors are willing and likely to move to a new home. A survey of baby boomers published by Pulte Homes in 2005 suggests many baby boomers will consider moving to a new home as part of their retirement plans. The survey found that 47% of boomers planned to move at some point after retirement[23]. Younger boomers, those in the 41 to 49 age group, were more likely than older boomers to plan on buying a new home after retirement. The survey found that higher cost of living, property taxes, and sales taxes were all deterrents for baby boomers when choosing a retirement home location.

  Studies conducted by the American Associations of Homes and Services for the Aging and Assisted Living Facilities of America of seniors who relocated show that seniors prefer to live near or within their

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

[23] 2005 Pulte Homes Survey of Baby Boomers.

community and near family members. More than 50% of seniors that moved to an assisted living facility and 40% or more of seniors that moved to an independent living situation relocated 10 or fewer miles.[24]

- **Housing tenure.** Older Americans have higher homeownership rates than younger Americans. According to Census data, homeownership rates peak with about 80% of households owning their home for householders aged 55 to 84, decreasing in householders 85 years and older. Older households are less likely to be homeowners in Medford due to the large number of retirement facilities. Homeownership rates peak at 88% for householders 60 to 64 years in Medford, decreasing to 51% for householders 75 to 84 years and 18% for householders 85 years and older.

- **Housing size.** Older generations have historically down-sized their homes after retirement, selecting smaller, more affordable housing units. It is unclear whether people currently nearing retirement will follow this trend. A survey of people aged 45 to 64 years conducted by the National Association of Realtors suggests that people in this age group may be slower to downsize than previous generations. About 15% of survey respondents that plan to move indicated they plan to move to a larger home and 5% indicated they plan to move to a smaller home.[25] Anecdotal evidence suggests that baby boomers may desire larger homes. One survey suggests that the unprecedented wealth of the baby boom generation will allow them to break the trend of downsizing, and purchase larger homes.[26]

  There is evidence that some households will downsize to a smaller home after retirement. In Pulte Home's survey of baby boomers one common reason that survey respondents indicated they plan to move during retirement is to move to a smaller home. The survey found that 13% of baby boomers who planned on moving during retirement were interested in upsizing their home, 44% were interested in downsizing, 30% would like to stay in the same size home, and 12% were unsure.[27]

- **Housing affordability and wealth.** The measures of housing affordability presented earlier in the *Housing Element* are based on household income. However, housing affordability is also affected by wealth. Table 43 compares wealth by age group for the U.S. in 2004.[28] National trends show that older Americans, particularly baby boomers have higher incomes and greater wealth than younger age groups and previous generations. Nationally, households aged 45 to 54 had a median family income of $61,000 in 2004, compared to the median family income for all households of $43,200. Median family income declined to $23,700 for households 85 years and older. The combination of high household income and low number of dependents result in the large per capita income for baby boomers.[29] In addition, older Americans have lower poverty levels, with 9.8% of people aged 65 years and over in poverty in 2004, compared to 11.3% of people aged 18 to 64. Poverty rates are higher among the oldest seniors, with 12.6% of people 85 years and older in poverty.[30]

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[24] Susan B. Brecht, Analyzing Seniors' Housing Markets, 2002, Urban Land Institute.

[25] "The State of the Nation's Housing," Joint Center for Housing Studies at Harvard University, 2007.

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

[27] 2005 Pulte Homes Survey of Baby Boomers.

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

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

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

TABLE 43 - MEASURES OF FINANCIAL WORTH BY AGE GROUP, 2004 UNITED STATES

Family by Age Group	Family Income (Median)	Net Worth (Median)	Primary Residence (Median Value)	Financial Assets (Median Value)
45 - 54	$61,100	$144,700	$170,000	$38,600
55-64	$54,400	$248,700	$200,000	$78,000
65-74	$33,300	$190,100	$150,000	$36,100
75 +	$23,700	$163,100	$125,000	$38,800
All families	***$43,200***	***$93,100***	***$160,000***	***$23,000***

Source: Federal Reserve report "Recent changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances"

Income only accounts for a portion of financial worth. Table 43 shows that in the U. S. in 2004 median net worth was greatest among families aged 54 to 64 years ($248,700) and 65 to 74 years ($190,000). Net worth for families 75 years and older ($163,100) remained substantially higher than the average net worth for all families ($93,100).

Two of the most important assets for all families are a family's primary residence and their financial assets. The value of these assets is higher for people aged 45 years and over when compared to the average value for all families, peaks for families aged 55 to 64 years, and decreases in older households, while continuing to remain above the average for all families.

The implication of the data in Table 43 is that retired people or those nearing retirement may be able to afford to purchase more expensive dwellings than younger people. The majority of older people purchasing new homes are likely to be in-migrants, rather than existing residents, most of whom are likely to continue living in their current dwelling (as discussed previously). However, in-migrants have made the choice to move, often from out-of-state. According to information in Table 43, in-migrants 55 years and older will have, on average, greater accumulated wealth and ability to afford a more expensive dwelling than younger in-migrants.

The data in Table 43 is from six years ago. Since that time the nation has entered a recession which has resulted in a decline in the financial worth of most families throughout the country. The current unfavorable economic and demographic environment may be ongoing long into the future and significantly different from the past reflected in the Table 43 above. The City will evaluate the impacts of the recession on seniors in five years from the adoption of the Housing Element.

Housing alternatives for seniors

- **Independent and assisted living facilities.** One housing alternative for older people are independent and assisted living facilities. These facilities include congregate facilities, which are not considered group quarters, such as small apartments. The residents of these facilities typically pay a monthly fee for services, such as housekeeping, transportation, or meals. Medford had about 2,000 such units in 2007. These facilities also include assisted living facilities, which provide a combination of housing, support services, health care, and other assistance. As Medford's population ages, the need for these facilities will grow, especially among older seniors.

- **Nursing homes.** Nursing or convalescent homes are a housing alternative for seniors who have become too ill or frail to live independently or in assisted living facilities. Nursing homes typically provide housing and health care services. As Medford's population ages, the need for these facilities will grow, especially among older seniors.

- **Subsidized housing.** This is public housing or government-provided low cost housing in multi-unit complexes that are available to low-income residents. Managed by local housing authorities, they typically require tenants to pay no more than 30% of their monthly income for rent. Currently, out of a total of 1,048 subsidized housing units in Medford, 501 subsidized housing units are for seniors. See Medford's *Consolidated Plan* for more discussion and analysis related to affordable housing for low-income residents.
- **Manufactured homes in senior parks.** As discussed in the previous section, manufactured homes are an important source of affordable housing. Medford currently has two senior parks – Idle Wheels Mobile Home Estates with 181 spaces and Table Rock Mobile Village with 132 spaces. In addition, there is one senior park inside the UGB, but outside city limits – Weldon Park with 42 spaces.
    - **Active adult retirement communities.** These are age-targeted or age-restricted active adult communities that have residential and recreational amenities that are not normally available in other types of senior citizen facilities. Amenities may include single family homes on individual lots, townhouses, and apartments; and recreation facilities such as club houses for social activities, swimming pools, golf courses, tennis courts, hiking trails and fitness gyms.

DOWNTOWN HOUSING

The zoning in a community's downtown should encourage the development of housing - both new and in existing buildings. Affordable housing, particularly for the elderly or single person households, can often be provided in downtowns with high levels of subsidy. There are several examples of buildings in Medford's downtown, such as the Medford Hotel, that have been converted to apartments. The upper floors of existing commercial buildings are ideal locations for this type of housing if the original quality of construction is adequate. Having residents in a downtown enhances the activity level, especially after normal business hours, and reduces the need for personal vehicles. In addition, large older dwelling units in the central area are often suitable for conversion to group housing for persons with special needs. The conversion of older residential areas to commercial uses can cause a decline in an existing affordable housing stock.

Medford's housing needs analysis assumes that 5% of new housing units (691 new dwellings) will locate in Commercial plan designations. This will primarily include multifamily units. Medford is actively encouraging housing in its downtown and a portion of the overall allocation to commercial lands will be met through new housing in the downtown area.

VII. AFFORDABLE HOUSING AND HOUSING ASSISTANCE PROGRAMS

AFFORDABLE HOUSING

Under Statewide Planning Goal 10, every Oregon community is required to prepare plans that accommodate housing at price ranges and rent levels commensurate with the needs of its citizens.

The City of Medford's last *Housing Element* was adopted by the City Council on September 21, 1995 and covered the planning period from 1994 to 2010. This *Housing Element* included Goals, Policies and Implementation Measures, many of which addressed housing affordability and land efficiency. Following is a list of completed implementation measures that addressed housing affordability:

- Since its inception in 2002, Medford's Housing and Community Development Commission has been exploring ways to support the preservation of existing affordable housing resources and the creation of additional affordable housing to meet the needs of its lower income citizens. The nine member Commission meets once a month and advises the City Council on housing issues and Community Development Block Grant (CDBG) expenditures.
- In 2007, in response to the HUD National Call to Action, Medford became one of four cities in Oregon to create a task force to look at regulatory barriers to affordable housing and determine strategies to deal with such barriers. The task force includes members of the Housing Commission, Planning Commission, Site Plan and Architectural Commission as well as non-profit and private developers and real estate brokers. The task force met for a year to research possible barriers and to develop recommendations supporting affordable housing. The resulting report, *Regulatory Barriers to Affordable Housing*, is being reviewed by the City Council, and was taken into consideration during the formation of this update to the *Housing Element*.
- Established in 2002, the Neighborhoods Resource Division strives to maintain stable, healthy neighborhoods and revitalize challenged neighborhoods. The Neighborhood Resource Division includes a number of different programs including Neighborhood Revitalization and Planning, Housing, CDBG, General Fund Grants, the Neighborhood Street Tree Partnership and the Neighborhood Leadership Academy. Within the Special Services Division of the Medford Police Department, both Code Enforcement and Neighborhood Watch work closely with the Neighborhood Resource Division to address code violations and neighborhood safety throughout the City.
- Amended the *Medford Land Development Code* to allow for accessory dwelling units in all single-family zones with no restrictions on tenure. An accessory dwelling unit or "mother-in-law" unit is a detached or attached dwelling unit that is additional and auxiliary to an existing single-family dwelling, and is on the same tax lot.

Following is a list of efficiency measures specific to affordable housing that the City could adopt:

- Amend the *Land Development Code* to tie inclusionary affordable housing to annexation or other means. The City of Ashland requires inclusion of affordable housing in newly annexed areas and where developers are requesting an increase in zoning. Inclusionary zoning is prohibited by the State of Oregon through ORS 197.309. The City of Ashland is able to do this because annexations are a discretionary decision made by the City Council.
- Develop an inventory of city-owned properties and identify properties to make available to non-profits and affordable housing developers.
- Develop a housing trust fund for the funding, development and preservation of affordable housing.

- The City currently has a vertical housing development zone designation in its downtown that encourages mixed-use commercial/residential development through a partial property tax exemption. The City could consider the development of this zoning designation in other areas of the city.
- Amend the General Land Use Plan Map to redesignate lands currently Urban Residential to a higher density designation such as Urban Medium or Urban High Density.
- Amend the zone change criteria in the *Land Development Code* to make it easier to qualify for higher density zoning.

HOUSING ASSISTANCE PROGRAMS

The Medford *Consolidated Plan for Housing and Community Development* has been updated for the five-year period beginning in 2010. This strategic plan outlines the City's needs, goals and strategies for assisting low- and moderate-income households and provides the basis for allocating U.S. Department of Housing and Urban Development (HUD) funds under the Community Development Block Grant Program (CDBG). The City is an entitlement community for federal CDBG funds. Medford received about $700,000 in CDBG funding in 2005. During each year of the five-year plan, the City prepares an Annual Action Plan that outlines the specific program activities to be carried out in meeting the *Medford Consolidated Plan* strategies. Activities under the CDBG program include: assistance to rehabilitate, acquire, and develop housing for low- and moderate-income households, and assistance for home buyers. Community development activities include: public facilities, public improvements and a variety of neighborhood improvements. Also eligible are economic development activities, planning activities and public services that target the needs of low- and moderate-income households. The Consolidated Plan describes housing assistance program activities in Medford in detail.

Governmental agencies and nonprofit organizations that offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home include:

- **Section 8 voucher system** allows very low-income families (including elderly and disabled) to choose where they want to live by providing rental certificates that limit tenants' rent to 30% of their monthly income. The program is administered by local housing authorities; HUD pays participating landlords the difference between market rent, as determined by HUD, and what the family is able to pay. Qualified Section 8 participants may use their vouchers to pay rent or participate in lease-to-own or homeownership programs. Medford has a significant proportion of Jackson County's vouchers. Currently there are 1,775 vouchers being utilized in Jackson County, with 62% or 1,106 vouchers being used in Medford. The waiting list for Medford residents for Section 8 vouchers was 1,136 applications, nearly three-quarters of whom were female.
- **Public housing** is government-provided low cost housing in multi-unit complexes that are available to low-income, mostly elderly or disabled, residents. Managed by local housing authorities, typically require tenants to pay no more than 30% of their monthly income for rent. Medford has a significant proportion of Jackson County's affordable housing units. Currently, there are a total of 2,137 affordable housing units in the County, and 49% or 1,048 units located in Medford.
- **HUD landlord subsidies** give funds directly to apartment owners, who lower the rents they charge low-income tenants. Some units are designed for senior citizens or people with disabilities, others for families and individuals.
- **Section 202** provides housing for low-income senior citizens and often includes services such as meals, transportation, and accommodations for the disabled. Programs are sponsored on a complex-by-complex basis by non-profit organizations or consumer cooperatives.
- **Subsidized mortgages programs** are state-sponsored programs that reduce the interest rate for homes purchased within the state to qualified low-income first-time homebuyers. Other programs that offer low interest rate loans include:

- **Veteran's Affairs loans** are home loans offered to eligible veterans, some military personnel, and certain surviving spouses. The VA can guarantee part of a loan from a private lender, and can issue loans for building, repairing, and improving homes, loans for refinancing existing loans, and special grants for retrofitting a home to accommodate a disability.
- **Other homeownership assistance** include a variety of down payment assistance programs run by states, counties, cities, business organizations, and non-profit organizations for low-income families. To be eligible the buyer must qualify for a mortgage with a lender, complete a certified home ownership education program and, in most cases, have some money from their own resources as the match for the down payment assistance.

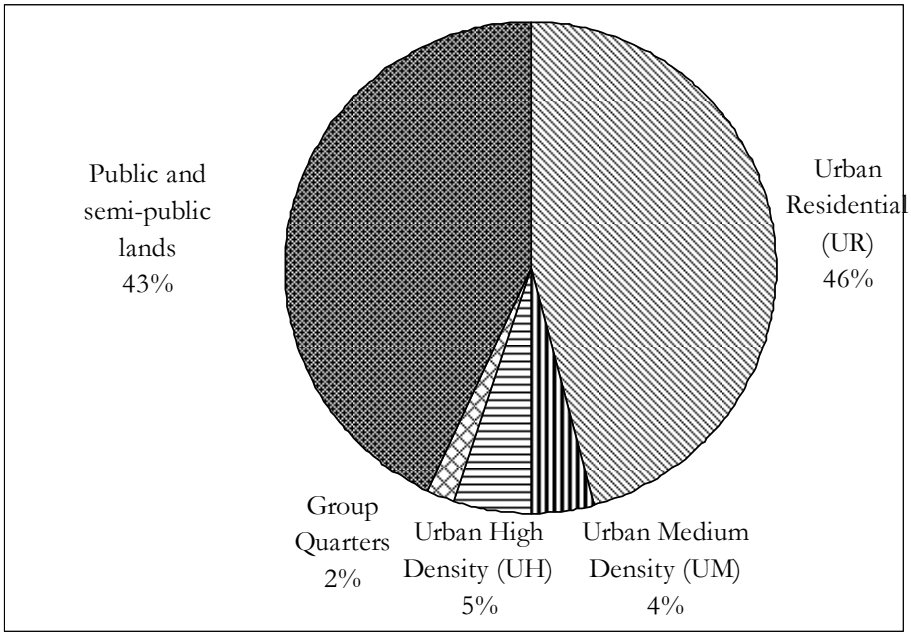
Nonprofit organizations provide a wide variety of housing assistance to low-income households and individuals. Nonprofits provide assistance with renting or purchasing housing, as well as services (such as emergency food, low-cost medical services, or transportation assistance). The types of housing assistance that nonprofits provide vary by community and may include:

- **Homeless shelters/ temporary housing programs** that serve the temporarily or long-term homeless population and may be run by non-profit organizations, churches, or cities.
- **Rentals with services** may serve special low-income populations, such as the disabled, elderly, chronically homeless, or ex-offender populations, with housing and associated services, such as meals, assistance finding employment, and alcohol or drug treatment programs.
- **Below market rent rentals units** may be developed as part of a city or county's requirement for developers to rent a certain percentage of units in new development at below market rate prices affordable to lower income renters, and are also developed by non-profit organizations. To be eligible to rent these types of units, a household must meet specific income requirements and units rented through these programs may be subject to resale restrictions. It is important to note that by Oregon law this currently is not possible.
- **Lease-to-own programs** allow qualified buyers to select a home and lease it, usually from a non-profit organization, then purchase the home and assume the mortgage at the end of the lease term. These programs often lock in the purchase price when the participant begins the lease, and most only allow the participant to lease the home for a limited time.
- **Sweat equity programs** require the homebuyer's participation in the construction of the housing. The sweat equity and labor contributions by the homebuyers and volunteers significantly reduce the cost of the housing. Sweat equity programs may be run by non-profit organizations such as Habitat for Humanity International, and may be the recipient of HUD SHOP grants, which are provided to national and regional nonprofit organizations that have experience in providing self-help housing to purchase land and make improvements on infrastructure.

Nonprofit housing agencies in the Medford area include: ACCESS, Inc., Rogue Valley Community Development Corporation, Rogue Valley Habitat for Humanity, Southern Oregon Housing Resource Center, Pacific Retirement Services which provides 150 affordable senior housing units and 50 affordable family units, and On-Track Inc. which provides housing for people recovering from substance abuse. These agencies provide a wide range of services to low- and moderate-income households in the Medford area, including: subsidized rental properties, rental assistance programs, homeownership assistance programs, weatherization assistance for homeowners, and sweat equity programs. Nonprofits also provide assistance to homeless people, including homeless youth, ranging from emergency shelter and transitional housing, to permanent supportive housing. In addition to assistance available from nonprofit agencies, the City of Medford provides assistance to first-time homebuyers and an emergency repair loan program.

VIII. CONCLUSIONS

1. **The adopted forecast of population growth for 2009 to 2029 anticipates that Medford's population will grow by 35,591 people.** The fastest growing segments of the population are people nearing retirement and families with children.
2. The Oregon Office of Economic Analysis's forecast projects that the number of people aged 60 and older will more than double in Oregon and Jackson County between 2000 and 2030. **Based on the forecast, Medford is likely to need additional housing for retirees, such as: multi-family units, congregate care units, single-family units, manufactured homes, and active retirement communities.**
3. **As of January 2009, within its urban growth boundary, the development capacity of Medford's residential buildable land is 11,424 dwelling units.** About 69% of the City's residential development capacity (7,911 units) is on vacant land, with 11% on partially vacant land (1,306 units). About 11% of development capacity is on redevelopable land (1,276 units), and the remaining residential capacity is in future residential development in commercial zones and in future accessory dwelling units.
4. **To accommodate projected population growth between 2009 and 2029, Medford will need approximately 15,050 new dwelling units**. The forecast shows that an average of 753 new dwelling units will be needed annually, which is higher than the average yearly number of building permits issued (605) over the 1996 to 2009 period.
5. **Given its 2009 capacity and projected need, Medford does not have the capacity within its existing UGB for the additional 3,626 dwelling units needed to accommodate growth between 2009 and 2029.**
6. **Medford will need 1,890 net residential acres, or 2,383gross residential acres, to accommodate new housing between 2009 and 2029.** Not all of this can be accommodated within the current urban growth boundary. Therefore, Medford has a deficit of 996 gross acres in the following designations:



7. **The need for additional housing to meet the forecasted population growth includes all housing types.** From a plan designation perspective, deficits are present and are roughly proportional across all residential plan designations, which suggest that Medford's plan ratios for its various housing types have

been appropriate and plan designations have been consumed at roughly proportionate rates. The analysis finds that new development must be 65% single-family housing types and 35% multifamily to meet the forecasted need, and the overall expected housing mix (including existing development) in 2029. The forecast finds a need for the continued ratios of 60% single family detached, 2.6% manufactured dwellings in parks, 2.6% single-family attached, 4.3% duplexes and 30.5% multi-unit.

8. **Public and semi-public uses such as parks, schools, and churches generally occur in residential designations, and are expected to continue to be located in such designations.** Based on existing development patterns, as well as park and school plans, Medford has a need for about 426 acres for public and semi-public uses over the 2009 to 2029 period.

9. **Housing affordability is a problem, particularly for low income households.** In 2009, about 33% of Medford households were considered low income.

10. **The affordability of homeownership and rentals decreased over the 2000 to 2008 period.** During this period, the median household income increased 10%, and median rent increased by 35%. Average sales prices increased by 68%. Sales prices have since been decreasing due to the current economic recession, but affordability is not expected to improve until the job market strengthens and earning potentials begin to increase.

11. **Medford's proportion of owner-occupied and renter-occupied dwellings will remain steady** between 2009 and 2029 with 57% owner-occupied and 43% renter occupied units, which was the same proportion in 2000. Increases in home sale prices and share of low-income residents suggest that Medford's homeownership rates are not expected to change substantially over the planning period.

12. **The housing needs analysis determined the need for an average residential density of 8.0 dwelling units per net acre or 6.3 dwelling units per gross acre for all lands and 6.5 per gross acre for the UGB deficits.** Average net density for residential development occurring in Medford between 1996 and 2009 was 6.8 dwelling units per net acre. For the 2009 to 2029 planning period, the needed average net density is: 5.8 dwellings per net acre for single-family detached units; 7.0 dwellings per net acre for manufactured homes in parks; and 12.5 dwellings per net acre for single-family attached units. Average net density for multi-family units is 22.5 units per acre for multi-family.

13. **Each residential plan designation in Medford will experience development in the 2009 to 2029 planning period.** Allocations largely reflect historical distributions across plan designations. However, the 20-year planning period has added and balanced allocations for the Urban Medium Density Residential plan designation.

IX. GOALS, POLICIES, & IMPLEMENTATION STRATEGIES

HOUSING GOAL

To provide for the housing needs of citizens of Medford.

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

HOUSING POLICES AND IMPLEMENTATION STRATEGIES

Policy 1: The City of Medford shall assess the housing needs of current and prospective residents, including the elderly, disabled, active retirees, and other groups with special housing needs, to determine development priorities and to formulate specific strategies and activities to meet those needs.

Implementation 1-A: When considering changes to the Medford *Comprehensive Plan* or *Land Development Code*, base such changes on the Housing Element adopted on December 2, 2010, particularly:

Housing Need Projection in Table 31
Forecast of Needed Housing Units in Table 37
Buildable Land Needed for New Dwelling Units in Table 39
Residential Land Deficit by Plan Designation in Table 41

Implementation 1-B: Assess compliance with Housing Element goals and policies and progress in meeting density goals. Consider actions such as:

a) Producing an annual residential development report;
b) Preparing a Housing Needs Analysis and Buildable Land Inventory at least every five years and utilizing it to assess housing policies and priorities;
c) Identifying areas suitable for manufactured home parks.

Implementation 1-C: Assess policies, regulations, and standards affecting residential development and pursue amendments as needed to meet Policy 1. Assess factors such as:

a) Residential development standards;
b) State and federal laws regarding residential care/treatment/training facilities;
c) Standards applicable to group and modified housing units;
d) Standards applicable to retirement facilities and manufactured home parks;
e) Assuring a mix of income levels and dwelling types, including multi-family, group, affordable, and assisted housing, throughout the City.

Policy 2: The City of Medford shall designate areas for residential development that are or will be conveniently located close to pedestrian, bicycle, and transit or high capacity transportation routes, community facilities and services, and employment to ensure that the benefits of public investment in those facilities are available to as many households as possible.

Implementation 2-A: Pursue amendments as needed to achieve transit-supportive density near current and future transit streets, especially where parks or schools are present.

Implementation 2-B: Assess and remove unnecessary local regulatory impediments to downtown housing.

Policy 3: In planning for needed housing, the City of Medford shall strive to provide a compact urban form that allows efficient use of public facilities and protects adjacent resource lands.

Implementation 3-A: Assess policies, regulations, and standards affecting residential development and pursue amendments as needed to meet Policy 3. Consider actions such as:

a) Upzoning buildable land to medium and high density residential;
b) Allowing neighborhood commercial activities within residential designations;
c) Developing special area plans that support high-density and mixed-use projects;
d) Requiring redevelopment to be at the same or higher density as the previous development;
e) Assuring zone change locational criteria encourage a compact urban form;
f) Assuring land division design standards and approval criteria encourage efficient use of public facilities.

Policy 4: The City of Medford shall cooperate in the development of regional urban land use policy and public investment strategies regarding provision of housing for anticipated population growth.

Policy 5: The City of Medford shall provide opportunities for alternative housing types and patterns, such as planned unit developments, mixed-uses, and other techniques that reduce development costs, increase density, and achieve projects that are flexible and responsive to the site and surroundings, including the conservation and enhancement of areas having special scenic, historic, architectural, or cultural value.

Implementation 5-A: Maintain an inventory of areas suitable for preservation as open space.

Policy 6: The City of Medford shall plan for multi-family residential development encouraging that which is innovative in design and aesthetically appealing to both the residents and the community.

Implementation 6-A: Assess policies, regulations and standards affecting residential development and pursue amendments as needed to meet Policy 6. Assess for factors such as:

a) Not inhibiting innovative residential design;
b) Requiring adequate aesthetics and amenities in residential development;
c) Requiring trees to be installed in residential development;
d) Providing open space in residential development;
e) Assuring land division design standards and approval criteria encourage thoughtful neighborhood design.

Implementation 6-B: Periodically update residential design guidelines for the Site Plan and Architectural Commission review process.

Policy 7: The City of Medford shall promote preservation of the existing housing stock and existing neighborhoods through continued support of programs related to housing rehabilitation and neighborhood revitalization.

Implementation 7-A: Conduct a neighborhood planning program, which includes activities such as:

a) Arranging the UGB into neighborhood planning areas;
b) Promoting development of neighborhood identities;
c) Formulating neighborhood plans.

Implementation 7-B: Monitor housing conditions and enforce housing codes.

Policy 8: The City of Medford shall assist regional housing agencies, nonprofit organizations, private developers, and other entities in their efforts to provide affordable housing, opportunities for minorities, low- and moderate income people, and people in protected classes to gain access to housing.

Implementation 8-A: Evaluate and support affordable housing programs, such as:

a) A fair housing program that includes enforcement procedures and promotional activities;
b) Preservation and\or rehabilitation of special needs and affordable housing;
c) Identifying public land suitable for affordable housing and land banking;
d) Inclusionary housing required as a condition of approval for authorizations such as annexations, density bonuses, and zone changes.

Implementation 8-B: Cooperate with the Housing Authority of Jackson County and other agencies to preserve and increase their portfolio of assisted housing.

APPENDIX A: NATIONAL HOUSING TRENDS

A key step in a housing needs assessment is to identify relevant national, state, and local demographic and economic trends and factors that affect local housing markets. This Appendix summarizes trends in national housing markets.

The evaluation of housing trends that follows is based on previous research conducted by ECONorthwest as well as new research to update the evaluation of trends that may affect housing mix and density in Medford.

OVERVIEW

The overview national, state, and local housing trends builds from previous work by ECONorthwest and conclusions from The *State of the Nation's Housing, 2007* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook for the next decade as follows:

> "After setting records for home sales, single-family starts, and house price appreciation in 2005, housing markets abruptly reversed last year. In 2006, total home sales fell 10 percent, starts tumbled 13 percent, and nominal house price appreciation slowed to just a few percentage points. Suddenly, it was inventories of unsold vacant homes that set records and homes in foreclosure that were making the news.
>
> The length and depth of the current correction will depend on the course of employment growth and interest rates, as well as the speed with which builders pare down excess supply. But the longer term outlook for housing is more upbeat. Thanks in large part to recent immigrants and their native-born children, household growth between 2005 and 2015 should exceed the strong 12.6 million net increase in 1995–2005 by some 2.0 million. Together with the enormous increase in household wealth over the past 20 years, healthy income growth will help propel residential spending to new heights.
>
> But housing affordability remains a pervasive problem. In just one year, the number of households with housing cost burdens in excess of 30 percent of income climbed by 2.3 million, hitting a record 37.3 million in 2005. Making real headway against this disturbing trend requires an unlikely combination of structural and public policy shifts—that state and local governments ease development regulations that drive up production costs, the federal government adds meaningfully to already significant expenditures aimed at relieving heavy housing cost burdens, and economic growth dramatically lifts the real incomes and wealth of the bottom quarter of households."

This evaluation presents a mixed outlook for housing markets and for homeownership, and points to the significant difficulties low- and moderate-income households face in finding affordable housing. The following sections describe specific national trends in more detail.

LONG-TERM TRENDS IN HOME OWNERSHIP AND DEMAND

Last year (2006) was a significant departure from the recent housing boom that had lasted for 13 consecutive years (1992-2005). While strength in early 2005 pushed most national housing indicators into record territory, the market began to soften and sales slowed in many areas in the latter half of 2005. By 2006, higher prices and rising interest rates had a negative impact on market demand. Investor demand, home sales and single-family starts dropped sharply. Growth in national sales prices also slowed. After 12 successive years of increases, the national homeownership rate slipped in 2005 and again in 2006 to 68.8%.

The Joint Center for Housing Studies concludes that the cooling housing market in 2006 had an immediate impact on homeownership. Increasing interest rates and decreasing housing affordability contributed to the recent market correction. Homebuilders could not react quickly enough to changing market conditions, resulting in an oversupply of housing and a rising inventory of unsold homes. The Joint Center for Housing Studies predicts the

current market correction will cause housing prices to weaken. This should help reduce the oversupply of homes for sale and lead to the next market expansion. The long-term market outlook shows that homeownership is still the preferred tenure. Over the next decade, 88% of net household growth is expected to come from gains in the number of homeowners. While further homeownership gains are likely during this decade, they are not assured. Additional increases depend, in part, on finding ways to ease the difficulties faced by low and moderate income households in purchasing a home. It also rests on whether the conditions that have led to homeownership growth can be sustained.

From 2000 to 2005 housing starts and manufactured home placements appeared to have been roughly in line with household demand. In 2005, with sales slowing, but building activity steady despite widespread pullbacks, the inventory of both new and existing homes was much higher than in recent years. The supply of unsold homes on the market increased in 2006, surpassing a seven month supply.

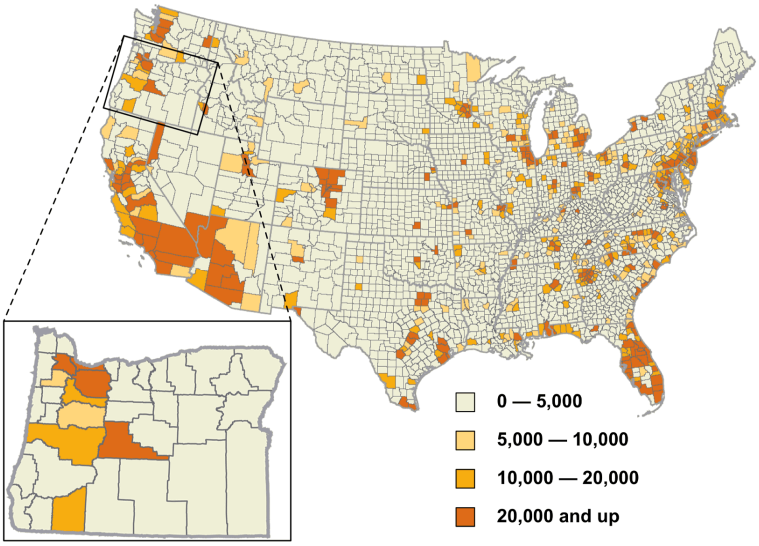
The Joint Center for Housing Studies indicates that demand for new homes could total as many as 19 million units nationally between 2005 and 2015. Nationally, the vast majority of these homes will be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from central business districts (CBDs) for more than a century: the number of the country's largest metropolitan areas with more than half of their households living at least 10 miles from the CBD has more than tripled from 13 in 1970 to 46 in 2000; in six metropolitan areas more than a fifth of households live at least 30 miles out. While people older than 45 years are generally continuing to move away from CBDs, younger people have begun to move nearer to CBDs.

The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, townhomes, and manufactured homes. Supply-side considerations, however, outweigh these demographic forces.

RECENT TRENDS IN HOME OWNERSHIP AND DEMAND

Conditions that had previously bolstered the housing market and promoted homeownership weakened in 2005 and eroded further in 2006. Increasing interest rates and weakening housing prices combined to slow the housing market. New home sales were down 18% from the record 2005 level, and existing home sales were down 8%. Regionally, using housing permits issued as a proxy for new home ownership, Jackson County is a relatively robust housing market in Oregon, issuing between 10,000 and 20,000 building permits over the 1994-2003 period (see Figure 7).

FIGURE 11 - HOUSING PERMITS ISSUED BY COUNTY, 1994-2003
UNITED STATES



Source: Census Bureau, Construction Statistics, Building Permits by County. As cited in The State of The Nation's Housing, 2005, The Joint Center for Housing Studies of Harvard University, p. 9

DEMOGRAPHIC TRENDS IN HOME OWNERSHIP

According to the Joint Center for Housing Studies, immigration will play a key role in accelerating household growth over the next 10 years. Between 2000 and 2005, immigrants contributed to over 40% of net household formations. Minorities will account for 68% of the 14.6 million projected growth in households for the 2005 to 2015 period. Immigrants now comprise a growing share of young adults and children in the United States. Twenty percent of Americans ages 25-34 are foreign born, and an additional 9% are second generation Americans. Members of this generation will probably earn more than their parents, becoming an even greater source of housing demand in the coming decades.

The Joint Center for Housing Studies suggests that an aging population, and of baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years. A recent survey of baby boomers showed that more than a quarter plan to relocate into larger homes and 5% plan to move to smaller homes. Second home demand among upper-income homebuyers of all ages also continues to grow. Households aged 50 to 69 are expected to account for the purchase of nearly half a million second homes between 2005 and 2015.

People prefer to remain in their community as they age.[31] The challenges that seniors face in continuing to live in their community as they age include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[32] Not all of these issues can be addressed through housing or land-use policies. Communities can address some of these issues through adopting policies that:

- Diversify housing stock to allow development of smaller, comparatively easily maintained houses in single-family zones, such as single story townhouses, condominiums, and apartments.

- Allow commercial uses in residential zones, such as neighborhood markets.

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

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

- Allow a mixture of housing densities and structure types in single-family zones, such as single-family detached, single-family attached, condominiums, and apartments.

- Promote the development of group housing for seniors that are unable or choose not to continue living in a private house. These facilities could include retirement communities for active seniors, assisted living facilities, or nursing homes.

- Design public facilities so that they can be used by seniors with limited mobility. For example, design and maintain sidewalks so that they can be used by people in wheel chairs or using walkers.

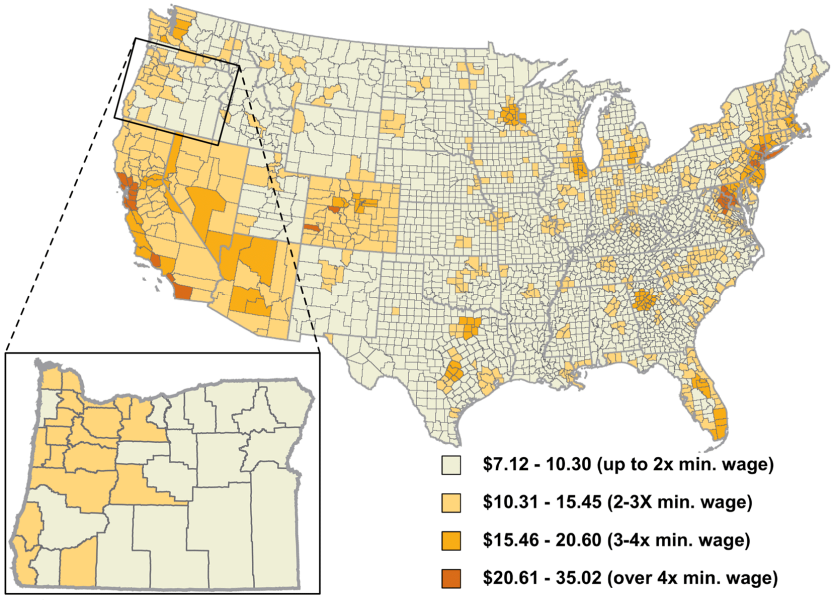
HOME RENTAL TRENDS

Nationally, the rental market continues to experience growth, adding 1.2 million rental households from 2004 to 2006. Demand strengthened in every region except the Northeast. Vacancy rates in the West continue to decline, leading to strong increases in rental rates. Over the longer term, the Joint Center for Housing studies expects rental housing demand to grow by 1.8 million households over the next decade. Minorities will be responsible for nearly all of this increased demand. The minority share of renter households grew from 37% in 1995 to 43% in 2005. The minority share is forecast to exceed 50% of renter households in 2015. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because echo boomers will reach their mid-20s after 2010. Meanwhile growth among those between the ages of 45 and 64 will lift demand for higher-end rentals. Given current trends in home prices and interest rates, conditions will become increasingly favorable for rental markets in the coming years.

Despite only modest increases in rents in recent years, growing shares of low- and moderate-wage workers, as well as seniors with fixed incomes, can no longer afford to rent even a modest two-bedroom apartment anywhere in the country. In 2006, one in three American households spent more than 30% of income on housing, and more than one in seven spent upwards of 50%. The national trend towards increased rent to income ratios is mirrored regionally in that a salary of two to three times the Federal minimum wage is needed to afford rents in Jackson County (see Figure 8).

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude the 2.5 million households that live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work. Among households in the lowest expenditure quartile, those living in affordable housing spend an average of $100 more on transportation per month than those who are severely housing cost-burdened. With total average monthly outlays of only $1,000, these extra travel costs amount to 10 percent of the entire household budget.

FIGURE 12 - HOURLY WAGES NEEDED TO AFFORD RENT BY COUNTY, 2004 UNITED STATES



Source: HUD's Fair Market Rents for 2004, based on methodology developed by the National Low Income Housing Coalition. As cited in The State of The Nation's Housing, 2005, The Joint Center for Housing Studies of Harvard University, p. 4

Notes: Federal minimum wage in 2004 was $5.15 per hour. Hourly wage needed to afford the Fair Market Rent on a modest 2-bedroom unit assumes paying 30% of income on housing and working 40 hours a week for 52 weeks a year.

TRENDS IN HOUSING AFFORDABILITY

The Joint Center for Housing Studies concluded, "Affordability problems remain the nation's fastest growing and most pervasive housing challenge." Higher short-term interest rates made it more difficult for first-time buyers to break into the market. Sub-prime loans may help many low-income buyers access credit, but their special terms and higher rates put some of the buyers at risk of foreclosure. The concentration of sub-prime loans in low-income minority neighborhoods puts some of these communities at risk of widespread foreclosure.

With low-wage jobs increasing and wages for those jobs stagnating, affordability problems will persist even as strong fundamentals lift the trajectory of residential investment. The number of severely cost-burdened households increased by 3.2 million households between 2001 to 2005, to a total of 17 million households in 2005. One in seven households is severely housing cost burdened, and 78% of severely housing cost burdened households are in the bottom quartile of income distribution. The Joint Center for Housing Studies points to widening income disparities and decreasing federal assistance as two factors exacerbating the lack of affordable housing. While the Harvard report presents a relatively optimistic outlook for housing markets and for homeownership, it points to the significant difficulties low- and moderate-income households face in finding affordable housing, and preserving the affordable units that do exist.

TRENDS IN HOUSING CHARACTERISTICS

The U.S Bureau of Census Characteristics of New Housing Report presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several trends in the characteristics of housing are evident from the New Housing Report:

- Larger single-family units on smaller lots. Between 1994 and 2006 the median size of new single-family dwellings increased 18%, from 1900 sq. ft. to 2,248 sq. ft. nationally and 24% in the western region from 1810 sq. ft. to 2,275 sq. ft. Moreover, the percentage of units under 1,200 sq. ft. nationally decreased from 5% in 1999 to 4% in 2006. The percentage of units greater than 3,000 sq.

ft. increased from 16% in 1999 to 24% of new one-family homes sold in 2006. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1994 and 2006 the percentage of lots under 7,000 sq. ft. increased by 6% from 29% of lots to 35% of lots. A corresponding 5% decrease in lots over 11,000 sq. ft. is seen.

- Larger multifamily units. Between 1994 and 2006, the median size of new multiple family dwelling units increased. The percentage of multifamily units with more than 1,200 sq. ft. increased from 11% to 43% in the western region and from 11% to 47% nationally. Moreover, the percentage of units with less than 600 sq. ft. decreased from 6% to 2% in the western region and from 4% to 1% nationally.

- More household amenities. Between 1994 and 2006 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multiple family units.

A clear linkage exists between demographic characteristics and housing choice. This is more typically referred to as the linkage between life-cycle and housing choice and is documented in detail in several publications. Analysis of data from the Public Use Micro-sample (PUMS) in the 2000 Census to describe the relationship between selected demographic characteristics and housing choice. Key relationships identified through this data include:

- Homeownership rates increase as income increases;

- Homeownership rates increase as age increases;

- Choice of single-family detached housing types increases as income increases;

- Renters are much more likely to choose multiple family housing types than single-family; and

- Income is a stronger determinate of tenure and housing type choice for all age categories.

SUMMARY OF NATIONAL, STATE, AND REGIONAL TRENDS

The following section provides a summary of national, state, and regional housing trends.

1. Housing development will continue, especially in suburban areas. The Joint Center for Housing Studies indicates that demand for new homes could total as many as 14.6 million units nationally between 2005 and 2015. The vast majority of these homes will be built in lower-density areas where cheaper land is in greater supply. People and jobs have been moving away from central business districts (CBDs) for more than a century: the number of the country's largest metropolitan areas with more than half of their households living at least 10 miles from the CBD has more than tripled from 13 in 1970 to 46 in 2000; in six metropolitan areas more than a fifth of households live at least 30 miles out. While people older than 45 years are generally continuing to move away from CBDs, younger people have begun to move nearer to CBDs.

2. Immigration will continue to impact demand for housing. The Joint Center for Housing Studies suggests that immigration will play a key role in accelerating household growth over the next 10 years. Between 2000 and 2005, immigrants contributed to over 40% of net household formations. Minorities will account for 68% of the 14.6 million projected growth in households for the 2005 to 2015 period. The children of immigrants who arrived in the 1980s and 1990s now account for 21 percent of children between the ages of 1 and 10, and 15 percent of those between the ages of 11 and 20. Members of this generation will probably earn more than their parents becoming an even greater source of housing demand in the coming decades.

3. The lack of affordable housing will continue to be a problem for low-income households. According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work.
4. Demand for affordable higher density housing will increase. The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.
5. Nationally, the market for rental housing will increase in the near-term. Minorities will be responsible for nearly all of this increased demand. The minority share of renter households grew from 37% in 1995 to 43% in 2005. The minority share is forecast to exceed 50% of renter households in 2015. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because echo boomers will reach their mid-20s after 2010. Meanwhile growth among those between the ages of 45 and 64 will lift demand for higher-end rentals.
6. Larger single-family units on smaller lots. Between 1995 and 2006 the median size of new single-family dwellings increased 17%, from 1920 sq. ft. to 2248 sq. ft. nationally and 24% in the western region from 1835 sq. ft. to 2275 sq. ft. Moreover, the percentage of units under 1,200 sq. ft. nationally decreased from 10% in 1995 to 4% in 2006. The percentage of units greater than 3,000 sq. ft. increased from 13% in 1995 to 24% of new one-family homes sold in 2006. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1995 and 2006 the median lot size of new single-family dwellings decreased 9% from 9,508 sq. ft. to 8,621 sq. ft. nationally and 4% in the western region from 7,000 sq. ft. to 6,697 sq. ft.
7. Multifamily units are increasing in size. Between 1994 and 2006, the median size of new multiple family dwelling units increased. The percentage of multifamily units with more than 1,200 sq. ft. increased from 11% to 43% in the western region and from 11% to 47% nationally. Moreover, the percentage of units with less than 600 sq. ft. decreased from 6% to 2% in the western region and from 4% to 1% nationally.
8. Houses are being built with more amenities. Between 1995 and 2006 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multiple family units.

IMPLICATIONS OF NATIONAL HOUSING TRENDS

National housing and demographic trends will affect demand for housing in Medford as a result of local and statewide demographic and economic trends.

- **Demand for housing will increase with population growth.** As population increases nationally, as well as locally, population growth will drive demand for housing. Medford's population nearly doubled during the 1980 to 2006 period. Over the 2009-2029 period, Medford's population is expected to increase by nearly 50%—more than 36,500 residents. Historically, in-migration has accounted for nearly 90% of Jackson County's growth, a trend that is expected to continue.

- **Housing needs will change with the aging population.** Like the nation, Medford has an aging population. Between 1990 to 2006, the number of people age 45 to 64 in Medford doubled. People in this age group have grown faster in Medford than the county or state averages. The results of this demographic shift for Medford are likely to be similar to national housing trends for this age group: in the immediate future this group is not downsizing but as more baby boomers reach retirement age (beginning after 2010) they are likely to begin down sizing to smaller houses or multifamily units. It may take a number of years to see the effects of the downsizing of the baby boomers. As the baby boomers age further, demand will increase for active retirement facilities, assisted living facilities, and nursing homes.

- **Growth in minority population is likely to support demand for rental units.** Demand for rental units in Medford is likely to remain strong as a result of increased ethnic diversity in Medford. Nationally, minorities are expected to account for most of the increase in rental demand and account for more than half of renters by 2015. Hispanic people are the fastest growing minority nationally, as well as in Oregon and Jackson County. Hispanic population increased from 4% of Oregon's population in 1990 to 10% in 2006. Jackson County experienced an increase in Hispanic population from 4% in 1990 to 8% in 2006. Between 1990 and 2000, Hispanic population grew from 5.1% to 9.4% of Medford's population. Although information about the number of Hispanic people living in Medford was not available for 2006, it is reasonable to assume that the Hispanic population has continued to grow. However, Hispanic households tend to be larger than average and they seek home ownership at younger ages so this trend may run counter to typical trends in terms of housing type.

- **Demand for multifamily housing types is likely to remain strong.** Changes in demographics, including the aging of the baby boomers and growth in Hispanic population, as well as housing affordability issues, are likely to result in increased demand for multifamily housing types in Medford. Demand from the baby boomers is likely to be for high-end, high-amenity, large multifamily units. Some middle-income households, especially young households, may have demand for multifamily units for ownership, such as single-family attached units as starter houses.

- **Demand for large single-family detached units on small lots is likely to continue**. The national and state trends in housing have been for larger single-family detached units on smaller lots. High homeownership costs in Medford and the surrounding region are likely to result in continued demand for large single-family detached units on smaller lots in Medford.

APPENDIX B: HOUSING NEED PROJECTION UNDER DEVELOPMENT TRENDS OBSERVED SINCE THE LAST PERIODIC REVIEW

FORECAST OF HOUSING NEED BY TYPE AND DENSITY

The forecast contained in this appendix meets the requirement of ORS 197.296 that cities determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years based upon trends since the last periodic review. The analysis in this Appendix presents the results of such needs if the City did not make the policy choices and assumptions about changes to density in the future made in the element above.

- The average density of all housing types between 1996 and 2009 was 6.8 dwellings per net residential acre. Low-density residential (UR) averaged 5.3 dwellings per net acre, there was no development in the medium-density designation (UM), and high-density residential (UH) averaged 16.9 dwellings per net acre.
- For manufactured dwellings in parks, the needed density for the 2009-2029 period forecasts a slight increase of historical densities reflecting a density of 6.2 units per acre based upon the analysis.

If the City assumed the future will be exactly like trends ince the last periodic review the following net densities by housing type for the 2009-2029 period would be projected:[33]

TABLE 44 - NEEDED NET DENSITY BY HOUSING TYPE, 2009-2029 CITY OF MEDFORD

Housing Type	Actual Net Density (1996-2009)	Future Density (DU/Net Acre)	Effective Avg. Lot Size (SF)
Single-family types			
Single-family detached	5.0	5.0	8,766
Manufactured in parks	6.0	6.2	7,026
Single-family attached	9.9	9.9	4,391
Multi-family			
Duplex	11.2	11.2	3,878
Multi-Unit	19.0	19.0	2,293

Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.

The forecast shows land need in net acres. Net acres is the amount of land needed for housing, not including public infrastructure (e.g., roads). Gross acres is the estimated amount of land needed for housing inclusive of public infrastructure.[34] The net to gross factor allows for conversion between net acres to gross acres. The net to gross factor is highest (23%) for single-family detached dwellings, decreasing to 10% for multi-unit projects. The

[33] The City's 1995 housing needs analysis uses *gross* densities. Consistent with guidance provided in the DLCD *Workbook*, ORS 197.296, and OAR 660-024, this analysis uses *net* densities.

[34] According to Medford's *Land Development Code*, gross acres include land to the center line of any abutting right-of-way. Gross acres exclude: reserve acreage, natural unbuildable areas, future right of way dedication, resource protection areas, common open space, and other dedication areas.

reason for using different net to gross factors for different housing types is that infrastructure for single-family detached dwellings will require more land than infrastructure for multifamily dwellings.

ORS 197.296(7) requires a comparison of actual density and mix (in this instance, the density and mix observed between 1996 and 2009) and needed density and mix. The below Table 36 reports the actual achieved net to gross factors for sample projects constructed from 1996 to 2009. The sample projects represent approximately 28% of all total units constructed during the analysis period. Table 36 shows that the assumptions used in the analysis for future development patterns utilize a net-to-gross factor that is slightly higher for multi-family projects than those analyzed in the sample. This is reasonably appropriate because the sample projects tend to be larger multi-family projects where more efficiency can be realized than smaller in-fill projects. The single family net-to-gross factors utilized in the analysis are somewhat lower than the observed factors in the sample analysis. Again this is reasonable because, the sample is weighted toward the larger projects. Many of these projects have utilized neotraditional development patterns supported by Oregon Statewide Planning Goal 12 resulting in a tightly gridded street pattern which causes high ratios of streets to dwellings. Some of the future units will be infill projects that will tend to utilize existing infrastructure.

TABLE 45 - REDEVELOPMENT ASSUMPTIONS AND LAND BY LOT SIZE AND PLAN DESIGNATION, 2009-2029 CITY OF MEDFORD

GLUP	Zone	Housing Type	Number of Sample Projects	Average Measured Net to Gross Factor	Analysis Assumption	Measured - Analysis Difference
UH	MFR-30	Multi-Unit	1	***9.2%***	10.0%	***-0.8%***
UH	MFR-20	Multi-Unit	1	***8.4%***	10.0%	***-1.6%***
UR	SFR-10	Single family	8	***23.0%***	23.0%	***0.0%***
UR	SFR-6	Single family	8	***28.0%***	23.0%	***5.0%***
UR	SFR-4	Single family	9	***25.9%***	23.0%	***2.9%***
UR	SFR-2	Single family	1	***23.9%***	23.0%	***0.9%***

A comparison of data in Table 37 to data in Table 14 shows that the projections in this analysis rely on the actual density of 6.8 dwelling units per net acre achieved from 1996-2009.

TABLE 46 - FORECAST OF NEEDED HOUSING UNITS BY TYPE AND DENSITY, 2009-2029
CITY OF MEDFORD

Housing Type	New DU	Percent	Density (DU/net res ac)	Net Res. Acres	Net to Gross Assumption
Single-family types					
Single-family detached	9,034	60%	5.0	1,818	23%
Manufactured in parks	395	3%	6.2	64	15%
Single-family attached	384	3%	9.9	39	12%
Subtotal	9,813	65%	5.1	1,920	
Multi-family					
Duplex	651	4%	11.2	58	12%
Multi-Unit	4,586	30%	19.0	241	10%
Subtotal	5,237	35%	17.5	299	
Total	***15,050***	***100%***	***6.8***	***2,220***	

Note: Note: Single-family attached units are allowed in the SFR-10 zone and all multi-family and commercial zones.
A sample of net to gross factors for projects developed since 1996 showed that single-family detached housing (all plan designations) averaged about 25% net to gross (including only streets).

The final step in the housing needs under a baseline scenario assuming future trends are substantially the same as delivered housing trends since the last periodic review is to allocate housing needs by plan designation to determine the number of needed housing units and gross acres required to meet identified housing needs for the 20-year period. Table 38 provides an allocation of housing units by Medford's three residential plan designations. The acreages are based on the net density assumptions and net-to-gross factors shown in Table 37. Based on Table 38, the needed density by plan designations are:[35]

- UR – 5.0 DU/Net Acre; 4.1 DU/Gross Acre
- UM – 12.9 DU/Net Acre; 10.6 DU/Gross Acre
- UH – 17.9 DU/Net Acre; 15.2 DU/Gross Acre
- C – 21.7 DU/Net Acre; 18.4 DU/Gross Acre

This analysis assumes the following allocations of housing by plan designation and type:

- The needed housing mix is generally consistent with housing delivered since 1996. 60% will be single-family detached. 2.6% will be single family attached and manufactured in parks. It is expected that 4.3% will be duplexes and 30.5% will be multi-unit multifamily. This mix meets needed housing types by price range as shown in Table 33. Consistent with Table 37 and the findings above, the overall needed density is 5.4 dwellings per gross acre.
- Sixty-seven percent of needed dwelling units will locate in the Urban Residential designation, which allows single-family detached, manufactured (detached and in manufactured home parks), row houses, and duplexes at up to 10 units per gross acre. Row houses, duplexes, and townhomes are allowed in the SFR-10 zone.

[35] The densities by plan designation identified above are for buildable acres. As discussed previously in the document, the City's development code requires lower density zoning be applied to land on steep slopes.

- Seven percent of needed dwellings will locate in the Urban Medium Residential designation, which allows single-family attached, row houses, duplexes, and multifamily dwellings at 10 to 15 units per gross acre.
- Twenty-two percent of needed dwelling units will locate in the Urban High Density Residential designation, which allows row houses, duplexes, and multifamily dwellings at 15 to 30 units per gross acre.
- Five percent of new dwellings will locate in Commercial plan designations. All of these units will be multifamily dwellings at 20 to 30 units per gross acre.
- Manufactured dwellings on lots are allowed in all zones that allow single-family housing.
- Manufactured dwellings in parks are allowed in the Urban Residential designation.

TABLE 47 - ALLOCATION OF NEEDED HOUSING UNITS BY PLAN DESIGNATION, 2009-2029 CITY OF MEDFORD

	Plan Designation									
	Urban Residential		Urban Medium Density Residential		Urban High Density Residential		Commercial		Total	
Housing Type	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**	**DU**	**Gross Ac**
Single-family										
Single-family detached	8,828	2,307	75	20	74	19	57	0	9,034	2,346
Manufactured in parks	384	73	0	0	9	2	2	0	395	75
Single-family attached	148	17	113	13	123	14	0	0	384	44
Subtotal	9,360	2,397	188	33	206	35	59	0	9,813	2,465
Multi-family										
Duplex	278	28	338	34	22	2	13	1	651	65
Multi-Unit	398	23	467	27	3,101	181	620	36	4,586	232
Subtotal	676	51	805	62	3,123	184	633	38	5,237	334
Total	***10,036***	***2,448***	***993***	***94***	***3,329***	***219***	***692***	***38***	***15,050***	***2,799***
Percent of Acres and Units										
Single-family										
Single-family detached	58.7%	82.4%	0.5%	0.7%	0.5%	0.7%	0.4%	0.0%	60.0%	83.8%
Manufactured in parks	2.6%	2.6%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	2.6%	2.7%
Single-family attached	1.0%	0.6%	0.8%	0.5%	0.8%	0.5%	0.0%	0.0%	2.6%	1.6%
Subtotal	62.2%	85.6%	1.2%	1.2%	1.4%	1.3%	0.4%	0.0%	65.2%	88.1%
Multi-family										
Duplex	1.8%	1.0%	2.2%	1.2%	0.1%	0.1%	0.1%	0.0%	4.3%	2.3%
Multi-Unit	2.6%	0.8%	3.1%	1.0%	20.6%	6.5%	4.1%	1.3%	30.5%	8.3%
Subtotal	4.5%	1.8%	5.3%	2.2%	20.8%	6.6%	4.2%	1.3%	34.8%	11.9%
Total	***67%***	***87%***	***7%***	***3%***	***22%***	***8%***	***5%***	***1%***	***100%***	***100%***

Note: Historic density data by housing type is not available for the UM designation because none has yet been constructed. As a result, Table 38 uses average densities by plan designation and housing type to determine needed acres.

PROJECTION OF RESIDENTIAL LAND NEEDED UNDER PAST TRENDS: 2009 TO 2029

This section has presented the supply of buildable residential land (Table 30) and dwelling units needed by housing type and plan designation (Table 38). The estimate of residential land need is based on a comparison of the supply of buildable residential land with the need for residential land. Table 39 presents land need for residential development for the 2009-2029 period. The results of Table 39 show the following range of residential land needs if the City had chosen to assume future development trends will precisely mirror trends since the last periodic review:

- **Deficit in UR.** Medford has a deficit of buildable land in the Urban Residential (UR) designation of about 545 gross acres.
- **Deficit in UH.** Medford has a deficit of buildable land in the Urban High Density Residential (UH) designation of about 59 gross acres.
- **Deficit in UM.** Medford has a deficit of buildable land in the Urban Medium Density Residential (UM) designation of about 47 gross acres.
- **Housing in Commercial Designations.** Medford will experience about 691 units constructed in commercial designations, but this is treated as exogenous supply that can be comingled in mixed use projects and Planned Unit Developments within the commercial land base.

TABLE 48 - LAND NEEDED FOR NEW DWELLING UNITS, BUILDABLE ACRES, 2009-2029
CITY OF MEDFORD UGB

Plan Designation	DU Capacity	DU needed	Surplus/ (deficit)	Needed Density (DU/Net Ac)	Net Acres	Needed Density (Gross)	Needed Gross Buildable Acres
UH	2,435	3,329	(894)	17.9	50	15.2	59
UM	495	993	(498)	12.9	39	10.6	47
UR	7,803	10,036	(2,233)	5.0	447	4.1	545
Commercial (CC/CN)	691	692	(1)				
Total	***11,424***	***15,050***	***-3,626***		***535***		***651***

Note: The land need identified in Table 39 is for net buildable acres. Medford's development code requires lower density zoning be applied to land on steep slopes.