

RESOLUTION NO. 23-7374

A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS ADOPTING THE CITY OF GRANTS PASS HOUSING PRODUCTION STRATEGY.

WHEREAS:

1. The City has an interest in the facilitation of sustainable, manageable growth; and
2. Incentivizing the development of affordable housing helps to achieve the goal of having a housing stock commensurate with the incomes and needs of the citizens of Grants Pass; and
3. The State of Oregon (ORS 197.290) requires that cities over 10,000 in population adopt a Housing Production Strategy no later than one year after the statutory deadline to complete its Housing Needs Analysis; and
4. The City wishes to adopt actions in support of housing development to help ensure future housing needs are met.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grants Pass that it hereby adopts the City of Grants Pass Housing Production Strategy, as shown in Exhibit 'A'.

EFFECTIVE DATE of this Resolution shall be immediate upon its passage by the City Council and approval by the Mayor.

ADOPTED by the Council of the City of Grants Pass, Oregon, in regular session this 19th day of July 2023


SUBMITTED to and approved by the Mayor of the City of Grants Pass, Oregon, this 21st day of July 2023


Sara Bristol, Mayor

ATTEST:


Karen Frerk, City Recorder

Date submitted to Mayor: 7-21-23

Approved as to Form, Augustus Ogu, City Attorney 

Grants Pass Housing Production Strategy



March 2023

Prepared for: City of Grants Pass

ECONorthwest
ECONOMICS • FINANCE • PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

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Acknowledgements

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Housing Advisory Committee and Subcommittee

- Tammy D’Amico
- Holly Fifield
- Sam Engel
- Jason Elzy
- Steve Guiliford
- Ralph “JR” Wheeler
- Kathleen Foster
- Molly Nichols
- Tom Bradbeer
- Duward Brown
- Doug Walker
- Craig Dent
- Valerie Lovelace
- Jean Ann Miles
- Jason Maki
- Leslie Keller
- Nicole Selinger
- Brandy Stromme

City of Grants Pass

- Bradley Clark, Community Development Director
- Amber Neeck, Housing and Neighborhood Specialist

Department of Land Conservation and Development

- Josh LeBombard, Field Representative
- Mari Valencia Aguilar, Housing Staff

ECONorthwest, consulting team

- Beth Goodman, Project Director
- Barrett Lewis, GIS Analyst
- Nicole Underwood, Project Manager
- Keanan Gleason, Analyst

For more information about this report, contact:

City of Grants Pass Contact:

Amber Neeck, Housing & Neighborhood
Specialist
City of Grants Pass
101 NW A Street
Grants Pass OR 97256
541-450-6068
ANeeck@grantspassoregon.gov

ECONorthwest Contact:

Beth Goodman, Project Director
ECONorthwest
222 SW Columbia, Suite 1600
Portland, OR 97201
503-222-6060
goodman@econw.com

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Executive Summary

Grants Pass has long had concerns about housing affordability. The 2021 *Grants Pass Strategic Vision* included an objective to “Encourage an environment which provides for the growth of affordable housing opportunities for the variety of Grants Pass resident’s needs.” The *Vision* directed staff to implement a housing action plan, which is accomplished through this project.

The City completed a Housing Needs Analysis (HNA) in 2021, updated its Consolidated Plan for the 2020-2024 period, and the Grants Pass Housing Advisory Committee (HAC) developed a draft work plan to begin addressing unmet housing needs. While the City has implemented policies in recent years to better support housing development, there is still work to be done to ensure Grants Pass’ existing and future housing needs are met. To build on their progress, the City applied for a grant with the Department of Land Conservation and Development in 2021 to produce a Housing Production Strategy, which is the beginning of this project.

Purpose of the Housing Production Strategy (HPS)

Many households in Grants Pass are struggling to afford housing. Renters, many who have lived in the community for years, have increasingly limited housing options as the area’s quality of life continues to attract more residents. Many essential workers live paycheck to paycheck with household budgets that are increasingly burdened by the cost of housing. About 58% of renters in Grants Pass are cost burdened (i.e., paying 30% or more of their income in rent), with cost burden highest among households with lower incomes. Homeownership is not an option for most people living and working in Grants Pass, and employers struggle to attract and retain workers because of housing costs and the general scarcity of rental and ownership housing.

Some groups are particularly vulnerable to increasing housing costs and may have special housing needs. The HPS is intended to include actions to work together to achieve equitable outcomes for all residents of Grants Pass, with an emphasis on improving outcomes for underserved communities, lower-income households, and people in state and federal protected classes. Key groups with unmet housing need in Grants Pass include:

- **Seniors.** Many seniors live on fixed incomes and cannot always afford increases in housing costs. They may also need housing that is physically accessible and close to services (such as nearby health care or in-home assistance).
- **People of color (POC).** In Grants Pass, POC households were more likely to be cost burdened compared to the city’s average. These households may need assistance to avoid displacement and access to housing without discrimination in locations with “high opportunity” (such as areas near jobs, transit, or services).
- **People with disabilities.** Across Oregon, people with one or more disabilities experience disproportionate cost burden. Some people with disabilities may need

physically accessible housing near services (such as nearby health care or in-home assistance).

- **People experiencing homelessness.** People experiencing homelessness (or at risk of homelessness) may need a range of supports from immediate assistance (including rent support) to permanent supportive housing (including supportive housing with services) and access to affordable units.

The City of Grants Pass has an important role in ensuring housing is available for those who live here, at a price point they can afford. The City continues to identify and implement actions to support housing development and increase affordability. The City has started to remove regulatory barriers to encourage more housing development, but opportunities remain to make it easier to build multi-unit housing. The City has dedicated funding to support affordable housing development including allocating just over \$3 million in American Rescue Plan Act (ARPA) funds to the local housing authority to identify a suitable location for affordable housing and develop an affordable housing complex. The City also provided a low-interest loan to support land acquisition and development of 66 units of affordable housing on City-owned land.

However, the City has limited funds for direct investments and the community's unique challenges require targeted solutions. Grants Pass brought a considerable amount of residential land into the urban growth boundary (UGB) in 2014 which will need to be rezoned and serviced with new urban infrastructure before it can be developed for residential uses. In addition, there is little land available for multi-unit housing development and current development code requirements make it difficult for developers to achieve the densities needed to make multi-unit projects pencil. In addition, the City controls little land and has limited funding source to acquire more land to make available for development. This Strategy will help Grants Pass take the next steps to support affordable housing development.

How can the HPS support housing development?

This Strategy identifies and describes actions and implementation steps to support development of housing, address housing affordability challenges, and encourage the preservation of existing affordable housing. With this Strategy, the City identified a set of actions to support new and existing affordable development. The actions will encourage the development of more diverse housing types; grow partnerships with housing providers, developers and agencies involved in housing issues; and increase housing stability for Grants Pass residents.

Exhibit 1. Summary of HPS Strategies

Strategies	What is it?	How does the strategy help?
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	In 2014, Grants Pass added 540 acres within its UGB. This land needs to be rezoned and annexed into the city limits.	Increases the amount of land available for residential development.
B. Support Outreach and Education to Promote Housing Development and Housing Access	The City will work with partners to educate landlords and residents about fair housing laws and available housing resources as well as code changes with stakeholders.	Can help ensure equitable access to housing and generate additional development interest.
C. Dedicate Surplus City Lots for Affordable Housing Development	The City will identify surplus city-owned lots and may dedicate some surplus land for affordable housing development.	Provides a source of publicly controlled land for future development and control of the type of development that may occur.
D. Develop a Program to Support Affordable Homeownership	The City could partner with nonprofits or land trusts that support affordable homeownership, contributing funds and referring potential participants.	Homeownership is one of the most effective ways for households to build wealth and can help prevent displacement.
E. Increase Densities to Support Development of Affordable Housing	The City will evaluate code barriers that are preventing developers from achieving allowed densities and explore density bonuses for affordable housing.	Increases the financial feasibility of building multi-unit housing by making more units possible.
F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas	The City may modify the SDC waiver program to target high density, multi-unit development in the Urban Renewal Area and designated Climate Friendly zones.	Simplifies the program by removing requirements for income verification and helps offset the high cost of multi-unit developments.
G. Implement the Multiple-Unit Limited Tax Exemption	Offers multi-unit developers that meet City-set affordability criteria a partial property tax exemption	Provides a way to leverage private, market-rate development to expand affordable housing.
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption	Offers nonprofit affordable housing developers the ability to receive a property tax exemption without partnering with the housing authority.	Provides an alternative pathway to gain a property tax exemption, which lowers operating costs for publicly subsidized affordable housing.
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost Unregulated Housing	The City can work with owners of low-cost, unregulated housing to support needed repairs without displacing residents.	Reduces the need for subsidized new construction.
J. Support Development of a Resource Center for People Experiencing Homelessness	The City may partner with a service provider to run a resource center and could provide resources and/or a site to support its development.	Provides access to emergency shelters and resource centers and is the first step in accessing long-term housing.
K. Use Urban Renewal to Support Housing and Infrastructure Development	The City would continue to implement to Urban Renewal Plan and may select projects to fund using the Tax Increment Financing tool of the URA.	Provides a flexible funding tool that can support many of the strategies identified in the HPS if used within the URA boundary.

How do the actions work together?

Delivering housing that is affordable to low-income households requires a variety of strategies that address key housing needs in the city. The City's strategies are intended to provide incentives and support at various phases of a development project and help overcome obstacles and challenges, making development more financially feasible. The strategies are intended to reduce housing costs and ensure that rents or sales prices are more affordable by making it more financially feasible to build and preserve affordable housing.

The City developed four initiatives that address key housing needs in the city, focusing on outcomes of implementing the actions. The initiatives comprise a set of potential city-led strategies, funding sources, and potential partnerships with other entities that help to achieve an overarching goal. By bundling strategies and funding sources, the City acknowledges that several strategies and partnerships are necessary to achieve the City's housing goals.

- **Remove barriers to development of low and moderate-income affordable rental housing.** This initiative seeks to increase the housing options for unregulated rental households earning between 60% and 120% of MFI (\$35,400 to \$70,800).
- **Increase opportunities for affordable homeownership.** This initiative seeks to increase the housing options for homeownership for households earning less than 120% of MFI (less than \$70,800).
- **Encourage development of income-restricted affordable housing units.** There are limited options available in Grants Pass that are affordable to households with income of less than 60% of MFI (\$35,400 of income or \$885 monthly affordable rent).
- **Preserve existing supply of low and moderate-income affordable housing.** This initiative seeks to preserve the supply of existing housing for households earning less than 120% of MFI (less than \$70,800).
- **Address homelessness.** This initiative seeks to remove barriers and support access to temporary and longer-term housing solutions for those experiencing homelessness and housing insecurity.

Exhibit 2. Housing Initiatives, Potential Actions, and Proposed Adoption

■ Primary Focus of the initiative □ Secondary Focus of the initiative

Action	Remove barriers to developing affordable rental housing	Increase opportunities for affordable homeownership	Encourage development of income-restricted housing	Preserve existing supply of affordable housing	Address homelessness	Proposed Adoption Timing
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	■	■	■			Ongoing
B. Support Outreach and Education to Promote Housing Development and Housing Access	■	■	■	■	■	2023
C. Dedicate Surplus City Lots for Affordable Housing Development	□	■	■		□	2024
D. Develop a Program to Support Affordable Homeownership		■				2024
E. Increase Densities to Support Development of Affordable Housing	■		■			2024
F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas	■					2026
G. Implement the Multiple-Unit Limited Tax Exemption Program	■			■		2027
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption			■		■	2026
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing				■		2025
J. Support Development of a Resource Center for People Experiencing Homelessness			□		■	2025
K. Use Urban Renewal to Support Housing and Infrastructure Development	■	■	■	■	□	2027

How will the City implement the Strategy? Who are the partners?

Each of the strategies require a different implementation approach, with varying involvement from local partners. The city has identified strategies that it can use to best support the development of affordable housing, but the delivery requires the participation of key partners who have roles essential to the construction, delivery, and preservation of housing units.

Exhibit 3. City and Partner Roles in Implementation

Actions	City	Other Government Agencies	Affordable and Market Rate Developers	Local Nonprofits	Other Partners
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	Re-zone land; Transportation Plans; Address infrastructure deficiencies (if any)	Coordinate with ODOT			Property owners: Provide input
B. Support Outreach and Education to Promote Housing Development and Housing Access	Develop outreach plan & materials; outreach; partnership		Engage in outreach	Partnership; provide input & materials; outreach	Property owners: Engage in outreach
C. Dedicate Surplus City Lots for Affordable Housing Development	Contribute land; partnership	Potential contributors of land	Partnership; development	Partnership; development & services	FBO: Potential contributors of land
D. Develop a Program to Support Affordable Homeownership	Partnership; funding & resources; outreach		Development	Development & services	Lending institutions: Funding
E. Increase Densities to Support Development of Affordable Housing	Revise development code		Provide input		
F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas	Modify waiver program		Provide input		
G. Implement the Multiple-Unit Limited Tax Exemption Program	Outreach; develop eligibility criteria; adoption; implementation, reporting; promotion	Overlapping taxing districts: Consider exemption approval	Provide input		
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption	Outreach; develop eligibility criteria; adoption, implementation; promotion	Consider exemption approval	Provide input	Provide input	
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing	Develop program; funding; outreach & promotion			Partnership; development & services; outreach	Property owners: Provide input; use the program
J. Support Development of a Resource Center for People Experiencing Homelessness	Partnership; provide resources & funding; outreach	Partnership; support & resources		Partnership; development & services; outreach	
K. Use Urban Renewal to Support Housing and Infrastructure Development	Partnership w/Urban Renewal Agency	URA: Select projects; implement the Plan			Property owners: Provide input

1. Introduction

The City of Grants Pass has identified need for affordable housing as a key issue. The Grants Pass City Council identified housing as a priority in the 2021 *Grants Pass Strategic Vision*. The *Vision* included an objective to “Encourage an environment, which provides for the growth of affordable housing opportunities for the variety of Grants Pass resident’s needs.” The *Vision* directed staff to implement a housing action plan, which is accomplished through this project.

The City completed a Housing Needs Analysis (HNA) in 2021, updated its Consolidated Plan for the 2020-2024 period, and the Grants Pass Housing Advisory Committee (HAC) developed a draft work plan to begin addressing unmet housing needs. While the City has implemented policies in recent years to better support housing development, there is still work to be done to ensure Grants Pass’ existing and future housing needs are met. To build on their progress, the City applied for a grant with the Department of Land Conservation and Development in 2021 to produce a Housing Production Strategy, which is the beginning of this project.

A Housing Production Strategy (HPS) is intended to include actions to work together to achieve equitable outcomes for all residents of Grants Pass, with an emphasis on improving outcomes for underserved communities, lower-income households, and people in state and federal protected classes. An HPS considers issues of Fair Housing, which is intended to provide access to housing choice by everyone, free from discrimination. Federal protected classes are race, color, national origin, religion, gender, familial status, and disability. Oregon’s additional protected classes are marital status, source of income, sexual orientation and gender identity, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.

This report provides information about Grants Pass’ housing needs, building from the recently completed Housing Needs Analysis. It provides an understanding of the issues (in Chapter 2), before solutions are proposed (in Chapter 3). This report draws its information and findings from several documents, including:

- *Grants Pass’ Housing Needs Analysis (2021)*
- *Grants Pass 2020-2024 Consolidated Plan (2020)*
- *Grants Pass Strategic Vision*
- *Draft Housing Advisory Committee Work Plan*
- Missing Middle Code Update
- Stakeholder engagement that was part of development of many of the plans above

- The Statewide *Regional Housing Needs Analysis (2020)*¹
- Other available sources to describe current and future housing needs in the context of population and market trends in Grants Pass.

Grants Pass completed the Grants Pass Housing Needs Analysis (HNA) in 2021. Conclusions from the HNA include:

- **Grants Pass is forecast to grow by about 4,055 new dwelling units between 2020 to 2040 (plus people living in group quarters).** On average, this equates to 203 new dwelling units per year. The HNA forecasts Grants Pass will need more townhomes/plexes and multi-unit housing in the future than the current housing stock provides. The HNA forecasts that 60% of new housing would be single unit detached, 18% townhomes/plexes, 13% multi-unit in structures with five or more units, 6% will be comprised of manufactured housing, and 3% will be in group quarters.
- **Grants Pass appears to have an existing housing shortage that has driven rents and home prices to record highs and forced residents to seek housing in outlying areas.** As noted in the HNA, median home values were higher than most other cities in Southern Oregon as of October 2020 at \$324,000, which is an annual increase of 8.9% since 2018. Using U.S. Housing and Urban Development (HUD) guidelines, the HNA determined that households earning 80% of MFI for a family of four can afford homes priced at \$284,000 (or less).
- **Grants Pass has sufficient land to support development over the next 20 years.** Grants Pass' HNA shows that the City has a surplus of land to accommodate development over the next 20-years, with the largest surplus in the High Density and Moderate High Density Residential designations, followed by the Low-Density Residential designation. Part of the reason that Grants Pass has enough land is that the City expanded its Urban Growth Boundary (UGB) in 2014, but much of that land still needs to be annexed into the city limits.

While Grants Pass has sufficient land, the City should focus on expanding opportunities for housing types, which are shown to have lower housing costs. The HPS proposes options to allow for development of more affordable housing and multi-unit housing types, such as aligning open space requirements with allowable densities and reviewing solar setback requirements as well as tax exemptions and waivers for additional density and/or affordability. The HPS includes other strategies to address the need for more affordable housing and greater densities.

¹ ECONorthwest. (August 2020). *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations.*

Requirements of a Housing Production Strategy

OAR 660-008 describes the requirements of a Housing Production Strategy (HPS) in sections 660-008-0050 through 660-008-0070. This section briefly describes these requirements and review by staff with the Department of Land Conservation and Development (DLCD).

The HPS is required to include the following information. It is noted what chapter this information is included in, in this report:

- **Unmet Housing Need in Grants Pass** (Chapter 2 and Appendix A in this report) provides information about the socio-economic and demographic trends of households in Grants Pass, the policies the City has adopted to meet housing needs, and a summary of engagement the City has had with stakeholders about housing needs (especially with stakeholders in underrepresented groups).
- **Actions to Meet Future Housing Need** (Chapter 3 in this report) identifies specific actions needed to address housing needs identified in Grants Pass HNA report. This chapter also includes recommendations for actions that Grants Pass may take that were not included as specific actions in the HPS.
- **Achieving Fair and Equitable Housing Outcomes** (Chapter 4 in this report) evaluates the entire list of strategies to achieve equitable outcomes. The valuation considers factors such as location of housing, Affirmatively Furthering Fair Housing, facilitating housing choice, identifying housing options for residents experiencing homelessness, supporting development of affordable housing, and increasing housing stability.

The City is required to submit the HPS to DLCD after its adoption by the City Council. The City is then required to monitor progress on implementation of the HPS and progress on production of housing related to the policies and actions in this report. Linking housing development directly to implementation of the actions in this report may be challenging and difficult to quantify. But City staff will be able to report changes in building activity that occur before and after specific actions' implementation and will be able to provide qualitative feedback on actions' implementation based on development of partnerships and discussions with stakeholders.

Grants Pass will be required to submit a report to DLCD four years after the City adopts the HPS that includes:

- A **summary** of the actions taken by that time. For actions not adopted on the schedule in the HPS, the city must provide an explanation of the circumstances that posed a barrier to implementation and a plan for addressing the need identified in the strategy.
- An **evaluation** of the efficacy of the actions that the city has implemented for meeting the needs in the HCA and whether the actions are moving the city to achieve more fair and equitable housing outcomes.

Implementation of the HPS will take time because each action will require further consideration, such as additional analysis, engagement of consultants, changes to existing standards or programs, discussions with decision makers, or public hearings. The City has adopted and agreed to some of the actions listed in the HPS, such as action J in Chapter 3. For these actions, the HPS provides additional details about implementation of these actions and puts them into the broader context of Grants Pass' housing needs. For actions that the City has not yet agreed to act on, the City may be unable or chose not to implement some of these actions because of new information that arises from further consideration about the specifics of each action.

If the City is unable to or chooses not to implement an action within 90 days of the timeline proposed in the HPS, the City must notify DLCD about the action(s) that the City is taking to address this issue. The City may propose an alternative schedule for implementing the action or may identify a different action (or actions) to meet the specific housing need addressed by this action.

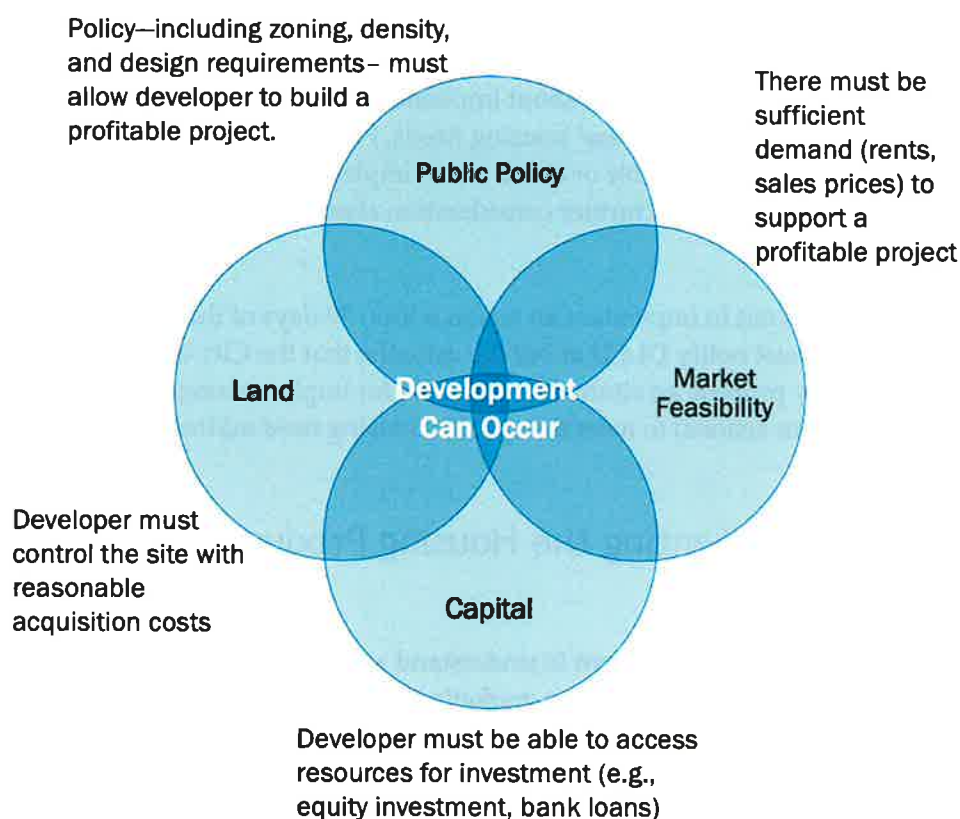
Considerations for Implementing the Housing Production Strategy

As part of development of the HPS, it is important to understand a city's role in housing development. Supporting and leveraging the private market's ability to deliver market-rate development at the broadest possible range of price-points is critical to increase the supply of housing more broadly, especially considering the limited public funding available to support income-restricted housing. In an area with a reasonably strong housing market, a city's influence over market-rate development is substantial, despite the number of factors that the city does not control. The graphic in Exhibit 4 illustrates how four factors must intersect so that development can occur, and where the City has most influence.

Cities do not control all these factors, either partially or entirely. For example, public policy at the local level is shaped through state policy, through the requirements of Statewide Planning Goal 10. Land is generally controlled by the individual landowners, and development of infrastructure necessary to make land development can be prohibitively expensive. Market feasibility is largely affected by market forces, such as construction costs and achievable rents. Access to capital is largely controlled by investors and banks.

However, cities can directly influence public policy (through its development code and other housing policies) and availability of land (through zoning, density, planning for new land needed for housing, redevelopment, government owned surplus land, potential urban renewal and other types of projects and acquisitions, and infrastructure planning). Cities can also have a limited influence on market feasibility (through policies that reduce costs like tax abatements or waiving fees).

Exhibit 4. Four Necessary Factors that Allow Development of New Market-Rate Housing
Source: ECONorthwest

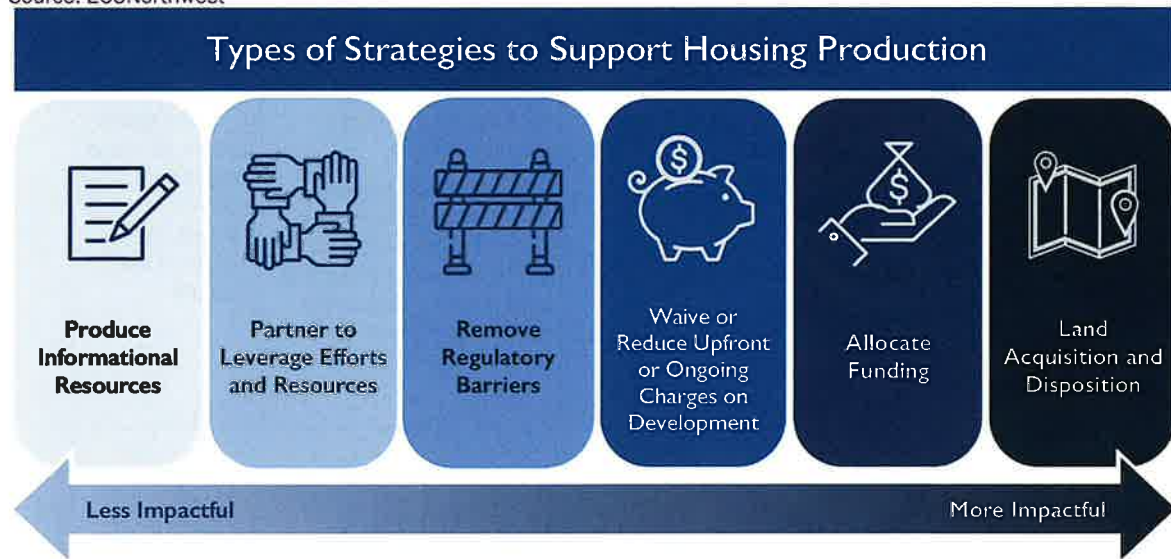


These factors all suggest that the City should consider a wide range of actions. Exhibit 5 shows the range of strategies, characterizing some strategies as more impactful and some as less impactful. More impactful strategies are those that provide funding or direct resources to support housing development (like land acquisition and disposition). These strategies are more impactful because funding and resources are the greatest constraint on development of income-restricted affordable housing (such as housing affordable to households with incomes below 60% of MFI).

While partnerships and removing regulatory barriers are shown as less impactful strategies, they are often necessary (but not sufficient on their own) to support housing development. For example, re-zoning land recently brought into the UGB will often not, on its own, result in new affordable housing (especially multi-unit housing) being built. The City needs other strategies to support development of affordable housing for people to live and work in Grants Pass.

This example also underscores the fact that many of the actions presented in this chapter build on each other. In addition, while a partnership on its own may not be sufficient to support development of housing, it may be key when combined with other actions.

Exhibit 5. Types of Strategies to Support Housing Production
Source: ECONorthwest



Building Equity Into the HPS

The HPS is intended to result in equitable housing outcomes, such as more access to affordable housing, increasing housing options for people experiencing homelessness, and affirmatively furthering fair housing. Equitable housing goes beyond affordability. It aims to ensure all people have housing choices that are diverse, high quality, energy efficient, physically accessible, and reasonably priced, with access to employment opportunities, services, and amenities. This includes reducing rates of cost burden and increasing access to homeownership, especially for low-income households and vulnerable groups such as seniors, workers with low pay, people with disabilities, and communities of color. This broad definition of equitable housing includes choices for homes to buy or rent that are reasonably priced (relative to income) and accessible across all ages, household sizes, abilities, and incomes and are convenient to everyday needs such as schools, childcare, food, and parks.

Exhibit 6 provides an equity framework to increase the consideration of equity in the project process and implementation (including measuring impact). Creating equitable processes will help ensure that diverse and underrepresented communities (including vulnerable and low-income communities) are able to influence and inform policy and program development.

The HPS was developed within this equity framework. The actions in the HPS are intended to increase equitable housing outcomes as the City implements the recommendations of the HPS.

Exhibit 6. Affordable Housing Strategy Equity Framework

Identify Unmet Housing Needs	Engagement Process ²	HPS Plan Development	Measurement and Analysis
<p>Identify unmet housing needs, such as lower-income cost-burdened households</p> <p>Identify vulnerable people within the community who are at risk or who could benefit from access to more affordable housing</p>	<p>Engage community members to learn about their priorities, needs, and challenges to affordable housing</p> <p>Build community awareness and support through the engagement process</p> <p>Continue engagement in implementation of the actions within the HPS</p>	<p>Ensure that the actions in the HPS address Grants Pass' unmet housing needs</p> <p>Identify outcomes within the HPS that respond to community needs and promote housing stability and choice, particularly for those households with the unmet housing need</p>	<p>Develop measurements to understand the impact and progress toward increasing equity of the actions</p>

Stakeholder Involvement in Developing the HPS

A key part of developing the HPS was consulting community members to learn about their priorities, needs, and challenges related to affordable housing. The stakeholder outreach process for developing the HPS³ was collaborative and included input from the following groups:

- **Grants Pass Housing Advisory Committee and Subcommittee.** Grants Pass and ECONorthwest solicited input from the Housing Advisory Committee (HAC) and Subcommittee to develop the HPS. The HAC had 15 members and the Subcommittee had 8 members. These committees were composed of Grants Pass community members, people involved in residential development, agency partners, service providers and employees, landlords, low-income tenants, nonprofits, housing authority representatives, and elected/appointed officials. The Subcommittee was convened to provide more targeted input and guidance throughout the HPS process, and then mutual Committee members reported back to the full HAC. The project relied on the HAC and Subcommittee to review draft deliverables and provide input at key points. During the development of the Housing Production Strategy, the Subcommittee met 3 times and the full Committee met 3 times.

 - **Meeting 1:** Summary of housing need (March 11, 2022 – Subcommittee)

² Engagement builds on prior engagement that the City has done on other housing and community development projects, such as work on the Grants Pass Consolidated Plan. It also includes engagement conducted as part of the HPS project. Implementation of the HPS will include additional engagement.

³ Engagement builds on prior engagement that the City has done on other housing and community development projects, such as work on the Grants Pass Consolidated Plan. Implementation of the HPS will include additional engagement.

- **Meeting 2:** Gaps in actions and strategies to fill gaps (April 15, 2022 – full HAC)
- **Meeting 3:** Strategy identification and refinement (June 3, 2022 – Subcommittee)
- **Meeting 4:** Continued refinement of strategies (August 5, 2022 – Subcommittee)
- **Meeting 5:** Draft of selected strategies (October 21, 2022 – full HAC)
- **Meeting 6:** Review full HPS report (December 16, 2022 – full HAC)
- **Discussions with Stakeholders.** The project included three hybrid focus groups to gather feedback. The goal was to understand the challenges for producing housing in Grants Pass that is affordable to various income levels and identify strategies the City could pursue to alleviate those challenges. The project team spoke with:
 - **Service providers for vulnerable populations** to better understand the range of unmet housing needs, particularly for people experiencing disabilities, mental illness, and/or discrimination. Key feedback from this discussion highlighted the lack of available units (even when financial support is available) as the biggest challenge to housing people. Other topics included the need for higher wage jobs, the need for transitional housing, and the need to engage the community in housing conversations to avoid discrimination and blame.
 - **Affordable housing developers** to better understand the specific challenges to developing income-restricted housing affordable to low-income households. This group identified lack of developable, serviced land as a barrier to development along with the need for flexible financing and higher densities to make projects pencil.
 - **Local housing developers and builders** to understand the unique challenges in developing market-rate housing and identify policies and actions that could help support market-rate housing development affordable to middle-income households. This group identified lack of infrastructure as a barrier to development as well as the low incomes of residents which cannot support new development of market-rate, multifamily housing. Market rate developers need to blend multiple incentives to make multifamily development financially feasible.
- **Open House.** In early 2022, the project team held one public Open House that included opportunities for community members to ask questions about the project, share their housing experiences, and suggest potential solutions.
- **Planning Commission and City Council.** ECONorthwest provided a mid-way update on the HPS project to City Council and Planning Commission in summer 2022, gathering their feedback and thoughts on potential strategies. ECONorthwest then presented a draft of the full HPS to City Council in early 2023 before delivering the final document and presenting to Planning Commission and City Council in Spring 2023.

Structure of the Report

The structure of this report is organized as follows:

- **Chapter 2. Unmet Housing Need in Grants Pass** summarizes the findings about housing need in Grants Pass, with a focus on housing need at varying income levels and housing needs of specific groups of people.
- **Chapter 3. Actions to Meet Future Housing Need** presents the proposed actions to meet the housing need described in Chapter 2.
- **Chapter 4. Evaluation of the Housing Production Strategy for Achieving Fair and Equitable Housing Outcomes** presents an evaluation of the HPS through considerations of the location of housing, Fair Housing, housing choice, and other factors.
- **Appendix A. Contextualizing Grants Pass' Housing Needs** presents the data and analysis necessary to understand Grants Pass' housing needs in more detail.
- **Appendix B. Evaluation Criteria for Actions** presents the criteria used to determine whether an action would be included in the HPS.
- **Appendix C. Trends in Gentrification and Displacement Risk in Gresham** provides a geographic analysis of populations at risk of being displaced in Gresham. This analysis was used to inform actions that the City could take to mitigate displacement risk.
- **Appendix D. Urban Growth Boundary Maps**

2. Unmet Housing Need in Grants Pass

The Grants Pass Housing Needs Analysis (HNA) describes the housing needs of current and future residents of Grants Pass by tenure and housing type. It does not provide detailed data about housing needs for other demographic and socioeconomic characteristics, such as age, income, race, ethnicity, people with a disability, or people experiencing homelessness.

This chapter provides additional information about the housing needs by income, age, race, ethnicity, disability, and for people experiencing homelessness, which is presented in detail in Appendix A. It uses standard sources of information from the U.S. Census. It adds information from other sources, such as Oregon's Housing and Community Services Department, the United States Department of Housing and Urban Development, Costar, and the City of Grants Pass. This chapter meets the HPS requirement to further contextualize housing need, beyond what the HNA provided.

This chapter presents a description of the housing needs that the Housing Production Strategy is intended to address, as well as existing policies to address Grants Pass' housing needs. It ends with a summary of the existing and expected barriers to development of needed housing.

Housing Needs Addressed by the Housing Production Strategy

This section describes Grants Pass housing needs based on data gathered in the Grants Pass Housing Needs Analysis report (May 2021), household income shown in Exhibit 7 and on additional analysis of unmet housing needs for underserved groups (based on analysis in Appendix A).

Across Oregon, developers have been able to build some types of housing without need for public intervention, such as single-unit detached housing that is affordable to people with higher incomes. However, many low and middle-income houses have unmet housing needs because the market has been unable to keep up with their needs.

The HPS focuses on actions that ensure that developers can produce housing for low and middle-income households. Housing at this part of the income spectrum, and housing that meets the special needs of specific groups, usually requires public intervention.

Defining Median Family Income

The Housing Production Strategy is intended to develop policies and actions that address Grants Pass' housing needs. Throughout this report, we discuss housing affordability based on Median Family Income (MFI) that is defined by the U.S. Department of Housing and Urban Services (HUD) for Josephine County for a household of four people. The terms used to describe housing affordability by income group are:

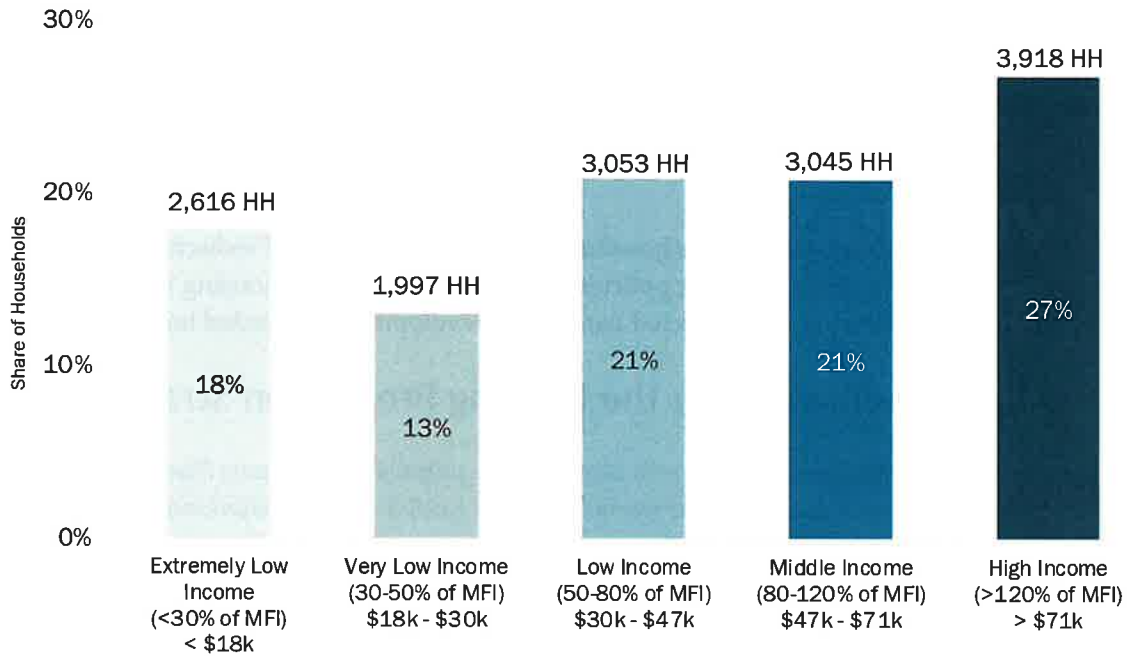
- Extremely Low Income: Less than 30% MFI or \$17,700 or less for a household of 4
- Very Low Income: 30% to 50% of MFI or \$17,700 to \$29,500 for a household of 4
- Low Income: 50% to 80% of MFI or \$29,500 to \$47,200 for a household of 4
- Middle Income: 80% to 120% of MFI or \$47,200 to \$70,800 for a household of 4
- High Income: 120% of MFI or more \$70,800 or more for a household of 4

About one-third of Grants Pass' households earn less than 50% MFI.

Exhibit 7 shows that 31% of Grants Pass' households had incomes less than 50% of Median Family Income (MFI) (\$29,500) and cannot afford a two-bedroom apartment at Josephine County's Fair Market Rent (FMR) of \$1,106 in 2021. These households are key parts of Grants Pass' workforce, with occupations such as retail workers, food services staff, and workers with lower pay in a variety of industries such as the medical field.

Exhibit 7. Share of Households by Median Family Income (MFI) for Josephine County (\$59,000), for a Household of Four, Grants Pass, 2021

Source: Analysis by ECONorthwest; U.S. Department of HUD, Josephine County, 2021. U.S. Census Bureau, 2015-2019 ACS Table 19001.



Part of the challenge to developing housing in Grants Pass is the relatively low wage in Grants Pass and Josephine County, compared to the State averages. In 2021, the average wage in Josephine County was \$44,000, compared to the statewide average of \$64,000.⁴ The cost of building housing in Grants Pass is comparable to the cost of building housing in other parts of Southern Oregon or the Willamette Valley. The lower wages in Josephine County mean that newly built housing is less affordable than the same housing in other parts of the state.

⁴ Oregon Employment Department, Quarterly Employment and Wages, 2021.

Median Family Income varies by household size.

The actual income thresholds vary in MFI based on household size.⁵ For example, a household of one person with an income of 80% of MFI has an income of \$33,043 compared to the income for a household of four (\$47,200) or a household of six people (\$54,767). The housing needs for a single person are also different than those of a household of four people or six people.

Throughout this document, we use the income for a household of four to illustrate housing needs, but each housing will have its a combination of what is affordable based on household size and household income.

Exhibit 8 Median Family Income and Housing Affordability by Household Size, Josephine County, 2021

Source: Analysis by ECONorthwest; U.S. Department of HUD, Josephine County, 2021.

	30% MFI	60% MFI	80% MFI	100% MFI	120% MFI
1-person					
Annual Income	\$ 12,390	\$ 24,784	\$ 33,043	\$ 41,300	\$ 49,560
Affordable Monthly Housing Cost	\$ 310	\$ 620	\$ 826	\$ 1,033	\$ 1,239
2-people					
Annual Income	\$ 14,160	\$ 28,335	\$ 37,772	\$ 47,200	\$ 56,640
Affordable Monthly Housing Cost	\$ 354	\$ 708	\$ 944	\$ 1,180	\$ 1,416
4-people					
Annual Income	\$ 17,700	\$ 35,400	\$ 47,200	\$ 59,000	\$ 70,800
Affordable Monthly Housing Cost	\$ 443	\$ 885	\$ 1,180	\$ 1,475	\$ 1,770
6-people					
Annual Income	\$ 21,716	\$ 41,074	\$ 54,767	\$ 68,440	\$ 82,128
Affordable Monthly Housing Cost	\$ 543	\$ 1,027	\$ 1,369	\$ 1,711	\$ 2,053

⁵ Note that Median Family Income for the region is different than Median Household Income (MHI) for Grants Pass (see Exhibit 27). MFI is determined by HUD for each metropolitan area and non-metropolitan county. It is adjusted by family size, in that, 100% MFI is adjusted for a household of four.

Many households in Grants Pass pay more than 30% of their income for housing.

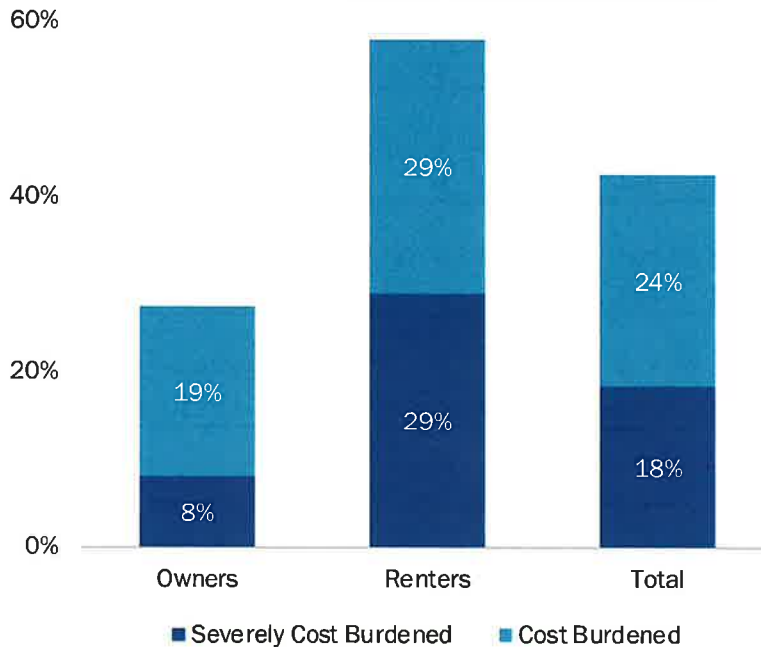
Because the local housing market cannot produce income-restricted, subsidized affordable housing (housing affordable at 60% or less of MFI) at sufficient levels—and because it cannot often produce low income/workforce housing (housing affordable at 60% to 80% of MFI) without subsidy, many households in Grants Pass are cost burdened.

A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened.

More than 40% of Grants Pass’ households are cost burdened. Renters are most frequently cost burdened, with 58% of Grants Pass’ renters experiencing cost burden. Nearly 30% of Grants Pass’ renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Exhibit 9. Housing Cost Burden by Tenure, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



Low-income households have few options for either homeownership or rental units.

Housing costs for both rental and ownership units are much higher than many residents can afford. Exhibit 10 shows financially attainable housing costs for households across the income spectrum in Josephine County. For example, a household earning median family income in Josephine County (about \$59,000 per year) can afford a monthly rent of about \$1,480 or a home roughly valued between \$207,000 and \$236,000 without cost burdening themselves.

Fewer than one-quarter of Grants Pass households have income sufficient to afford housing sales prices in Grants Pass. Nearly two-thirds of Grants Pass households are unable to afford the average asking rent in Grants Pass without cost burden.

In Grants Pass, a household would need to earn \$90,000 to \$101,000 (153% to 171% of MFI for a household of four) to afford the median sales price of a home in Grants Pass, depending on the submarket (\$325,000 in Northeast Grants Pass to \$377,500 in Southwest Grants Pass), shown in Exhibit 48. Rent costs are comparatively more affordable but still pose a barrier to finding affordable housing for many households. A household would need to earn about \$59,000 (100% of MFI for a household of four) to afford the average asking rent of an apartment (\$1,476 per month), shown in Exhibit 51.

Households with income below 80% of MFI, and especially below 50% of MFI, have a difficult time finding housing in Grants Pass. They represent a key part of Grants Pass' workforce, holding positions such as food service employees, medical assistants, cashiers, and other occupations important to Grants Pass' economy.

Exhibit 10. Financially Attainable Housing, by Median Family Income (MFI) for Josephine County (\$59,000) 2021

Source: US Department of Housing and Urban Development, Josephine County, 2021. Oregon Employment Department.

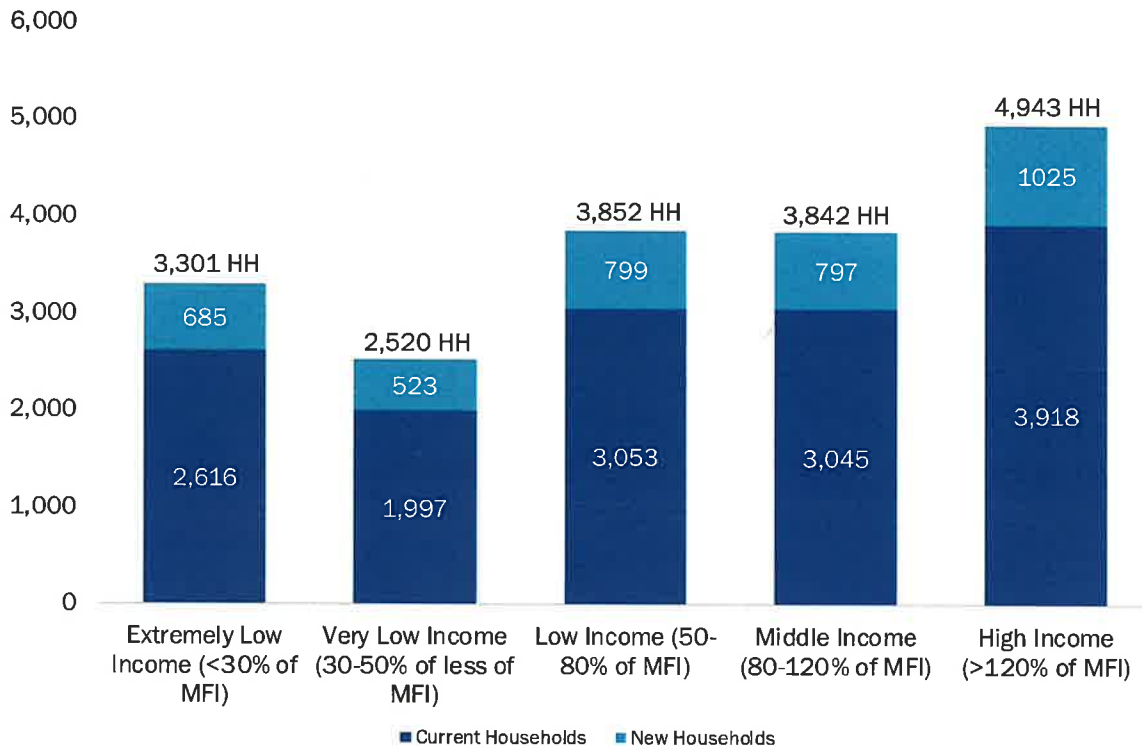


Grants Pass is forecast to grow by 4,055 new dwelling units between 2020 and 2040.

Grants Pass' Housing Needs Analysis projects that the City will grow by 4,055 new dwelling units between 2020 and 2040 to accommodate new population growth. These dwelling units will need to be available at a variety of income levels. Assuming future residents of Grants Pass have an income distribution that is the same as existing residents, about a third of new housing will need to be for those with very low or extremely low incomes (below 50% MFI).⁶⁷

Exhibit 11. Grants Pass' Future Households by Income, 2020 to 2040

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19001, U.S. Department of HUD 2021 MFI, and PSU's Population Forecast, 2020 to 2040 as found in Grants Pass' Housing Needs Analysis.
 Note: Median Family Income (MFI) is estimated for a household of 4.



⁶ Given the fact that incomes have grown at a relatively slow pace over the last two decades in comparison to housing costs (especially home sales prices), this may be a conservative assumption about the future affordability of housing.

⁷ The HPS does not anticipate building new units for all existing households in Grants Pass that have problems affording housing costs. But the HPS does propose actions to stabilize the housing costs of existing lower income households and may result in development of housing that is more affordable to these households, enabling them to stay in Grants Pass. Information about lower income households and cost burden for existing households illustrates the existing housing need in Grants Pass.

Housing Needs for Extremely Low Income (Less Than 50% MFI) Households

What we know about the need: Within this income range, Grants Pass has housing need of:

- New households: **1,208** (from 2020-2040)
- Existing households: **4,613**, many of whom are cost burdened because they do not have access to affordable housing.

What can they afford? Rents (including basic utility costs) of not more than \$740 per month.

- A household would need to earn **\$59,000** to afford average multi-unit rent of **\$1,476** (about 100% of MFI for a household of four). Households with incomes of less than 50% of MFI cannot afford this rent.

What will it take to meet their needs? A combination of preserving existing income-restricted affordable housing and development of new income-restricted affordable housing.

Development of income-restricted affordable housing typically requires extensive subsidy, with funding from state and federal sources, in addition to any support from the city and other partners.

Housing Needs for Low Income (50-80% MFI) Households

What we know about the need: Within this income range, Grants Pass has housing need of:

- New households: **799** (from 2020-2040)
- Existing households: **3,053**, some of whom are cost burdened because they do not have access to affordable housing.

What can they afford? Rents (including basic utility costs) of between \$740 to \$1,180 per month.

- A household would need to earn **\$59,000** to afford average multi-unit rent of **\$1,476** (about 100% of MFI for a household of four). These households cannot afford this rent.
- Households with this income range are likely to live in rental housing predominantly.

What will it take to meet their needs? A combination of preserving existing “naturally occurring affordable housing” and development of new income-restricted affordable housing in this price range. Some households in this income range may need rent assistance, such as a Housing Choice Voucher. Development of new housing affordable in this price range generally requires some subsidy or public support, such as tax exemptions, government funding (typically federal, state, or county, with some level of local contribution being critical) reduced systems development charges, low-interest loans, philanthropic contributions, or other financial support. Funding is scarce for rental housing affordable at 60% to 80% of MFI. Homeownership opportunities for this income range will likely be related to housing developed by nonprofit organizations, possibly with some subsidy, such as through a community land trust.

Housing Needs for Middle Income (80-120% MFI) Households

What we know about the need: Within this income range, Grants Pass has housing need of:

- New households: **797** (from 2020-2040)
- Existing households: **3,045**

What can they afford? Rents (including basic utility costs) of between \$1,180 to \$1,770 per month.

- Households with this income range are likely to live predominantly in rental housing. Some can afford the average multi-unit rent, but many cannot.
- These households cannot afford median sales prices, and while some households with income in the higher part of this range may own houses, many are likely to live in rental housing. Households within this income range will likely need assistance in attaining homeownership.

What will it take to meet their needs? Development of rental housing (without subsidy from local or state government) and lower cost housing for homeownership. Some homeownership opportunities for this income range will likely be related to housing developed by nonprofit organizations, possible with some subsidy, such as land banking or a community land trust.

Housing Needs of People of Color

What we know about the need: About 6% of Grants Pass’ population identified as Black, Asian, American Indian or Alaska Natives, two or more races, or another race. About 9% of Grants Pass’ population identified as Latino (any race). Black, Latino, American Indian or Alaska Natives, people of another race, and people of two or more races are more likely to rent their homes and to live in attached and multi-unit housing than the overall average in Grants Pass.⁸ People of color are cost burdened more frequently than the average household in Grants Pass.⁹

What will it take to meet their needs? Addressing the affordability issues, discussed above, as well as ensuring that people of color have access to housing without discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require careful decision making to change policies that have created barriers to access housing by people of color.

Housing Need of People With Disabilities

What we know about the need: The Census reports that about 24% of Grants Pass’ population have one or more disability, such as ambulatory, vision, hearing, cognitive, self-care, or independent living disabilities.

What will it take to meet their needs? Addressing the affordability issues, discussed above, as well as ensuring that people with disabilities have access to housing that addresses their disability and that they have access to housing without discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and

Disabilities include those that are visible, such as ambulatory or vision disabilities, and those that are not readily apparent, such as self-care, independent living, or cognitive disabilities. Other conditions may require special accommodations, such as disabling diseases or mental health conditions.

⁸ The Native Hawaiian or Pacific Islanders category was not included in the analysis due to insufficient data.

⁹ People of Color includes Black, Latino, American Indian or Alaska Native, Asian, or people of another or multiple races. These categories were combined due to limited data availability. There was no data on Native Hawaiian and Pacific Islanders.

City staff. It will also require approaches that encourage development of housing with specialized design standards to accommodate special needs.

Housing Need of People Experiencing Homelessness

What we know about the need: There are approximately 1,254 people experiencing homelessness in Josephine County in 2021. In addition, 903 students in the Grants Pass School Districts experienced homelessness. The number of people experiencing homelessness in Grants Pass is not clearly known. In part, this is because people experiencing homelessness may move between neighboring cities.

What will it take to meet their needs? Strategies will range from emergency assistance (including rent and utility assistance), permanent supportive housing (including supportive housing with services), and improved access to an affordable unit (as discussed above).

Stakeholder Engagement About Housing Needs Conducted Before Development of the HPS

The following is a summary of what City staff learned from a range of outreach and engagement efforts sponsored by the City of Grants Pass before the HPS project started. This section summarizes input related to housing needs and housing production. It summarizes the key findings from each engagement effort.

- **Middle Housing Code Survey** (March 2021). As part of the Development Code updates for middle housing, the city of Grants Pass released a survey inquiring about the public's perspective on the updates and housing matters related to the updates. The city advertised the survey on their website and social media. A total of 207 people completed the survey. Key findings included:
 - The city needs more housing options that are affordable to the existing population's incomes. The current demand does not match supply.
 - The city needs to increase density where possible, with attention paid to parking and other matters when increasing density in existing neighborhoods.
 - Infrastructure and the expansion of transit opportunities are key investments needed to support the construction of housing.
 - More affordable rentals are strongly needed. The city does not have enough apartments, duplexes, or townhouses.
 - The city needs more shelter options for homeless.
 - Accessibility is a concern for many, and Grants Pass does not have enough housing with accessibility features.
 - There is significant public concern about parking and open space.

- The city needs to attract developers who want to develop housing types other than just large single-unit homes.
- The city should utilize abandoned or empty buildings/lots for housing.
- Traffic is a barrier to building more housing.
- City limits need to be expanded and more land opened to development.
- Older housing is being gentrified through flipping, rentals, and/or short-term rentals
- Older housing stock needs refurbishing to allow residents to age in place and prevent blight.
- **Grants Pass Housing Policies Survey (June 2021).** As part of development of the Grants Pass Consolidated Plan Housing Element update, the City of Grants Pass released a survey inquiring about Grants Pass housing and community development policies and needs on their website and social media platforms. The survey was open from May 28 through June 8, 2021. A total of 84 people completed the survey. Key findings included:
 - Grants Pass needs to catch up on its housing deficit.
 - Adequate parking needs to be a priority; start requiring parking garages.
 - Grants Pass should utilize abandoned or vacant buildings for infill to provide more housing and mitigate blight.
 - Grants Pass needs more housing types for single occupant households and roommates.
 - The city needs more transitional housing and homeless services.
 - There is concern about overcrowding.
 - The city should promote more vertical growth due to limited land availability.
 - The city could use publicly owned land for affordable housing.
 - Grants Pass should use mixed income housing to prevent people from being placed “in a corner.”
 - Support homeownership with incentives and tax breaks.
 - Provide financial help for homeowners to build ADUs.
 - Revise development code to allow homeless services outside of industrial and business park zones. Grants Pass has revised its development code to allow these services in the General Commercial zone.
 - Neighborhoods should be walkable.
- **Housing Needs Analysis and Code Update Stakeholder Interviews (December 2020).** The purpose of these stakeholder interviews was to understand how Grants Pass’ zoning standards, development review regulations, tools, and practices affect housing development in the community as well as discuss potential changes to incentivize

density and multi-unit residential development. There were 5 participants. Key themes included:

- *Housing Types:* Interviewees identified a variety of housing types they would like to see built within Grants Pass that could alleviate rising housing costs and cater to buyer preferences and desires. The range of options included: duplexes, smaller single-unit homes (600–700 sq. ft), cottage clusters, accessory dwelling units, multi-unit residential, and entry-level affordable housing (SFR or MFR).
- *Land Supply:* While not unique to Grants Pass, available land was one of the main factors cited as a barrier to development in Grants Pass. Many interviewees noted environmental constraints, specifically slopes and wetlands, as the leading reason for a limited land supply. One interviewee noted that, in addition to the limited land supply, few remaining lots were zoned multi-unit. Several interviewees also noted that any land suitable for development was likely held by investors.
- *Dimensional Standards:* Several interviewees noted lot sizes and density standards as barriers to middle housing development. One interviewee, with a local housing authority, discussed density standards and referred to Medford as a case study in minimum density requirements. Without minimum density requirements, the interviewee discussed, there could be little incentive to develop a greater variety of residential units. Grants Pass recently adopted minimum density standards in its R-3 and R-4 zones.
- *Parking:* Half of those interviewed viewed parking as a contentious issue when developing residential units in Grants Pass. They viewed minimum parking spaces as a barrier to development. One interviewee specifically highlighted minimum parking requirements as a barrier to affordable housing development. However, the interviewees also discussed the history of Grants Pass' auto-centric development — this history makes parking-free development risky, necessitating parking even as it consumes available site area.
- *Clear and Objective:* Several interviewees desired clear and objective municipal and building codes in Grants Pass. In making the code clear and objective, the interviewees noted, the likelihood of quasi-judicial land-use decisions could diminish, thus saving developers time and money. Some interviewees suggested that clear and objective code would incentivize middle housing development, and many interviewees pointed to the pre-approved ADU plan as an example. One interviewee wanted clear and objective standards for manufactured home parks in Grants Pass.
- *Commercial/Multi-Unit Residential Code:* Most interviewees discussed the challenges in developing 4 or more units. The interviewees perceived the commercial building code, triggered at four units, as a barrier to developing a greater variety of housing. With additional requirements, such as fire sprinklers and ADA adherence, developers incurred too many costs with the commercial building codes.

- *Development Review Process and Fees:* Overall, the interviewees found Grants Pass staff to be accommodating and helpful throughout the development review process, and most interviewees viewed city fees as comparable to other jurisdictions. However, fee waivers and reductions were noted as potential incentives for middle and affordable housing development. Two interviewees view programs such as property tax abatements and SDC waivers as beneficial to affordable housing work. One interviewee perceived construction excise taxes, for example, as a potential barrier to further middle housing and affordable residential development.
- *Labor Availability:* Several interviewees found it difficult to find available, local contractors for development projects in the Grants Pass area. One interviewee cited additional difficulties in finding local contractors/businesses with MWBE certifications, a criterion when working with the housing authority for example.
- *Current Grants Pass Middle Housing Incentives*
 - *ADU Development:* Most of the interviewees noted Grants Pass’s pre-approved ADU plan as beneficial to ADU development. Similarly, the flexibility in ADU development, such as the building code’s 3 allowance of a detached or attached ADU on one lot, was seen as a positive step in incentivizing middle housing development in Grants Pass.
 - *Lot Size Averaging and Clustering:* Most of those interviewed discussed the benefits of lot clustering and/or lot size averaging. Interviewees overwhelmingly liked lot clustering as a tool to address developing on land with steep slopes and other environmental constraints.
 - *PUDs:* Several interviewees noted the advantages of PUDs in Grants Pass. They viewed Grants Pass’s PUD code as flexible, which, ultimately, could incentivize development of middle housing.

▪ **Housing Production Strategy and Rent Burden Open House (February 2022)**

The city hosted an open forum inviting citizens to comment and provide feedback on the current housing climate in Grants Pass. There was a total of 28 attendees. Key findings included:

- The city needs more ADA accessible housing.
- The rent and purchase cost for housing does not align with the incomes of the citizens.
- The deficit in housing is leading to more difficulty qualifying for rentals and contributing to homelessness.
- The city needs more small one and two-bedroom units.

Existing Policies to Address Grants Pass' Housing Needs

To address Grants Pass' housing needs, the City of Grants Pass either has the following housing measures (or policies or strategies) currently in place or is in the process of implementing them. This also includes a list of potential funding sources that the City could leverage to promote housing.

- Zoning and Code Changes
 - Zone designated areas for mandatory minimum residential density levels – *The City Council adopted a minimum density code amendment for R-3 and R-4 zones in May 2022.*
 - Comply with state middle housing code updates – *Completed in Q2 2022.*
 - Evaluate opportunities to increase development densities for land brought into the UGB that will be annexed into existing neighborhoods – *ongoing.*
 - Establish pre-approved plan sets for ADUs – *The City has three pre-approved plan sets available for public use.*
- Reduce Regulatory Impediments
 - Expediting permits to the extent possible and evaluating opportunities to streamline the permitting process. – *ongoing.*
- Financial Incentives
 - Using funds from the Affordable Housing Fund to reduce or exempt SDCs for affordable housing.
 - Reduce or exempt SDCs for ADUs.
 - American Rescue Plan Act (ARPA) – City Council has allocated \$4.6 million of its \$9.4 million ARPA funds for various affordable housing incentives and subsidies.
 - Low-interest loans/Revolving Loan Fund – *The City is working with an affordable housing developer on a long-term loan and looking at potential for utilizing loans in the future.*
- Tax Exemption and Abatement
 - Vertical Housing Development Zone Tax Abatement
- Land, Acquisition, Lease, and Partnerships
 - Engaging in public/private partnerships (P3).
 - Preserve low-cost rental housing to mitigate displacement – *Funded from existing CDBG funding.*
 - Prioritize housing on City / County owned surplus land – *The City recently awarded a request for proposal for a 66-unit affordable housing development on surplus land. The City is gathering feedback from committees on a second city owned lot for a potential second affordable housing RFP.*

- *Opportunities for Funding Sources – These sources could be used to support affordable housing development*
 - *Sale of surplus lands – The City places revenue from current surplus land sales into an affordable housing fund. This could be used to fund a Housing Trust fund or Land Bank program.*
 - *Construction Excise Tax (CET) – Passed December 2021, need to establish parameters for funds; could be used to fund affordable housing.*
 - *Grant from the Department of Administrative Services – Existing \$1 million grant; anticipated to support creation of a navigation center.*
 - *American Rescue Plan – Could be used to support affordable housing development.*
 - *USDA Rural Development – Subsidy is a possible funding source for areas outside of the city limits and within the UGB.*

Existing and Expected Barriers to Development of Needed Housing

The barriers to development of needed housing in Grants Pass include:

- **Need to re-zone land newly brought into the UGB before it can be developed.** Grants Pass expanded its UGB 2014 to accommodate expected housing growth, but about 540 acres of land still needs to be rezoned and annexed into the City, most of which would be for residential development. Barriers to re-zoning and annexing this land are primarily around the requirements to conduct a transportation study before re-zoning the land. The high costs of conducting these studies are slowing the re-zoning process for this land.
- **Need for and cost of new infrastructure.** Grants Pass brought a considerable amount of residential land into the UGB in 2014. This land and other land within Grants Pass UGB need new urban infrastructure, such as roads, water service, sanitary sewer service, and stormwater facilities, available near the land before it can be developed for residential uses. The costs of development of this new infrastructure will be considerable, depending on the location of the land within the UGB and the capacity of existing infrastructure. Environmental constraints, specifically slopes and wetlands, limit the developability of land and can raise the cost of providing infrastructure.
- **Regulations that limit higher density multifamily housing.** Grants Pass' HNA shows that the City has a surplus of land to accommodate development over the next 20-years, with the largest surplus in the High Density and Moderate High Density Residential designations. However, the City's existing development standards around open space requirements and solar setbacks make it difficult to achieve the densities allowed in each zone. The result is that it is difficult to develop multi-unit housing within current development standards. In some cases, the difficulty may make multi-unit development financially infeasible, given the lower number of units that can be developed within current development standards. Deregulation of development density can allow for development of multi-unit housing, including multi-unit housing that is affordable to many people who work in Grants Pass. For example, more than half of Grants Pass residents' have income of \$47,000 or less (about 80% of MFI) and may best be able to afford multi-unit housing.
- **Incomes in Grants Pass cannot support the high cost of new market-rate, multifamily development.** Construction costs are similar across the Southern Willamette Valley and Southern Oregon. For example, the Median Family Income (MFI) for a household of four people in Josephine County was \$59,000, compared to \$73,100 in Jackson County or \$71,200 in Lane County. A household earning the MFI in Josephine County can afford monthly rent of \$1,475, compared with \$1,827 in Jackson County or \$1,780 in Lane County. The lower income in Josephine County and Grants Pass makes it difficult for many residents to afford market-rate rents. The result is that developers often cannot afford to build market-rate multi-unit rental housing that is affordable to households in Grants Pass. Given the high construction costs and lower incomes in Grants Pass, a

developer would need more incentives, financial and other support, to be able to build multi-unit housing that is both financially feasible for the developer and affordable to average households in Grants Pass.

- **Need for more jobs with higher wages.** As described above, incomes in Josephine County are lower than other nearby counties. In addition to addressing the housing issues described in this report, Grants Pass will need to grow and attract higher-wage jobs to increase the amounts that households are able to pay for housing. This barrier should be addressed as a part of the City's on-going economic development planning process and has long been identified as an issue for the community.
- **Land for development of regulated affordable housing.** Land for development of regulated, income-restricted affordable housing is scarce. Building income-restricted housing (i.e., housing that is affordable at 60% or less of MFI) requires land that is affordable, allows multi-unit development, and in an appropriate location. The locations best suited for development of affordable income-restricted housing are areas with access to transit, near services (both social services and other services), and near jobs (or with easy access to jobs). Land in these locations is often higher-cost and may not currently be zoned to allow multi-unit housing.
- **Funding and resources to support development of income-restricted affordable housing.** Developing income-restricted housing for households with incomes below 60% of MFI generally requires federal, state, and local subsidy so that it can cover the costs of development and operations with restricted rents. One of the key barriers to development of income-restricted affordable housing is identifying sufficient funding to support its development. A city's options for funding affordable housing development include direct funding (i.e., monetary contributions for housing), contributions of land, and cost reductions (e.g., tax abatements or waiving fees).
- **Funding and resources to support development of housing affordable to middle-income households.** Developing new housing affordable to households with incomes of 60% to 120% of MFI is often not financially feasible without subsidy, especially given the lower incomes in Josephine County and Grants Pass. Federal and state funding is harder to access for building housing affordable in this income group. As a result, supporting development of housing affordable to middle-income households requires city intervention, such as removing zoning barriers to development of this type of housing and ensuring that infrastructure is available to support housing development, both of which are discussed above. In addition, cities can support development of this type of housing through direct funding (i.e., monetary contributions for housing), contributions of land, and cost reductions (e.g., tax abatements or waiving fees).
- **Capacity of the development community to support development of needed housing.** Capacity for development of housing includes developers willing and able to develop needed housing, nonprofits with the capacity to support development of affordable housing, and availability of skilled construction labor to do the housing development (or renovations). Each of these are potential barriers and can have different impacts on development of affordable housing. Capacity for the development community can

include knowledge of development of new or innovative housing projects, ability to get financing to pay for housing development, and capacity to take on new housing development. Capacity for nonprofits can be a combination of staff capacity for executing on projects and funding to support affordable housing projects.

- **Lack of existing nonprofit capacity to support affordable housing development.** There are no nonprofit organizations currently available to partner with Grants Pass on housing development, such as nonprofit organizations running local land banks or land trusts. Partnering with local nonprofits that can support the City's broader goals around affordability could help improve access to a variety of housing types affordable at lower and middle incomes. A lack of nonprofit capacity to develop housing, as well as running programs that support the City's broader housing goals, can be a substantial barrier to developing affordable housing.
- **Need for increased community engagement to understand and gain support for development of affordable housing.** One of the big barriers to development of affordable housing and different types of housing is community concern and resistance to development of these housing types. Developers and City staff will need to reach out to neighborhood groups and other stakeholders to gain support for development of these types of housing by providing information about newer housing types and discussing how different housing types can fit into existing neighborhoods. It will also be important to highlight the benefits of diverse housing types, including preserving green space and promoting energy efficiency.
- **Increasing wildfire threats and other natural hazards.** Wildfire is an increasingly pressing concern in Grants Pass. Other natural hazards also make housing development difficult. Grants Pass recently passed a requirement that new construction in designated wildfire hazard zones within the City use wildfire resistant development techniques. These actions may increase development costs but may result in lower costs over the long-term if houses become more resistant to natural disasters like wildfires.

3. Actions to Meet Future Housing Need

Summary of the Actions and How They Work Together

Most of the actions and funding tools discussed in this section can be used to meet housing needs at different income levels. This section describes how groupings of strategies, into initiatives, are necessary to work together to meet Grants Pass housing needs.

The City developed four initiatives that address key housing needs in the city. The initiatives comprise a set of potential city-led strategies, funding sources, and potential partnerships with other entities that help to achieve an overarching goal. By bundling strategies and funding sources, the City acknowledges that several strategies and partnerships are necessary to achieve the City's housing goals.

The initiatives are:

- **Remove barriers to development of low and moderate-income affordable rental housing.** This initiative seeks to increase the housing options for unregulated rental households earning between 60% and 120% of MFI (\$35,400 to \$70,800). Key actions that support this initiative include rezoning land for housing and increasing allowed densities. These actions, while necessary for the development of multi-unit rental housing, are unlikely to be sufficient to promote affordable multi-unit housing development on their own. Rents affordable at 60% of MFI would be \$885 per month, and rents affordable at 80% of MFI would be \$1,180 per month, which is fairly low and will likely need tax exemptions and other incentives to make affordable rental multi-unit housing development financially feasible at these income levels.
- **Increase opportunities for affordable homeownership.** This initiative seeks to increase the housing options for homeownership for households earning less 120% of MFI (less than \$70,800). Given that a household would need to earn \$90,000 or more to afford the median home sales prices in Grants Pass (\$325,000 to \$377,000, varying by neighborhood), increasing opportunities for affordable homeownership will require development of less expensive housing types (which are less common and may require outreach to gain community support for) and other incentives, such as land banking and financial support for increasing affordable homeownership opportunities.
- **Encourage development of income-restricted affordable housing units.** There are limited options available in Grants Pass that are affordable to households with income of less than 60% of MFI (\$35,400 of income or \$885 monthly affordable rent). Like the other initiatives, this initiative relies on the foundational actions of rezoning land, increasing allowed densities, providing a tax exemption, direct financial support, and community outreach to remove immediate barriers to affordable housing development.
- **Preserve existing supply of low and moderate-income affordable housing.** This initiative seeks to preserve the supply of existing housing for households earning less

than 120% of MFI (less than \$70,800). Implementing this action will require community support, as well as funding to support rehabilitation of existing low-cost housing (to keep people in their homes). Initial outreach with landowners and property managers will help the city understand what resources will be most helpful.

- **Address homelessness.** This initiative seeks to remove barriers and support access to temporary and longer-term housing solutions for those experiencing homelessness and housing insecurity. The primary action that addresses this initiative is to support the development of a resource center, which could include a wide range of resources and services such as restrooms and showers, laundry, mail service, clothing, food, lockers, ID and birth certificate support, and emergency shelter. Addressing homelessness itself is a foundational action and is the first step in the housing continuum of meeting housing needs. Other actions that make housing more affordable will reduce the number of people experiencing homelessness in the long run.

Exhibit 12. Housing Initiatives and the Potential Actions

■ Primary Focus of the initiative □ Secondary Focus of the initiative

Action Name	Remove barriers to development of low- and moderate-income affordable rental housing	Increase opportunities for affordable homeownership	Encourage development of income-restricted affordable housing units	Preserve existing supply of low and moderate-income affordable housing	Address homelessness
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	■	■	■		
B. Support Outreach and Education to Promote Housing Development and Housing Access	■	■	■	■	■
C. Dedicate Surplus City Lots for Affordable Housing Development	□	■	■		□
D. Develop a Program to Support Affordable Homeownership		■			
E. Increase Densities to Support Development of Affordable Housing	■		■		
F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas	■				
G. Implement the Multiple-Unit Limited Tax Exemption Program	■			■	
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption			■		■
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing				■	
J. Support Development of a Resource Center for People Experiencing Homelessness			□		■
K. Use Urban Renewal to Support Housing and Infrastructure Development	■	■	■	■	□

Funding the Actions

One of the key limitations to implementing the actions in the HPS is the availability of funding. Funding is needed not only to build units, preserve affordable housing, and provide access to equitable housing, but also for staff time to implement the Plan. Identifying a set of realistic funding sources is necessary for achieving the vision of affordable housing in Grants Pass.

A robust set of housing preservation and development programs requires funding sources that are dedicated toward these activities and that are stable and flexible. In addition to existing available funding options, the City will need to pursue new funding sources that can help fund its programs.

- **Existing Urban Renewal District.** An Urban Renewal designation freezes property tax accumulation in a designated Urban Renewal District until the Urban Renewal District expires or pays off bonds. Urban Renewal can be used to help develop off-site infrastructure and support housing development. In 2020, the City adopted an amendment to the Urban Renewal Plan to include about \$3 million to support development of affordable housing. The Grants Pass Urban Renewal Plan includes plans to prioritize “development of transitional, low, moderate, and workforce housing and will assist in the development through various methods including predevelopment assistance, completion of offsite improvements, land purchase, demolition, property tax rebate, building and development fees, or other methods as defined through a development agreement.”
- **Construction Excise Tax (CET) Revenues.** In December 2021, the City adopted a Construction Excise Tax (CET). This CET is intended to provide funding to support development of affordable housing. The funds from the CET are required by state law to be spent on developer incentives, supporting affordable housing programs, and homeownership programs. Revenue from the CET fluctuates with construction activity.¹⁰ The City plans to spend CET funds to support development of affordable rental housing at 100% MFI and below.

¹⁰ Grants Pass’ CET is 0.5% for housing development. Grants Pass has a 1% CET for commercial and industrial development, which can be increased under State law.

Other Funding Sources Considered

The City has a variety of other options for locally controlled funding sources that could support affordable housing. While this project did not include a robust funding analysis component, the project team discussed these funding sources with the Task Force. Exhibit 13 provides an overview of which funding sources advanced to the HPS.

Exhibit 13. Funding Sources Evaluated

Recommendation for use to fund actions in the HPS?	Revenue Source	Rationale for Inclusion/Exclusion?
Yes	Urban Renewal	Could provide a stable, dedicated revenue source in an area with limited existing infrastructure. Could directly support the development of affordable housing.
Yes	Use of CET funding	Provides a funding source to support affordable rental housing at 100% MFI and below.
Yes	Additional ARPA funds	Additional funds could be used to support affordable housing development; The City Council has already allocated \$4.6 million of its \$9.4 million ARPA funds for various affordable housing incentives and subsidies.
Yes	Grants and State Funding	Pursue as the City has staff capacity; may not provide substantial source of funding if the City does not have staff dedicated to monitoring and pursuing funding opportunities.
Yes	Private donations and gifts	Pursue as the City has staff capacity; unlikely to provide a substantial source of funding especially if staff have limited capacity to pursue this revenue source.
No	GO Bond	Requires voter approval, unlikely to pass.
No	New local option levy	Requires voter approval, unlikely to pass.
No	Increased lodging tax	Only 30% increased revenue could go to housing; 70% dedicated to tourism promotion.
No	Increased marijuana tax	TBD
No	Increase Systems Development Charges	Would place burden on market-rate development.
No	Increased utility fee	Difficult to target charges; not a large nexus between source and use of funds.
No	Increased building and planning permit fees	Sized to project valuation; increased staffing operational costs and capacity.
No	New business license fee	May hinder local business development.
No	New food and beverage tax	Requires voter approval, unlikely to pass.
No	New sales tax	Not politically feasible
No	New payroll/business income tax	May not be politically feasible
No	New real estate transfer tax	Not legal in Oregon
No	New vacant/second home tax	Untested and possibly not legal in Oregon

Actions

This section presents the proposed actions for inclusion in the HPS.

Summary of Actions

In developing the HPS, we evaluated each of the actions considered for inclusion in the HPS based on the following. Appendix B provides more details about these evaluation criteria, beyond the summary below.

- **Income level served** focuses on incomes below 120% of MFI is a way to best support housing affordable to households who are most likely to have difficulty affording housing.
- **Impact for housing development** considers the potential scale of impact of the action, which provides some context for whether the policy tool generally results in a little or a lot of change in the housing market.
- **Administrative complexity** considers how much staff time and resources (financial or otherwise) are required to implement the action and whether the action is difficult or costly to administer once it is in place.
- **Feasibility** assesses the political and community acceptability of the action for stakeholders, as well as potential need to coordinate with other organizations.
- **Flexibility** describes whether the action can be flexibly used to achieve multiple outcomes.

Exhibit 14. Summary of Actions

Action Name	Level of Affordability Addressed			Impact for Development	Admin Complexity	Feasibility	Flexibility
	<50% MFI	50%-80% MFI	80%-120% MFI				
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	X	X	X	Large	Medium to High	Less Coordination with ODOT	More
B. Support Outreach and Education to Promote Housing Development and Housing Access	X	X	X	No units directly produced	Low	More	More
C. Dedicate Surplus City Lots for Affordable Housing Development	X	X	X	Moderate to large	High	Moderate	More
D. Develop a Program to Support Affordable Homeownership	X	X	X	Small to Moderate	Medium to High	Less to Moderate	More
E. Increase Densities to Support Development of Affordable Housing	X	X	X	Small to Moderate	Low	More	Moderate
F. Refocus SDC Waiver Program to include Density Waivers in Designated Areas	X	X	X	Small	Medium	More	Moderate
G. Implement the Multiple-Unit Limited Tax Exemption Program	X	X	X	Small to Moderate	Medium	Moderate	Moderate
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption	X	X	X	Small to Moderate	Medium	More	Less
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing	X	X	X	Small to Moderate	Medium to High	More	More
J. Support Development of a Resource Center for People Experiencing Homelessness	X	X	X	Small	Medium	Moderate	Less
K. Use Urban Renewal to Support Housing and Infrastructure Development	X	X	X	Moderate	High	More	More

Potential Partners

Implementing the actions in this strategy will require participation of key partners who have roles essential to the construction, delivery, and preservation of housing units. Exhibit 15 shows how each of the partners would play a role in different actions.

Exhibit 15. City and Partner Roles

Actions	City	Other Government Agencies	Affordable and Market Rate Developers	Local Nonprofits	Other Partners
A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	Re-zone land; Transportation Plans; Address infrastructure deficiencies (if any)	Coordinate with ODOT			Property owners: Provide input
B. Support Outreach and Education to Promote Housing Development and Housing Access	Develop outreach plan & materials; outreach; partnership		Engage in outreach	Partnership; provide input & materials; outreach	Property owners: Engage in outreach
C. Dedicate Surplus City Lots for Affordable Housing Development	Contribute land; partnership	Potential contributors of land	Partnership; development	Partnership; development & services	FBO: Potential contributors of land
D. Develop a Program to Support Affordable Homeownership	Partnership; funding & resources; outreach		Development	Development & services	Lending institutions: Funding
E. Increase Densities to Support Development of Affordable Housing	Revise development code		Provide input		
F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas	Modify waiver program		Provide input		
G. Implement the Multiple-Unit Limited Tax Exemption Program	Outreach; develop eligibility criteria; adoption; implementation, reporting; promotion	Overlapping taxing districts: Consider exemption approval	Provide input		
H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption	Outreach; develop eligibility criteria; adoption, implementation; promotion	Consider exemption approval	Provide input	Provide input	
I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing	Develop program; funding; outreach & promotion			Partnership; development & services; outreach	Property owners: Provide input; use the program
J. Support Development of a Resource Center for People Experiencing Homelessness	Partnership; provide resources & funding; outreach	Partnership; support & resources		Partnership; development & services; outreach	
K. Use Urban Renewal to Support Housing and Infrastructure Development	Partnership w/Urban Renewal Agency	URA: Select projects; implement the Plan			Property owners: Provide input

Actions	2023 or before	2024	2025	2026	2027	2028	2029	2030	2031
K. Use Urban Renewal to Support Housing and Infrastructure Development				Refinement	Adopt	Implement			

A. Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap

Rationale

Grants Pass expanded its Urban Growth Boundary in 2014 to provide more land for residential development. Much of that land has yet to be annexed into the city limits.

Description

There is about 540 acres of land that were brought into the UGB and need to be rezoned and annexed into the city limits, the majority allowing for residential development. Barriers to rezoning and annexing this land are primarily around the requirements to conduct a transportation study before rezoning the land. In 2020, the city initiated a rezone project of all rural properties located within the Urban Growth Boundary (UGB). However, due to concerns from ODOT about conformity with the Oregon Transportation Planning Rule, this project has been modified to include only the properties along Allen Creek Road between Harbeck and Denton Trail. Each neighborhood will need to be rezoned separately needing their own traffic impact analysis when that happens.

There are six areas with substantial amount of land that needs to be rezoned and annexed detailed below. See Appendix D for maps of these areas.

- North Grants Pass – along Interstate 5 there are more than 30 parcels that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as Industrial and Business Park.
- North Grants Pass – on the eastern side of Interstate 5 and North of NE Hillcrest Dr. there are two parcels that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as Low Density Residential.
- Southeastern Grants Pass – near Cloverlawn Drive and Robertson Lane there are more than 40 parcels that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as Low Density and Medium Density Residential.
- Southwestern Grants Pass – south of West Harbeck Rd there are 61 acres of land that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as Medium Density and High Density Residential. The predominate current zone within project area is county Rural Residential 5 (RR5).
- Southwestern Grants Pass – south of the Redwood Highway there are more than 40 parcels that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as General Commercial, Business Park, Medium Density and High Density Residential.
- Western Grants Pass – north of Leonard Rd. there are more than 20 parcels that need to be rezoned and annexed. Properties within the rezone project area are designated in the Comprehensive Plan as Low Density and Medium Density Residential.

In addition, the City may evaluate opportunity for a “UGB land swap,” which is a process of exchanging residential land in the existing UGB where development is challenging for land outside of the UGB where development is easier. For example, the City may have land zoned for residential use that has constraints, like steep slopes, that providing water or wastewater services to would be particularly challenging or costly. The City would identify land outside of the UGB that would be easier to develop and less costly to provide services to.

A UGB land swap is subject to the requirements of OAR 660-024 and involves a UGB alternatives analysis that follows the same requirements of a UGB expansion. The City would select land to for removal from the UGB that has approximately the same capacity for new housing as land brought

into the UGB. Conducting a UGB land swap could take substantial staff time, coordination with involved stakeholders (including land owners), and may require assistance from a consultant.

City Role

The City initiates re-zoning of the properties and, when appropriate, will annex them into the city limits. The City would initiate a UGB land swap, similar to the process for UGB expansion.

Partners and their Role

Lead Partner. Grants Pass Community Development Department

Partners. Property owners

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
All new households	All income levels	Renter or Owner	Large

Potential Risks

The largest risk is that rezoning land takes longer than expected. The City needs this land zoned at urban densities to accommodate expected housing growth. The required transportation studies can be lengthy and costly creating barriers to rezoning. Uncertainty of when land will be available for development may result in land remaining undeveloped.

Implementation Steps

The implementation steps for re-zoning land are:

- Identify and prioritize areas for rezoning, with input from the Housing Advisory Committee and other City committees to consult with about prioritizing land for rezoning.
- Establish a schedule for rezoning specific areas.
- Conduct a transportation impact analysis for potential rezoning, align future zoning with the Comprehensive Plan, and potentially assist with other analysis necessary, such as wetland studies.
- Identify infrastructure deficiencies that the City will address, if any.
- Hold public hearings to adopt the new zoning and Comprehensive Plan designation.

The implementation steps for a UGB land swap are:

- Throughout the process, coordinate with stakeholders, such as land owners, urban service providers, Josephine County, and other stakeholders
- Identify one or more areas that the City would like to consider swapping out of the UGB because of development challenges.
- Estimate the capacity of land to determine how many acres of land and capacity for new dwelling units are needed for the UGB land swap, consistent with the requirements of OAR 660-024-0070.
- Conduct a UGB alternatives evaluation for land to bring into the UGB, consistent with OAR 660-024-0065 and OAR 660-024-0067.
- Develop findings and hold public hearings in support of a UGB land swap.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
Ongoing with adoption of change to zoning over several years. Anticipated completion of all re-zoning by 2030.	After adoption of each area that is re-zoned.	On-going after adoption of re-zoning.

Funding or Revenue Implications

Re-zoning land requires transportation impact analysis, which has a cost for each area re-zoned. In addition, there is staff time and costs associated with the hearings process. When the city brings in sections of land, the city pays for the necessary transportation impact studies out of the General Fund. The longer the land remains outside of city limits and undeveloped, and city foregoes potential property tax revenue from development on that land.

A UGB land swap could take substantial staff time, coordination with involved stakeholders (including land owners), and may require assistance from a consultant. If a land swap is conducted, land newly brought into the UGB would need to be re-zoned, which would have a cost for transportation impact analysis, the same as other land brought into the UGB.

B. Support Outreach and Education to Promote Housing Development and Housing Access

Rationale

Communicating effectively with interested parties about code or plan changes could help increase development interest. Communicating effectively with landlords and residents about fair housing laws and available resources can help ensure equitable access to housing, preventing, and addressing housing discrimination.

Description

The City could develop an annual communications and marketing plan to provide structure for the City's outreach and ensure that the City is active in its engagement. This would help ensure that the City is consistent in its messaging and is reaching all intended audiences, particularly underrepresented and difficult to reach community members.

The City would want to proactively reach out to property owners and developers when discussing code or plan changes that could increase housing development opportunities. The City could work with these interested parties to develop plans that would address housing needs.

In addition, the City could reach out to developers building in other areas, such as Medford, to encourage them to build new housing, especially housing types that are not presently being built in Grants Pass, such as missing middle housing types (such as cottage clusters, townhouses, quadplexes, or other missing middle housing types).

The City would also want to ensure that there are opportunities for education about Fair Housing to residents, property owners, property managers, realtors, lenders, and others involved with real estate transactions with access to Fair Housing information and referrals.

The City should proactively reach out to the community, particularly underrepresented and difficult to reach community members, to ensure they are aware of and know how to leverage the housing resources and programs available to them.

City Role

Develop a communications and marketing plan and conduct outreach; Work with property owners and developers; Partner with organizations that provide Fair Housing education.

Partners and their Role

Lead Partner. Grants Pass Community Development Department

Partners. Housing Advisory Committee, Fair Housing Council of Oregon

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low, very-low, low-, and middle-income residents and communities of color, and all state and federal protected classes	All income levels	Renter or Owner	No units produced directly

Potential Risks

Impacts are likely to be minor or have no negative impact. Increased outreach may result in community support for key housing projects.

Implementation Steps

- Develop an annual Communication and Marketing plan that outlines who to conduct outreach with, when, what to discuss, and how to effectively conduct that outreach. Outreach should include a focus on reaching underrepresented and difficult to reach community members (low-income, renters, non-English speaking community members, etc.) and equipping them with the information they need to meet their housing needs. Outreach should also focus on promoting City programs that encourage development and preservation of housing that is affordable.
- Update Communication and Marketing plan periodically, such as every two years.
- Develop materials to raise awareness of City programs, including developing new printed materials and online materials, and proactively market these materials to those who can benefit from them, particularly underrepresented and difficult to reach communities.
- Conduct outreach with developers to ensure they are aware of City programs and property owners (especially in the Urban Renewal Area) to encourage development of multi-unit housing.
- Partner with and fund Fair Housing Council of Oregon to provide periodic Fair Housing Audit Testing, customized outreach and education, and other specialized services.
- Engage developers and other interested stakeholders when discussing code or plan changes.
- Engage the community, including outreach to underrepresented and difficult to reach community members, on a periodic basis to provide information about the City’s plans and programs.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
Communication and Marketing Plan developed by December 2023	Annual outreach; on-going	On-going

Funding or Revenue Implications

Staff time and tools and resources available to the Community Development Department will be relied on to accomplish this strategy.

C. Dedicate Surplus City Lots for Affordable Housing Development

Rationale

If the City has surplus city-owned land or identifies partners with surplus land, it can be an important input into affordable housing development. Land control is critical because costs make affordable housing development difficult or financially infeasible. Control of land also allows the owner to determine how land is developed. Land costs account for a substantial portion of the costs of developing housing. Thus, removing or reducing land costs can dramatically lower the costs of developing affordable housing.

Description

Through dedication of surplus land and (potentially) land banking, the City can provide a pipeline of land for future development and control the type of development that may occur on that land. The goal of this action is to identify land for future affordable housing development. The City could pursue this in the following ways:

- Designate city-owned land as surplus and contribute that land to the land bank, eventually conveying that land to affordable housing developers for development of housing at agreed-on level of affordability, such as housing affordable below 60% of MFI.
- Look for opportunities to purchase and assemble smaller sites into a larger site to support multi-unit development. Land acquisition may be most feasible in urban renewal districts because funding is more available within the district.
- The City could utilize funding resulting from the sale of surplus land to purchase other more desirable lots for future housing development.
- Dedicate land that comes into the City's ownership through tax defaults to a land bank for residential development.
- Engage with other organizations that may want to donate to a land bank or have their land used to support affordable housing development, such as faith-based organizations.

Whatever form the land bank takes, the purpose of the land bank is to provide land for development of housing, lowering the costs of land in the development process.

The City will review its list of City-owned properties to identify opportunities for housing development. Much of the undeveloped City-owned land is in a reserve for parks, which are unlikely to be suitable or used for affordable housing development.

City Role

The City could contribute land to a nonprofit developer or land trust for affordable housing development. The City may participate in multiple projects over time that involve different types of land banking strategy. The City could also work with partners with surplus land, to support them in affordable housing development.

Partners and their Role

Lead Partner. Grants Pass Community Development Department, City Council, Grants Pass Urban Renewal Agency

Partners. Other governmental agencies such as Josephine County Housing Council and Jackson County Housing Authority, nonprofit agencies, and faith-based organizations such as Habitat for Humanity, and representatives from the private sector.

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced ¹¹
Extremely low income, very low-income, low-income, and limited moderate-income households Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	0-60% of MFI (Could include projects for households with income below 120% of MFI)	Renter or Owner	Moderate to Large

Potential Risks

If public land is used for affordable housing, typically it cannot be used for other City functions. However, if the land were identified as surplus or excess, it would likely not be needed for City functions. Funds spent on affordable housing will be unavailable for other City services.

Implementation Steps

- Identify the City’s goals and approaches to identifying land for affordable housing development. The City’s broad goal is to efficiently use public resources to support affordable housing development, building on opportunities for affordable housing as they arise. More nuanced questions may arise, which may require a more nuanced understanding of City goals. For instance, is the City willing to donate land to a developer who is building a project that meets the City’s investment criteria, or would the City need to sell it?
- Identify the City’s role in land banking, if any. This includes determining whether the City wants to participate in a formal land bank or hold land in an informal land bank. If participating in a formal land bank, determine whether the City will run the land bank or whether the land bank will be run by another organization, such as a nonprofit organization.
- Inventory city-owned properties to determine if there are properties that are surplus and in areas well-suited for a land bank purpose. If appropriate, the publicly owned land identified as suitable for land banking could be contributed to the bank. The City could implement a policy that establishes when to convey surplus land to the land bank for affordable housing.
- Identify opportunities to purchase property for a land bank (or for the City to hold for an affordable housing project), such as in the Urban Renewal District.
- Reach out to partners who may have land they want to use to support affordable housing development, such as faith-based organizations, nonprofits, or other governmental agencies.
- Continue to look for a funding source to support additional land banking opportunities. If possible, the City should use funding to purchase and assemble smaller sites into a larger site to support multi-unit development.
- Determine how the City will use the land, such as contributing land to a community land trust that is led by an existing entity, often a nonprofit organization, or contributing land to a specific affordable housing development. The City might do both, in different situations.
- For surplus land that is not deemed appropriate for development of new housing, the City could use funds from that sale to purchase land that is better suited for housing development.

¹¹ Magnitude of new housing developed is approximate number of new units that the action may reasonably be expected to result in. See the discussion under the section “Impact for Housing Development,” later in this memorandum.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2024	In 2025; on-going	On-going as land is identified as surplus

Funding or Revenue Implications

Partnering is the most administratively efficient and cost-efficient approach to implementing this strategy. If the City is contributing land to the land bank at low or no-cost, then the City is forgoing realizing the value of the land if it was sold on the open market. If the City wants to purchase and assembles smaller sites, the City will need to identify a source of funding for the purchase of the land, such as urban renewal. The City could potentially utilize the sale of surplus land to purchase other more desirable lots for future housing development.

D. Develop a Program to Support Affordable Homeownership

Rationale

Homeownership is one of the most effective (and primary ways) for households and individuals to build wealth. Further, renter households are more likely to be at risk of displacement than homeowners.

Description

The City could develop a program to support affordable homeownership. Barriers to homeownership and impediments may include saving for a down payment, access to down payment assistance, poor credit scores restricting households' ability to obtain a mortgage, underproduction of homes for sale relative to demand, and lack of affordable homeownership opportunities (particularly in markets with rising home sales prices).

The City could form partnerships with organizations that remove barriers to homeownership by providing financial assistance, such as down payment assistance or paying down interest rates. The City could also form partnerships with organizations that provide homeownership educational opportunities and refer potential participants to the programs, with organizations such as Habitat for Humanity or Home Bridging

The City could dedicate funds toward a local down payment assistance program. As part of the CET program, 15% of the City's CET funds collected from residential permits is allocated to a down payment assistance program operated by the Oregon Housing and Community Services Department. However, the City could choose to allocate additional CET funds to a local down payment assistance program which could be operated by the City or a local partner.

The City could participate in a community land trust that is operated by an existing entity, often a nonprofit organization. A land trust is typically managed by a nonprofit organization that owns land and sells/leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants/buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals. The City's role in a community land trust could be as a partner, possibly assisting the trust with land acquisition through land banking (Action C) or through providing funding to support housing development.

City Role

Form partnerships with existing organizations that support affordable homeownership including contribute funding to these organizations, refer potential participants, and partnering with a land trust (if one begins operation in Grants Pass).

Partners and their Role

Lead Partner. City of Grants Pass Community Development Department

Partners. Housing developers and other nonprofits, other governmental agencies, banks, and lending institutions.

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low income, very low-income, and low-income households Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	0-80% MFI	Owner	Small to Moderate

Potential Risks

Funds spent on affordable homeownership will be unavailable for other city services and affordable rental housing opportunities. Homeownership programs may serve a smaller portion of the population than larger developments focused on affordable rental opportunities.

Implementation Steps

- Identify methods that the City wants to use to increase homeownership opportunities, such as down payment assistance and other items listed above.
- Consider allocating additional CET funds for down payment assistance. The City will need to decide if it will operate the down payment assistance program or if it will contribute to a program run by an existing organization.
- Identify and form partnerships with affordable developers and other organizations who would build new affordable homeownership units.
- Conduct outreach as outlined in Action B to eligible, prospective program participants to connect them with homeownership programs focusing outreach on community members from underrepresented and hard to reach groups.
- Consider promoting alternative housing types beyond single unit detached to reduce costs and increase homeownership opportunities; promote these opportunities as a part of the outreach outlined in Action B.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2024	2025; on-going	On-going

Funding or Revenue Implications

Establishing partnerships will rely on staff time and available Community Development Department tools and resources. Increasing homeownership opportunities will require additional funding, such as increasing funding from the City's CET to provide homeownership leverage to partnering agencies. Using the City's CET funds for programs that support homeownership for low to moderate-income households means that this source is not available for other priorities.

E. Increase Densities to Support Development of Affordable Housing

Rationale

Increasing development densities, especially for development of multi-unit housing and affordable housing, can increase the financial feasibility of building multi-unit housing. The City's existing development standards around open space requirements and solar setbacks make developing at currently allowed densities more difficult. Deregulation of development density can allow for development of multi-unit more housing affordable at about 80% of MFI.

Once those issues are addressed, the City could offer a density bonus to incentivize development of multi-unit housing in locations where it is desired and/or encourage development of particular types of housing, such as mixed-use residential development or income-restricted affordable housing.

Description

The Grants Pass Development Code requires that 30% of the gross lot for multi-unit developments be dedicated to public open space. The City has found that this open space requirement is greater than what is found in other communities such as Ashland (which requires only 8% for public open space) and Hood River. This requirement is resulting in lower achievable densities and is likely a disincentive for developing multi-unit housing. Current standards for solar setbacks may also be lowering achievable densities. The result is that achieving the allowed maximum density is generally not possible for multi-unit developments, and developers may be unable to achieve development densities that result in enough development to be financially feasible.

Once development code barriers are addressed, the City can evaluate adopting a density bonus to allow developers to build housing at densities higher than are usually allowed by the underlying zoning in selected instances. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met and/or needed amenities are provided by a developer. Bonus densities can be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.

To implement the density bonus, the City would amend its Development Code to allow for the bonus in targeted, context-sensitive areas at appropriate residential densities. Density bonuses typically come in the form of height or floor area ratio (FAR) bonuses. Examples of density bonus incentives for affordable housing include:

- Permitting a larger number of units in a building or development site.
- Permitting smaller minimum lot sizes in a development.
- Providing a bonus height allowance or exemption from height restrictions that allow for construction of additional stories.
- Reducing the amount of open space required on a development site.
- Reducing the required number of parking spaces.
- Setback reduction of the parent parcel.

In addition, the Oregon Legislature adopted Senate Bill 8 to require Oregon cities to not only approve certain affordable housing developments but ensure they are allowed density and height bonuses. Some of the allowable densities under Senate Bill 8 would be a significant departure from Grants

Pass' current land use code.^{12,13} For example, Senate Bill 8 could result in allowing residential buildings in the R5 zone as tall as 81 feet (a little less than twice the 45-foot height currently allowed for residential development).

City Role

Revise open space and solar setback requirements in the Development Code; potentially amend the Development Code to allow a density bonus in selected neighborhoods and grant the bonus for qualifying projects.

Partners and their Role

Lead Partner. Grants Pass Community Development Department

Partners. Area developers

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low income, very low-income, and low-income households	0-80% of MFI	Renter or Owner	Small to moderate

Potential Risks

While higher density buildings can add value to a real estate project, these buildings cost more to build. Even if the added income of having more on-site units is more than the cost to build higher, increasing the allowable density may not automatically add enough value to offset the cost of providing affordable housing. If the City does not amend its code, it also runs the risk that little multi-unit housing will be developed, which will perpetuate the deficit of income-restricted and workforce affordable housing.

¹² The following is the League of Oregon Cities summary of Senate Bill 8:

SB 8 requires local governments to approve the development of certain affordable housing, and not require a zone change or conditional use permit, on land zoned to allow commercial uses, to allow religious assembly, or as public lands. Qualifying land may be owned by a public body or a religious nonprofit. The bill applies to property zoned to allow for industrial uses only if the property is publicly owned, adjacent to lands zoned for residential uses or schools, and not specifically designated for heavy industrial uses. These requirements do not apply to land that a local government determines lacks adequate infrastructure, or on property that: contains a slope of 25% or greater; is within a 100-year floodplain; or is constrained by state land use regulations based on natural disasters and hazards or natural resources. Local governments may still impose development requirements based on siting and design standards and building permits.

SB 8 also includes a statewide density bonus for affordable housing in areas zoned for residential use. A local government may reduce the density or height of a development as necessary to address a health, safety, or habitability issue, including fire safety, or to comply with a protective measure adopted pursuant to a statewide land use planning goal. Finally, the bill broadens the ability of applicants developing affordable housing to obtain attorney fees in prevailing appeals before LUBA. SB 8 was signed into law on June 23, 2021, and the bill goes into effect on January 1, 2022.

¹³ To read the full text of Senate Bill 8, use the link below.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB8>

Implementation Steps

- Engage the development community to better understand how density limits might be restricting development; identify what types of density incentives would be most beneficial (example types of incentives included in the description).
- Revise the Grants Pass Development Code to align open space requirements with allowable densities by working with the Grants Pass Urban Area Planning Commission through a public process.
- Review solar setback requirements to understand if they can be modified to allow greater densities. If appropriate, revise the Grants Pass Development Code to reduce solar setback requirements working with the Grants Pass Urban Area Planning Commission through a public process.
- Evaluate development of density bonuses, including identifying areas where density bonuses would be allowed and develop specific policy for allowing density bonuses to support affordable housing including the number or percentage of affordable units needed for bonus eligibility, type of housing (single unit, duplex, multi-unit), income limits, and sale price or rent limits.
- Consider if the City wants to include other types of density bonuses such as open space or design specific bonuses; consider how these would support affordable housing objectives.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2024	2025	On-going

Funding or Revenue Implications

Staff time and available Community Development Department tools and resources will be relied on to accomplish this strategy.

F. Refocus SDC Waiver Program to Include Density Waivers in Designated Areas

Rationale

Grants Pass currently has an SDC waiver program that focuses on affordability; however, the program is not resulting in additional development. Refocusing the SDC waiver program to include density waivers for high density multi-unit development in targeted areas could simplify the program by removing requirements for income verification and help offset the high cost of multi-unit developments, encouraging the development of more units. This could be paired with other incentives to ensure affordability.

Description

SDCs are assessed on new development, and the City must use SDC revenues to fund growth-related capital improvements. They are intended to reflect the increased capital costs incurred by a municipality or utility because of a development. SDCs are one of several ways for local governments to pay for expanding infrastructure and other public facilities, including sewer, water, transportation, and parks and recreation. The City of Grants Pass charges SDCs on new and expanding development within the City of Grants Pass and the urbanizing area that connects to or otherwise will use City services of the water system, sanitary sewer system, parks, streets, and storm drainage.

The City of Grants Pass currently uses SDC waivers to promote affordable housing development but has had little success. The City could expand their SDC waiver program to include waivers for high density, market-rate, multi-unit development in pre-determined areas including in its Urban Renewal Area and designated Climate-Friendly areas thereby broadening the types of housing eligible for the waiver (in accordance with the new Climate-Friendly and Equitable Communities legislation).

The City should engage the development community to understand how SDC waivers could encourage high density multi-unit development. For example, the City could waive 50% of SDCs for high density, market rate projects in designated areas.

There are a number of ways to “backfill” the lost SDC revenue, such as through CET funds (for projects with affordability qualifications) or Urban Renewal funds. The City of Grants Pass currently uses the sale of surplus land to fund its SDC waiver program. While the City currently has about \$300,000 available for this program, additional funds are limited because there is limited land that the City can sell.

City Role

Modify the SDC waiver program to target high density, multi-unit development in the Urban Renewal Area and designated Climate Friendly zones.

Partners and their Role

Lead Partner. Grants Pass Community Development Department

Partners. Area developers

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low- and middle-income households	60-120% MFI	Renter	Low

Potential Risks

Funding normally generated from SDCs to support capital improvements would not be available, but this risk can be offset by planning to backfill the costs of SDCs from other sources. While higher density development can be less costly to serve with infrastructure per unit, it could be more expensive if infrastructure would have to be upgraded to allow more development.

Implementation Steps

- Engage the development community to better understand how the SDC waiver program could be more effective at encouraging high density development that is affordable. For example, discuss questions like what percent of an SDC would need to be waived to encourage multi-unit development?
- Hold discussions and hearings with the City Council regarding the changes to the SDC program and gather public input through that process.
- Initiate a revision to the existing program with agreed upon changes to characteristics. Suggested characteristics include a 50% reduction in SDC fees for high density multi-unit development in Urban Renewal Areas and designated Climate-Friendly areas; affordable housing developments could qualify for 100% SDC waivers provided they meet affordability requirements.
- Consider how other funding sources could be used to backfill SDC revenues.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2026	2027	On-going

Funding or Revenue Implications

The City would be foregoing funding generated from SDCs and would need to consider alternative funding sources. Available funding is currently about \$300,000 but limited as the City currently relies on the sale of surplus land to fund this program. The City could consider backfilling with CET or Urban Renewal funds.

G. Implement the Multiple Unit Property Tax Exemption

Rationale

The Multiple Unit Property Tax Exemption (MUPTe) program is flexible, and eligibility criteria can be set locally, allowing the City to target the exemption to meet its needs. It offers an incentive for preservation and development of housing for low to moderate-income households. It can offer an incentive for mixed-income housing, providing a way to leverage private, market-rate development to expand affordable housing.

Description

MUPTe allows cities to offer a partial property tax exemption (limited to the value of the housing, not the land) for multi-unit development that meets specific locally established criteria, such as having an affordability agreement with a public agency. The terms of the affordability agreement can be set by the City—there are no specific income/affordability requirements in the state statute that enables the program. The City can cap the number of MUPTe exemptions it allows.

The City could explore using MUPTe in two possible ways:

- To incentivize mixed income development through inclusion of below-market units (units affordable below 80% of MFI) in otherwise market-rate developments.
- To incentivize owners of existing low-cost market rate housing to rehabilitate properties without displacing existing tenants or escalating rents.

What does the exemption apply to? It applies to rental housing for low-income and moderate-income persons, often in a mixed-income multi-unit building. The exemption applies only to improvement value of the housing.

How long does it apply? The property tax exemption can be granted for up to 10 years, except that for low-income housing, exemption can be extended for as long as the housing is subject to the public assistance contract.

What taxing districts would participate? The property tax exemption only applies to city property taxes (which account for about 42% of property taxes in Grants Pass, inclusive of levies) unless the City gets affirmative support from at least 51% of overlapping taxing districts for the exemption to apply to their tax collections.

City Role

Implement the exemption and execute on annual reporting and administration procedures

Partners and their Role

Lead Partner. Grants Pass Community Development Department and Grants Pass Finance Department

Partners. Overlapping taxing districts

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low- and middle-income households Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	60-80% MFI	Renter	Moderate

Potential Risks

The City and participating taxing districts will forgo property tax income for the duration of the exemption, reducing revenue for city services, including public safety, and revenue for participating taxing districts.

Implementation Steps

- Reach out to developers to gauge their interest in this exemption.
- Determine desired eligibility criteria (percentage of affordable or workforce housing or other public benefits, where the program applies, etc.).
- Estimate the revenue loss that could result from the tax exemption and identify a replacement revenue source to support police and fire services.
- Seek agreement from taxing districts representing 51% or more of the combined levying authority on the property to include all the taxing jurisdictions in the abatement. If the City is unable to get agreement from other taxing districts, the abatement will only apply to the City's portion of property taxes.
- Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt MUPTE by resolution or ordinance following a public hearing.
- Establish annual reporting and administration procedures.
- Promote exemption to qualified projects

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2027	2028	On-going

Funding or Revenue Implications

MUPTE reduces general fund revenues for all overlapping taxing districts. The City of Grants Pass must weigh the loss of tax revenue, including revenue that funds public safety, against value of the rent discounts offered by qualifying development. This program could be partially funded through CET, which would reduce the impact on the general fund. The City also chooses which projects to support and how long the property will receive the exemption.

H. Implement the Nonprofit Corporation Low Income Housing Tax Exemption

Rationale

One way to make affordable housing projects more feasible for nonprofit affordable housing developers is to lower operational costs, such as property tax costs. Affordable housing owned by a public agency is already exempt from all property taxes, and nonprofits can partner with public agencies to get a tax exemption in some cases. However, this adds complexity to the development. This program would reduce development barriers and lower operating costs for publicly subsidized affordable housing (affordable at 60% of MFI or below).

Description

The Nonprofit Corporation Low-Income Rental Housing Exemption¹⁴ provides a full property tax exemption for new and existing affordable housing owned and operated by a 501(c)(3) or (4) nonprofit organization, and land held by a nonprofit for future affordable housing development. This tax exemption allows nonprofit developers of affordable housing to access a property tax exemption without partnering with the housing authority, who is already exempt from property taxes.

The Nonprofit Corporation Low-Income Rental Housing Exemption can apply for as long as the property using it meets eligibility criteria. These include requirements that tenants must initially qualify at 60% of Median Family Income (MFI) or below, which is about \$35,000 for a family of four people in Grants Pass based on 2021 MFI. Once qualified, existing tenant incomes may rise to as much as 80% of MFI (\$47,000 for a family of four) over time. Annual renewal is required to ensure compliance with these requirements.¹⁵

The City has options to consider in implementing the tax exemption. First and foremost are which taxing districts will participate in the tax exemption. Only the City's property taxes (which account for about 42% of property taxes in Grants Pass, inclusive of levies) would be exempted unless there is sufficient support from overlapping taxing districts. If the City and other taxing districts that comprise at least 51% of the local tax roll participated in the program, qualifying developments could have 100% of their property taxes waived. With this majority, all taxing districts would be obligated to participate. Without the support of at least 51% of overlapping districts, only city taxes would be affected by the exemption. The City could also determine the length of these programs and whether to apply a cap on how long organizations may participate.

In addition, the City must select a definition of affordability (if different from the one stated above of having income at or below 60% of MFI) and set local requirements for receiving this tax exemption, if any. The exemption can be granted for as long as the property meets eligibility criteria, but the property owner must reapply on an annual basis to demonstrate on-going eligibility. For land held for future affordable housing development, the City sets a limit on how long the exemption can apply, with the option for property owners to apply for an extension after that time.

This exemption is granted to development of rental housing with state and federal funding that requires verification of tenant incomes to ensure the tenants meet the income requirements. As a result, little or no additional monitoring or enforcement is likely needed for this program since eligibility is limited to nonprofit affordable housing providers, and the annual application process provides evidence of eligibility. In addition, if part of an eligible property is used for purposes other

¹⁴ This tax exemption is authorized in ORS 307.540 to 307.548.

¹⁵ This requirement is stated in ORS 307.545.

than low-income housing (e.g., a commercial use or mixed-income housing), the exemption is pro-rated.

Some examples of cities that have adopted this tax exemption include: Newport, Beaverton, Portland, Tigard, Forest Grove, Cornelius, and Wilsonville.

City Role

Implement and promote the exemption

Partners and their Role

Lead Partner. Grants Pass Community Development Department and Grants Pass Finance Department

Partners. Overlapping taxing districts

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely and very low-income households Households disproportionately cost burdened, such as people experiencing homelessness, people with disabilities, seniors, or People of Color	0-60% of MFI	Renter	Small to Moderate

Potential Risks

The City and participating taxing districts will forgo property tax income for the duration of the exemption, reducing revenue for city services, including public safety, and revenue for participating taxing districts.

Implementation Steps

- Seek agreement from taxing districts representing 51% or more of the combined levying authority on the property to include all the taxing jurisdictions in the abatement. If the City is unable to get agreement from other taxing districts, the abatement will only apply to the City's portion of property taxes.
- Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt this exemption by resolution or ordinance following a public hearing. Adopt standards and guidelines for applications and enforcement mechanisms.
- Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.
- Promote exemption to qualified projects.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2026	June 2027	On-going

Funding or Revenue Implications

This exemption will result in foregoing property tax revenues for all overlapping taxing districts. The City of Grants Pass must weigh foregoing of property tax revenue against the benefit of housing more income-restricted affordable housing in the community. Staff time and available Community Development Department tools and resources will be relied on to accomplish this strategy.

I. Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing

Rationale

Keeping low-cost unregulated housing both habitable and affordable reduces the need for subsidized new construction. If private property owners rehabilitate their low-cost, unregulated rental properties, they will likely raise rents to pay for the improvements. Alternatively, they may sell their properties to private developers which may demolish and rebuild with higher end housing.

Description

Much of the housing in Grants Pass that is affordable to low and moderate-income households is older privately-owned housing that is not subject to affordability restrictions. This housing may have deferred maintenance issues because of a lack of resources to make improvements and pay for repairs (and, in some cases, owner neglect). The City can work with property owners and homeowners of low-cost unregulated housing to support needed repairs without displacing residents. This could include:

- Expand grants to property owners for repairs and major rehabilitation, providing they do not displace residents. For homeowners, establish income requirements for assistance such as homeowners with 80% MFI or below.
- Evaluate reducing regulatory requirements and permitting challenges for owners seeking to improve older housing.
- Provide information/technical assistance to smaller property owners regarding state and local resources to support weatherization and healthy housing.
- Expand existing programs to support retrofitting to make it easier for residents to age in place (e.g., expanding doorways, adding ramps, etc.).
- Target more funds from the Community Development Block Grant to support existing rehabilitation program.

The City could evaluate tying this type of assistance to requirements to maintain lower rents for some period, making the housing a form of regulated affordable housing.

The City funds rehabilitation support through existing CDBG funds. The City could expand the existing program if new funding is available, such as from the Construction Excise Tax. The City has had recent success in outreach and implementation of its existing housing rehabilitation program, funded with existing CDBG. Expanding on this success can help the City meet its housing goals.

The City should consider funding sources available from the state and federal governments to support rehabilitation and weatherization. For instance, the City could pursue grant funding through the Oregon Healthy Homes Program, which provides financial assistance to eligible homeowners and landlords to repair and rehabilitate dwellings.¹⁶ The City could pursue funding from other programs for rehabilitation or weatherization, such as the federal Weatherization Assistance Program.

¹⁶ HB 2842 recently directed the Oregon Health Authority (OHA) to provide grants to third-party organizations to "provide financial assistance to eligible homeowners and landlords to repair and rehabilitate dwellings to address climate and other environmental hazards, ensure accessible homes for disabled residents, and make general repairs needed to maintain a safe and healthy home." Rulemaking is currently underway to allow funding for this program in the fall of this 2023. Cities and other eligible organizations can then apply for grants to fund these types of rehabilitation and repair programs.

City Role

Work with owners of affordable rental housing and expand its educational and marketing efforts to target owners and renters in this segment of the housing market.

Partners and their Role

Lead Partner. City of Grants Pass Community Development Department

Partners. Property owners of low-cost, unregulated, rental housing

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Middle-income households Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	Less than 80% of MFI	Primarily Owner	Small to moderate

Potential Risks

Rehabilitation assistance must be enough to entice owners to act and should be commensurate with the restrictions. Additionally, the City will want to carefully consider affordability requirements so that these properties remain affordable for the long-term. Funds spent on this program would be unavailable for other city services.

Implementation Steps

- Evaluate programs, technical assistance opportunities, regulatory changes, and other options to support property improvements. This step can include multiple approaches, as noted in the description of this action. This step will include data collection from the current rehabilitation and weatherization program.
- Establish criteria for participation in this program, such as income level, whether owners or renters are eligible, types of housing condition problems the City will support addressing, and other criteria. The City may want to target this program at low-income homeowners, rather than renters, because monitoring rent costs (to ensure rents do not increase after rehabilitation) would be a substantial amount of work.
- Provide information to the public about this program (Action B) encouraging low-income households to consider use of the program. The City may work with nonprofit partners to raise awareness of the program.
- Look for additional local funding to support rehabilitation. If pursuing CET funds, ensure that income levels and other criteria align with CET requirements.
- Look for additional state and federal funding, such as the Oregon Health Authority's (OHA) new program (still under development in 2023) to support housing rehabilitation. Seek additional federal funding through the U.S. Department of Housing and Urban Development's (HUD's) Lead Hazard Control and Healthy Home program or the federal Weatherization Assistance Program.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2025	2026	On-going as funds are available

Funding or Revenue Implications

No specific funding or revenue source is identified at this time. Staff time and available Community Development Department tools and resources will be relied on to accomplish this strategy. Providing grants will require a funding source to backfill program dollars awarded. Implementing a new program such as the HUD Lead Hazard Control and Health Home program would take extensive administrative and partner resources to meet federal regulatory requirements, including performance measures.

J. Support Development of a Resource Center for People Experiencing Homelessness

Rationale

People experiencing homelessness need access to long-term housing. One step towards accessing long-term housing is through emergency shelters and resource centers.

Description

A resource center can connect people to a wide range of resources and services such as restrooms and showers, laundry, mail service, clothing, food, lockers, ID and birth certificate support, and emergency shelter. Some also offer healthcare services and recovery support for addiction and mental illness. Grants Pass does not have a central location for accessing resources or a permanent emergency shelter. The City could seek a partner to work with on development and operations of a resource center with a permanent emergency shelter, such as UCAN or other providers.

The City could support development of a resource center by providing a site for the center (such as surplus city-owned land or designating an area for a resource center), facilitating the permitting and review process for the center, and/or providing financial or other assistance to support development of the resource center. The City could initiate the process for developing a resource center by issuing a request for proposals for a resource center and shelter provider.

City Role

Partnering with an existing social service or nonprofit organizations, supporting development of a resource center, or initiate development of a resource center.

Partners and their Role

Lead Partner. Grants Pass Community Development Department

Partners. Josephine County, UCAN, faith-based organizations, other partners

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-income households and people experiencing homelessness Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	0-30% of MFI, possibly up to 50% of MFI	People experiencing homelessness	Low

Potential Risks

The strategy will require explicit consideration of ongoing funding sources to sustain operations and to prevent excessive impact on any one organization. Neighbors may also see a resource center with an emergency shelter as a disruption to the neighborhood.

Implementation Steps

- Identify organizations to partner with, such as area nonprofits and Josephine County to establish a plan to develop a resource center with a permanent emergency shelter in Grants Pass.
- Work with partners to identify a location and a lead organization for the resource center and preferred program and service parameters.

- Develop a finance and funding plan to support the resource center development and operations, including grants and other sources of funding.
- Work with partners to establish a financing plan. Monitor for grants and leverage local, state, and federal funds and resources. The City of Grants Pass should discuss what resources they can bring to the table (donated land, monetary resources, technical support, etc.).
- Conduct community outreach (Action B) to educate the public about this action and gather support. The City will need to be active in its outreach, looking for opportunities to engage underrepresented and hard to reach community members.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2025	2026	On-going

Funding or Revenue Implications

The City of Grants Pass has set aside funds from the Department of Administrative Services to support development of a navigation center. The City will need to identify other funding sources to support an emergency shelter.

K. Use Urban Renewal Area Funding to Support Housing and Infrastructure Development

Rationale

The Grants Pass Urban Renewal Area (URA) provides a flexible funding tool that can support many of the key strategies identified in the Housing Production Strategy if they are used within the URA boundary.

Description

Grants Pass has an existing Urban Renewal Plan, located along Highway 199 (Redwood-Fairgrounds Area), Northeast 6th and 7th Avenues (North Industrial Uptown Area), and around the railroad north of the Rogue River and south of Highway 199 (Southeast Industrial area).

Urban Renewal can be used to help develop off-site infrastructure (such as new road connections, water or sewer pipes, sidewalks, or other infrastructure), as well as development of affordable housing. The lack of infrastructure is a special concern in areas where lack of infrastructure is a barrier to development of housing because it adds uncertainty, time, and cost to development. Developers typically pay for the costs of building off-site infrastructure, which routinely exceed the cost of System Development Charges. This results in increased housing development costs and reduction in supply. Having the City rather than developers address infrastructure deficiencies could have the effect of lowering housing costs, if implemented with other strategies that ensure housing will be affordable.

In 2020, the City adopted an amendment to the Urban Renewal Plan to include about \$3 million to support development of affordable housing. The Grants Pass Urban Renewal Plan includes plans to prioritize “development of transitional, low, moderate, and workforce housing and will assist in the development through various methods including predevelopment assistance, completion of offsite improvements, land purchase, demolition, property tax rebate, building and development fees, or other methods as defined through a development agreement.”

Urban renewal can be used to support development of affordable housing to reduce the funding gap by providing direct subsidies to support development of multi-unit rental, middle housing, and affordable ownership projects that are affordable to families such as those making up to 80% of MFI in the long term, focusing on supporting development of income-restricted affordable housing. It can also support rehabilitation of existing housing in poor condition, possibly with future requirements that it remain affordable at an income level like 80% or less of MFI.

Urban renewal funds can also be used to support development of off-site infrastructure necessary to support new housing development. The City allows for use of urban renewal funds to pay for up to 25% of the costs of infrastructure development.

City Role

The City would continue to implement to Urban Renewal Plan and select projects to fund using the Tax Increment Financing tool of the URA.

Partners and their Role

Lead Partner. Grants Pass Urban Renewal Agency

Partners. Grants Pass Community Development Department, Grants Pass Finance Department, Grants Pass Public Works Department, and property owners within the Urban Renewal Area.

Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and middle-income households Households disproportionately cost burdened, such as people with disabilities, seniors, or People of Color	0-120% of MFI	Renter or Owner	Moderate

Potential Risks

The URA is designed to support development through improvements to infrastructure and supporting catalytic development that makes it more feasible to do other development. A key risk with using urban renewal to support affordable housing development in the URA is granting too many property tax exemptions for new affordable housing development, reducing growth of the property tax base in the URA. In addition, funds spent on affordable housing reduce funds available for other priorities.

Implementation Steps

- Decide how to use and leverage the urban renewal funding to support affordable housing development. The best use of funding may be in coordination with other actions in the HPS, such as with land banking and support of development of income-restricted housing.
- Determine desired project characteristics and partner with developers and nonprofits to support affordable housing development.
- Consider making a change to the Urban Renewal Plan to support both low-income affordable housing and market-rate multi-unit housing.
- Conduct an in-depth analysis of zoning to identify areas within the urban renewal area suitable for multi-unit development.

Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
December 2027	2028	On-going

Funding or Revenue Implications

Funding and revenue implications of urban renewal are well-documented in the Urban Renewal Plan. Using Urban Renewal as described above is in keeping with the Urban Renewal Plan.

Recommendations for Future Actions

The following actions, while important and useful, are not included as strategies in the HPS for a variety of reasons. Some of these recommendations are broad, without a clear action at this point for the City. Others are good ideas but less likely to gain support as actions. They are included as recommendations for the City to act on in the 8-year planning period or to reconsider when next developing an HPS.

- **Maintain a standing Advisory Group of community members that will have an active role in implementing this plan.** The advisory group should include community members from underrepresented and hard to reach communities. This group would play an advisory role to the city manager and council, providing recommendations on implementation. The existing Housing Advisory Committee is likely the group to implement this plan.
- **Connect economic development efforts closely with housing planning.** Part of the challenge to developing housing in Grants Pass is the relatively low wage in Grants Pass and Josephine County, compared to the State averages. In 2021, the average wage in Josephine County was \$44,000, compared to the statewide average of \$64,000. The cost of building housing in Grants Pass is comparable to the cost of building housing in other parts of Southern Oregon or the Willamette Valley. The lower wages in Josephine County mean that newly built housing is less affordable than the same housing in other parts of the state. One way to address this is to continue with efforts to support growth of jobs that have sufficient pay to at least allow a worker to afford market-rate rental housing in Grants Pass and preferably allow for homeownership, an issue that is already a priority for Grants Pass.
- **Work with owners of manufactured home parks to preserve parks at risk for redevelopment.** Manufactured home parks play a significant role in providing naturally occurring affordable housing. The City can work with owners of manufactured home parks, especially those where redevelopment is being considered, to identify opportunities to preserve manufactured home parks through approaches such as resident owned cooperatives or nonprofit ownership. Oregon Housing and Community Services (OHCS) funds are available from the Oregon Legislature to support these efforts.
- **Monitor expiration of existing affordability requirements for income-restricted housing and work with owners to preserve units as affordable housing.** Preservation of existing and expiring income-restricted affordable housing is a more cost-effective strategy than building new affordable housing. Grants Pass has nine regulated housing properties with Low-Income Housing Tax Credit (LIHTC) funding. Of those, six are privately owned and may have LIHTC that expire in the next few years. With nothing in place to protect from loss of these units upon expiration of the LIHTC, these affordable units could lose their guaranteed affordable rents.

The City should, at a minimum, track the expiration of the subsidies for these properties, using information from Oregon Housing and Community Services. Recent state legislation established a regulatory framework for expiration of LIHTC multi-unit rental housing developments with expiring affordability restrictions across a range of state funding programs. Owners must notify local government and the state when affordability restrictions will expire, and owners must provide the opportunity for the state, local government, or designee to make an offer to purchase the property and to match a competing offer.

For these or other properties in a similar situation (such as HUD and Rural Development properties), the City should work to identify organizations (e.g., nonprofit affordable housing providers) that might be willing and able to acquire the properties if the owners seek to sell or convert them to market rate. The City and Oregon Housing and Community Services staff should coordinate on outreach to the property owner before the end of the affordability period to offer technical assistance with preservation options and make them aware of any City programs or incentives available at that time to maintain affordability (e.g., tax exemptions).

- **Provide off-site infrastructure subsidies to support new affordable housing development.** Off-site infrastructure connects a development site to the City's larger infrastructure systems, such as the road network or sanitary sewer system. Lack of off-site infrastructure may be a significant barrier to affordable housing development because development cannot occur until the off-site infrastructure deficiencies are addressed. Developers typically pay for the costs of building off-site infrastructure which routinely costs more than SDCs. This increases housing development costs and reduces supply.

The City should address infrastructure deficiencies that are limiting affordable housing development. Building this infrastructure will need a specific funding source with significant financial capacity, such as Urban Renewal, American Rescue Plan Act funds (ARPA), existing or new State grants or other funding, or a local General Obligation Bond.

- **Scale System Development Charges (SDCs) to unit size and allow smaller lot sizes to encourage the development of smaller, entry-level homes.** Grants Pass charges a set SDC per dwelling unit, charging the same SDCs for large single-family detached units as for small single-family detached units. Grants Pass should scale SDCs based on the size of the unit in square feet. Offering lower SDC for smaller units can encourage development of smaller units, such as small single-family detached units or cottage cluster units.
- **Provide incentives in the development code to increase the number of accessible units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards.** Increasing the number of units that meet accessibility standards will provide more options for people to live independently or in a housing setting of their choice.

The City should develop pre-approved plan sets (e.g., single-unit detached and attached homes with barrier-free, universal design), within the context of American with Disability Act (ADA) and Federal Housing Administration (FHA) rules. The City could use the Oregon Lifelong Housing Certification program,¹⁷ which lists accessibility at different “levels” of accessible design elements, such as visitor accessible (which is basic accessibility for visitors) and enhanced accessible (which is accessible for a person in a wheelchair for the central living floor). Examples of universal design features that can help people age in place or assist people with disabilities include ramps, lever door handles, automatic doors, or flat panel light switches.

The City could also fund a grant to decrease Building Department charges (plan check fee) by some percentage for pre-approved plans and work to reduce approval times.

- **Issue a General Obligation bond to support housing and infrastructure development.** A General Obligation (GO) Bond can provide a stable, dedicated revenue source to fund infrastructure to support affordable housing, land acquisition, property acquisition, and direct project subsidies through increased property tax rates. It is the primary funding source that could directly support workforce housing, such as that below 60% of MFI or up to 80% of MFI (or above).

GO bonds are issued for a specific dollar amount and paid for over the period of the bond through increased property taxes. Because they are legally limited to use for capital investments and require a public vote to enact, these bonds are typically used for major infrastructure investments (such as roadway improvements that benefit all, or nearly all, of a city’s residents). However, GO bonds can be used for land acquisition or affordable housing development if the city’s residents agree to fund them. Bonds cannot be used for supportive services or for operations. GO bonds are not subject to Measure 5 and 50 rate limits. They can be structured to provide revenue in increments over time, rather than in one large up-front amount.

¹⁷ Information about this certification program can be found at: <https://rvcog.org/home/sds-2/lifelong-housing-program/#:~:text=The%20Lifelong%20Housing%20Certification%20Project,call%20541%2D423%2D1383>.

4. Evaluation: Achieving Fair and Equitable Housing Outcomes

This chapter presents an evaluation of the goals and actions for achieving fair and equitable housing outcomes. It also includes a discussion of monitoring the outcomes of Grants Pass' HPS.

Evaluation of the Policies and Actions

OAR 660-008 requires an evaluation of all the HPS for achieving the following types of outcomes. The discussion below provides a brief evaluation of each of the expected outcomes for the policies and actions of the HPS, with a focus on housing opportunities for federal and state protected classes.¹⁸ This is not intended to be an exhaustive evaluation of how each action addresses these outcomes. It is a high-level overview of the HPS.

- **Affordable Homeownership.** This criterion focuses on actions that support production of housing affordable for homeownership and includes actions to support development of housing affordable at less than 120% of MFI. Many of the actions in the HPS support development of affordable housing for homeownership through supporting development of lower-cost ownership housing and removing regulatory barriers to development of affordable ownership housing. Some of existing city actions and actions within the HPS that support affordable homeownership include:
 - *Existing actions and programs*
 - The City has made zoning and code changes that support development of affordable rental housing, such as allowing missing middle housing as required by House Bill 2001, establishing preapproved plan sets for ADUs, and evaluating opportunities to increase densities for land brought into the UGB with annexation.
 - The City exempts or reduces SDCs for affordable housing (backfilling from the Affordable Housing Fund) and ADUs.
 - The City designated just over \$3 million in ARPA funds to the local housing authority to identify a suitable location for affordable housing and develop an affordable housing complex.

¹⁸ Federal protected classes are race, color, national origin, gender, familial status, and disability. Oregon's additional protected classes are marital status, source of income, sexual orientation, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing in based on the characteristics of people within these protected classes.

- **Actions in the HPS**
 - Action A is focused on rezoning land brought into the UGB for housing. This land could be used for the development of ownership housing including affordable homeownership housing.
 - Action B focuses on outreach and education to promote development of housing and access to housing. This includes outreach to developers of innovative housing models to promote development of a wider range of affordable homeownership housing in Grants Pass.
 - Action C focuses on dedicating city-owned surplus land for development of affordable housing, which could include working with a community land trust to support development of affordable ownership housing.
 - Action D is to develop a program to support affordable homeownership through partnerships, providing financial assistance (such as down payment assistance), or working with a land trust to develop affordable homeownership housing.
 - Action E seeks to increase densities to support affordable housing. By removing code barriers that are preventing developers from achieving allowed densities and providing density bonuses, the City can help make the development of certain types of higher density ownership housing more financially feasible.
 - Action K advocates for using Urban Renewal Area funding to support housing and infrastructure development. Some of this investment could support development of affordable housing for homeownership through direct project subsidies or infrastructure investments.
- **Affordable Rental Housing.** Supporting affordable rental housing includes actions to support production of both income-restricted affordable housing (affordable to households with incomes below 60% of MFI) and market rate affordable housing (affordable for households with incomes between 60% and 120% of MFI). Existing actions and actions within the HPS that support affordable rental housing include:
 - **Existing actions and programs**
 - The City adopted a CET in 2021 and intends to provide funding to support development of affordable rental housing at or below 100% of MFI.
 - The City provided a low-interest loan to support land acquisition and development of 66 units of affordable housing on City-owned land.
 - The City designated just over \$3 million in ARPA funds to the local housing authority to identify a suitable location for affordable housing and develop an affordable housing complex.
 - The City exempts or reduces SDCs for affordable housing (backfilling from the Affordable Housing Fund) and ADUs.

- The City has made zoning and code changes that support development of affordable rental housing such as setting mandatory minimum residential densities in the R-3 and R-4 zones, allowing missing middle housing as required by House Bill 2001, establishing preapproved plan sets for ADUs, and evaluating opportunities to increase densities for land brought into the UGB with annexation.
- The City implemented a Vertical Housing Development Zone Tax Abatement to support development of mixed-use housing.
- *Actions in the HPS*
 - Action A is focused on rezoning land brought into the UGB for housing. This land could be used for development of rental housing including affordable rental housing.
 - Action B focuses on outreach and education to promote development of housing and access to housing with the intention of gaining greater community support for affordable rental housing development. This outreach is a critical part of increasing community acceptance of affordable rental housing and understanding that it is a critical type of housing for people who work at businesses in Grants Pass.
 - Action C focuses on dedicating city-owned surplus land for development of affordable housing, which could include working with nonprofit rental developers to support development of affordable rental housing. To the extent that this yields another site where affordable rental housing could be developed, this action has the potential to make a real impact on affordable rental housing.
 - Action E seeks to increase densities to support affordable housing. By removing code barriers that are preventing developers from achieving allowed densities and providing density bonuses, the City can help make development of multi-unit rental housing more financially feasible.
 - Action F is to refocus the SDC waiver program to include density waivers to encourage high density, multi-unit rental housing including affordable rental housing, in designated areas.
 - Action G is to implement the Multiple Unit Property Tax Exemption which offers an incentive for the preservation and development of rental housing for low to moderate income households in mixed-income, market-rate developments.
 - Action H is to implement the Nonprofit Corporation Low Income Housing Tax Exemption which would reduce development barriers and lower operating costs for publicly subsidized affordable rental housing (affordable at 60% of MFI or below).
 - Action K advocates for using Urban Renewal Area funding to support housing and infrastructure development. Some of this investment could support

development affordable rental housing through direct project subsidies or infrastructure investments.

The HPS recommends monitoring expiration of existing affordability requirements for income-restricted housing and work with owners to preserve units as affordable housing.

- **Housing Stability.** Increasing housing stability includes actions that increase the stability of existing households, prevent displacement, and mitigate gentrification resulting from public investments or redevelopment. Existing actions and actions within the HPS that address housing stability include:

- *Existing actions and programs*

- The City funds rehabilitation and weatherization of existing housing through CDBG funding to prevent or mitigate displacement of low-income residents.

- *Actions in the HPS*

- Action G is to implement the Multiple Unit Property Tax Exemption which offers an incentive for the preservation of rental housing for low to moderate-income households in mixed-income, market-rate developments. This can be used to support rehabilitation of multifamily rental housing, with agreements about retaining naturally occurring affordable housing costs.
- Action I focuses on expanding funding and outreach for rehabilitation of existing low-cost unregulated housing such as through expanding programs and grants for repairs, rehabilitation, and retrofitting as well as providing technical assistance and reducing regulatory barriers to improving older housing. This action can keep housing habitable and affordable, allowing residents to remain in housing even with changing financial situations, aging, etc.

The HPS recommends that the City work with owners of manufactured home parks to preserve parks at right of redevelopment. In addition, the HPS recommends monitoring expiration of existing affordability requirements for income-restricted housing and working with owners to preserve units as affordable housing.

- **Housing Options for People Experiencing Homelessness.** Increasing options for people experiencing homelessness includes working with partners and identifying ways to address homelessness and actions that reduce the risk of households becoming homeless (especially for households with income below 30% of MFI). The HPS includes the following options for people experiencing homelessness:

- *Existing actions and programs*

- The City received a grant from the Department of Administrative Services for \$1 million to support the creation of a navigation center.

- *Actions in the HPS*

- Action J focuses on supporting the development of a resource center for people experiencing homelessness which includes an emergency shelter and a wide range of resources and services. The City may partner with existing service providers, provide a site for the center, facilitate the permitting and review process, and/or provide financial resources.
- **Housing Choice.** Increasing housing choice involves increasing access to housing for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Increasing housing choice also means increasing access to existing or new housing that is in neighborhoods with healthy and safe environments and high-quality community amenities, schooling, and employment and business opportunities. Existing actions and actions within the HPS that increase housing choice include:
 - *Existing actions and programs*
 - The City has made zoning and code changes that can support development of a variety of housing types in different neighborhoods such as setting mandatory minimum residential densities in the R-3 and R-4 zones, allowing missing middle housing as required by House Bill 2001, establishing preapproved plan sets for ADUs, and evaluating opportunities to increase densities for land brought into the UGB with annexation.
 - *Actions in the HPS*
 - Action B focuses on outreach and education to promote development of housing and access to housing with the intention of encouraging developers to build new housing, especially housing types that are not presently being built in Grants Pass, such as missing middle housing types.
 - Action E seeks to increase densities to support affordable housing which includes incentivizing development in mixed-use neighborhoods with access to amenities and services.
 - Action F is to refocus the SDC waiver program to include density waivers to encourage high density, multi-unit rental housing, including affordable rental housing in mixed-use neighborhoods with access to amenities and services.
 - Action K advocates for using Urban Renewal Area funding to support housing and infrastructure development, some of which can be used to support development of multi-unit rental, middle housing, and affordable ownership projects.

The HPS recommends providing incentives in the development code to increase the number of accessible units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards.

- **Location of Housing.** Diversifying the location of housing requires increasing options for residential development that is compact, in mixed-use neighborhoods, and available

to people within state and federal protected classes. This measure is intended, in part, to meet statewide greenhouse gas emission reduction goals. Existing actions and actions within the HPS that support development of compact, mixed-use neighborhoods include:

- ***Existing actions and programs***
 - The city implemented a Vertical Housing Development Zone Tax Abatement to support development of mixed-use housing.
- ***Actions in the HPS***
 - Action E seeks to increase densities to support affordable housing, which includes incentivizing development in mixed-use neighborhoods.
 - Action F is to refocus the SDC waiver program to include density waivers to encourage high density, multi-unit rental housing, including affordable rental housing, in designated areas such as in the Urban Renewal Area and in Climate-Friendly areas.
 - Action K advocates for using Urban Renewal Area funding to support housing and infrastructure development, which includes supporting housing development within compact, mixed-use neighborhoods.
- **Fair Housing.** Supporting Fair Housing is accomplished by increasing access to housing for people in state and federal protected classes, Affirmatively Furthering Fair Housing, addressing disparities on access to housing opportunity for underserved communities, and decreasing patterns of segregation or concentrations of poverty. Actions within the HPS that further Fair Housing policies include:
 - ***Existing actions and programs***
 - The City included a Fair Housing specialist at the annual rent burden forum.
 - ***Actions in the HPS***
 - Action B focuses on outreach and education to promote development of housing and access to housing, which will include fair housing training for tenants and landlords.
 - Action H is to implement the Nonprofit Corporation Low Income Housing Tax Exemption which would reduce development barriers and lower operating costs for publicly subsidized affordable rental housing (affordable at 60% of MFI or below) and may provide housing options for people in state and federal protected classes.
 - Action I focuses on expanding funding and outreach for rehabilitation of existing low-cost unregulated housing such as through expanding programs and grants for repairs, rehabilitation, and retrofitting, as well as providing technical assistance and reducing regulatory barriers to improving older housing. This action can keep housing habitable and affordable, preventing displacement.

Taken together, the policies and actions included in Grants Pass' Housing Production Strategy are intended to work together to achieve equitable outcomes for all residents of Grants Pass, with an emphasis on improving outcomes for underserved communities, lower-income households, and people in state and federal protected classes.

Monitoring Outcomes of the HPS

This is Grants Pass first HPS. As a result, the City is required to describe how it will measure the implementation and progress of the HPS. This section focuses on these issues.

Grants Pass is required to report progress on implementation of the HPS to DLCD every four years.¹⁹ This report must include:

- **A summary of the actions taken to implement the HPS.** If there are actions that the City has not implemented on the schedule for the first four years of the HPS (i.e., actions expected to be adopted by December 31, 2024), the City needs to provide an explanation of the barriers to implementation and a plan for addressing the need that the action was intended to address. That plan could include identification of other actions in the HPS that will meet the identified need, or it could include development of a new action to meet the need.
- **A reflection of the efficacy of the actions the City has implemented.** This reflection should discuss the outcomes the City is observing from the actions they have implemented to date and could include expectations for future outcomes.
- **A reflection of the efficacy of the actions in the context of the outcomes described above.** This section evaluates the goals and actions in the HPS for expected outcomes, such as increasing housing options for affordable homeownership, affordable rental housing, housing stability, housing options for people experiencing homelessness, housing choice, location of housing, and Fair Housing. The report should describe whether the goals and actions implemented have resulted in the outcomes described above.

In addition, Grants Pass is required to report about actions that will not be adopted on the schedule presented in Exhibit 16. The City must notify DLCD that it will be unable to adopt the action within 90 days of the end of the timeline to implement the action. This notice must identify the actions or combinations of actions that the City will take to address the need that the action was intended to address. This could include identification of other actions in the HPS that will meet the identified need, or it could include development of a new action to meet the need.

The City will review its progress toward the plan on an annual basis. During the review, the City will document the implementation actions taken over the previous year, along with the

¹⁹ This report is due to DLCD no later than December 31 four years after Grants Pass adopts its HPS.

housing development activity that has occurred. Key questions the Council can consider in its assessment include:

- Are additional actions needed to address new or changing conditions?
- Is staff capacity sufficient to meaningfully advance the strategies?
- What benefits has the City seen from its efforts to date? Are the City's residents, and especially its lower-income residents and communities of color, seeing a return on the investments that the City has made?

The City can track indicators of plan progress in Exhibit 17. In addition, the City could monitor current market conditions to help the Council understand the context in which the overall Affordable Housing Strategy is operating:

- Number and type of new homes produced and total within the city over time – tenure, size, sales price/asking rent, and unit type.
- Share of rent-burdened residents.
- Sales prices and rents for existing homes.
- Number, location, and expiration date of regulated affordable units with change in units provided over time.

When Grants Pass produces its next HPS in eight years, the City will be required to summarize the efficacy of each action included in this HPS. The information resulting from these measures will help Grants Pass to summarize the outcomes and efficacy of the actions in this HPS.

Exhibit 17. Monitoring by Strategy

Strategies	Annual monitoring
Overall Monitoring	<ul style="list-style-type: none"> ▪ Number of affordable units developed by income range ▪ Number of affordable projects developed ▪ Number of new units developed by type of housing
Rezone Land for Housing and Evaluate Opportunities for a UGB Land Swap	<ul style="list-style-type: none"> ▪ Acres of land rezoned by zoning district ▪ Acres of land annexed
Support Outreach and Education to Promote Housing Development and Housing Access	<ul style="list-style-type: none"> ▪ Number of public events and/or targeted discussions held ▪ Number and demographics of attendees ▪ Number of views for online materials ▪ Overall number of residents, landlords, developers participating in city programs
Dedicate Surplus City Lots for Affordable Housing Development	<ul style="list-style-type: none"> ▪ Establish the City's land banking goals and role in land banking ▪ Number of lots/acres dedicated to affordable housing development ▪ Amount of funding used to support land banking ▪ New partnerships established to support land banking
Develop a Program to Support Affordable Homeownership	<ul style="list-style-type: none"> ▪ Amount of funding dispersed for affordable homeownership ▪ Number of projects (and units) receiving project subsidies ▪ Number of households receiving homeownership assistance ▪ New partnerships established or expanded to support affordable homeownership
Increase Densities to Support Development of Affordable Housing	<ul style="list-style-type: none"> ▪ Document changes to the City's development code ▪ Densities of newly developed multifamily housing ▪ Inquiries into density bonuses ▪ Number of projects (and units) receiving density bonuses
Refocus SDC Waiver Program to include Density Waivers in Designated Areas	<ul style="list-style-type: none"> ▪ Number of inquiries about SDC waiver program ▪ Number of projects (and units) granted SDC waiver
Implement the Multiple-Unit Limited Tax Exemption Program	<ul style="list-style-type: none"> ▪ Number of inquiries about tax exemption ▪ Number of projects (and units) granted tax exemption
Implement the Nonprofit Corporation Low Income Housing Tax Exemption	<ul style="list-style-type: none"> ▪ Number of inquiries about tax exemption ▪ Number of projects (and units) granted tax exemption
Expand Funding and Outreach for Rehabilitation of Existing Low-Cost, Unregulated Housing	<ul style="list-style-type: none"> ▪ Amount of funding used for rehabilitation ▪ Number of units where funding was given for rehabilitation or preservation ▪ Average amount of funding per unit ▪ New partnerships established or expanded for preservation
Support Development of a Resource Center for People Experiencing Homelessness	<ul style="list-style-type: none"> ▪ New partnerships established or expanded for resource center ▪ Amount of funding dedicated to the resource center ▪ Number of beds for people experiencing homelessness ▪ Type of services offered at the resource center ▪ Number and demographics of people who access services
Use Urban Renewal to Support Housing and Infrastructure Development	<ul style="list-style-type: none"> ▪ Amount of funding investments made with urban renewal dollars to support affordable housing ▪ Number of affordable units built using urban renewal dollars ▪ Amount of funding dispersed for off-site infrastructure that supports housing development

Appendix A: Contextualizing Grants Pass' Housing Needs

This appendix provides information to contextualize Grants Pass' housing needs. It provides an understanding of the issues before solutions are proposed. This appendix draws its information and findings from data sources and other planning efforts, described in the main report. Where appropriate, this appendix also draws on information gathered through the City of Grants Pass' past engagement efforts with housing producers and consumers.

As a part of providing context to better understand Grants Pass' housing needs, this appendix presents information about housing in Grants Pass for race, ethnicity, age, disability status, and other characteristics of the community to understand disproportionate housing impacts on different groups.

Demographic and Socio-Economic Characteristics Affecting Grants Pass' Housing Needs

This section describes unmet housing needs for people in Grants Pass by age, race and ethnicity, disability, household size and composition, and household income.

Data Used in This Analysis

Throughout this analysis data is used from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:²⁰

- The **Decennial Census**, which is completed every 10 years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2020, the Decennial Census does not collect

²⁰ It is worth commenting on the methods used for the American Community Survey. The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

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

more detailed household information, such as income, housing costs, housing characteristics, and other important household information.

- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report primarily uses data from the 2015-2019 ACS for Grants Pass and comparison areas.²¹ Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census.²² Among other data points noted throughout this analysis, this report also includes data from Oregon’s Housing and Community Services Department, the United States Department of Housing and Urban Development, Costar, and other sources.

Age of People in Grants Pass

Population growth is the primary driver of growth in housing. Between 2000 and 2021, Grants Pass’ population grew by about 16,472 people, with most of the growth occurring in the early 2000’s. Between 2010 and 2021, Grants Pass’ population grew by 6,250 new residents. Between 2000 and 2021, Grants Pass grew at a faster rate than Josephine County.

Growth in Grants Pass’ senior population, as well as other age cohorts, will continue to shape the City’s housing needs. Seniors account for 27% of Grants Pass’ existing population, and Josephine County expects to have more than 4,400 more people over 60 years old by 2040 than in 2020.²³

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-unit homes (detached and attached) or multi-unit homes, moving in with family, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines.

²¹ Five-year 2020 ACS data is not expected to be available until the Summer of 2021 at the earliest, which does not align with the completion timeframe of this report.

²² The 2020 Census was completed at the end of 2020. However, extenuating circumstances brought on by the COVID-19 pandemic has led to some challenges with the data. The Census Bureau is undergoing a post-enumeration survey to understand the accuracy of the 2020 Census which was not complete as of February 2022.

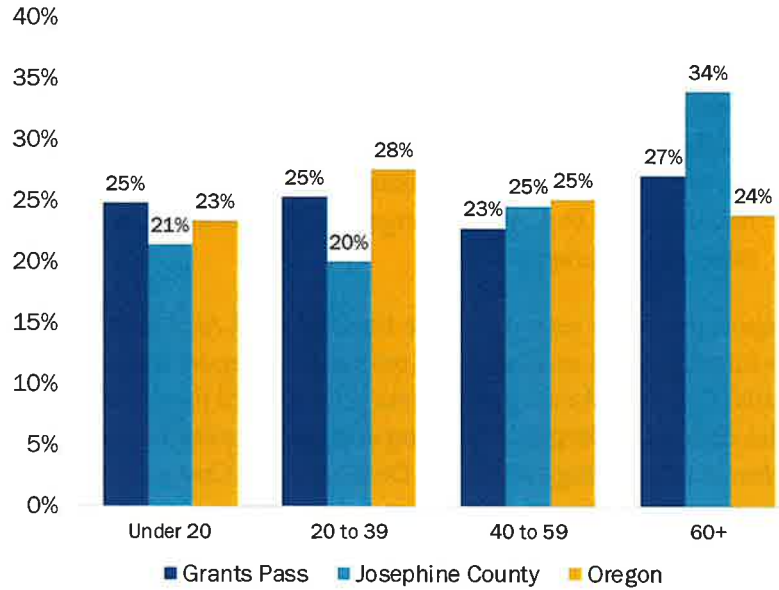
²³ Final Population Forecast for Josephine County, prepared by the Population Research Center at Portland State University, June 20, 2018.

In the 2015-2019 period, about 27% of Grants Pass' residents were over 60 years old.

Grants Pass had a smaller share of people over the age of 60 than Josephine County.

Exhibit 18. Population Distribution by Age, Grants Pass, Josephine County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS, Table B01001.

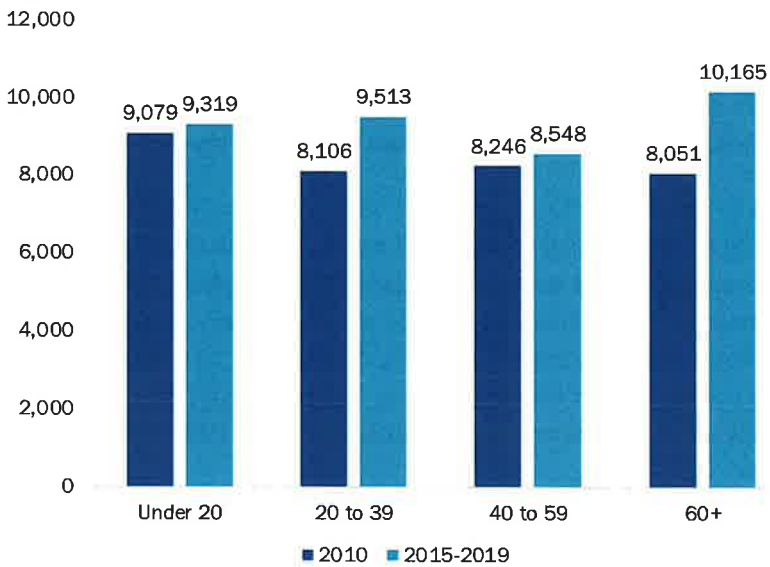


Between 2010 and 2015-2019, people over 60 years old had the largest increase, adding 2,114 people.

Between 2020 to 2040, the population aged 40-59 in Josephine County is forecast to grow by 20% (4,209 people). The population aged 60 and over is forecast to grow 14% (4,434 people).²⁴

Exhibit 19. Population Growth by Age, Grants Pass, 2010, 2015-2019

Source: U.S. Census Bureau, 2010 Decennial Census Table PCT13 and 2015-2019 ACS, Table B01001.



²⁴ Final Population Forecast for Josephine County, prepared by the Population Research Center at Portland State University, June 20, 2018.

Race and Ethnicity

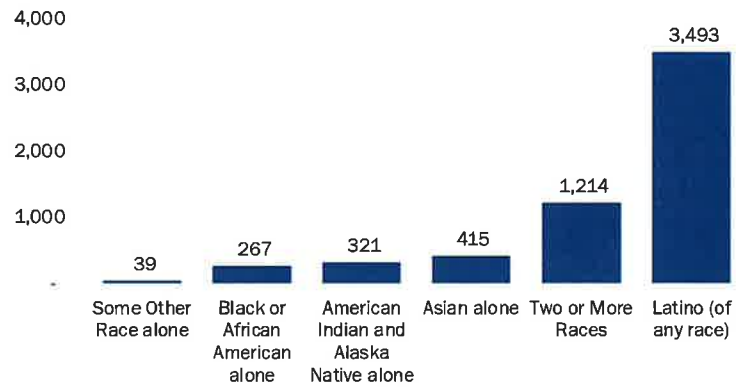
Understanding the race and ethnicity characteristics in Grants Pass is important for understanding housing needs, because people of color often face discrimination when looking for housing.²⁵

About 5,750 people identify as a race/ethnicity other than White alone in Grants Pass. Nearly 3,500 people identify as Latino.

Not shown in the exhibit are the 31,796 people identifying as White in Grants Pass.

Exhibit 20. Population by Race/Ethnicity for People of Color, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS, Tables B02001 and B03002, 2010 Decennial Census P003001 and P005001.

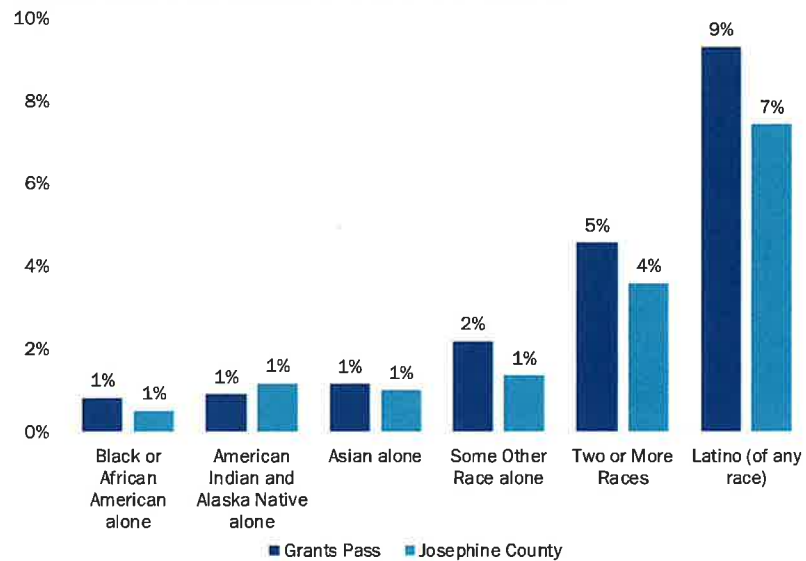


Residents who identify as Latino (of any race) account for 9% of Grants Pass' population. The largest racial group in Grants Pass is Two or More Races, which accounts for 5% of Grants Pass' population.

Not shown in the exhibit, is about 90% of Grants Pass' population and 92% of the Josephine County's population identifying as White alone.

Exhibit 21. Population Distribution by Race and Ethnicity, for People of Color, Grants Pass and Josephine County, 2015-2019

Source: US Census Bureau, ACS 2019 5-Year Estimates, Tables B02001 and B03002, 2010 Decennial Census P003001 and P005001.

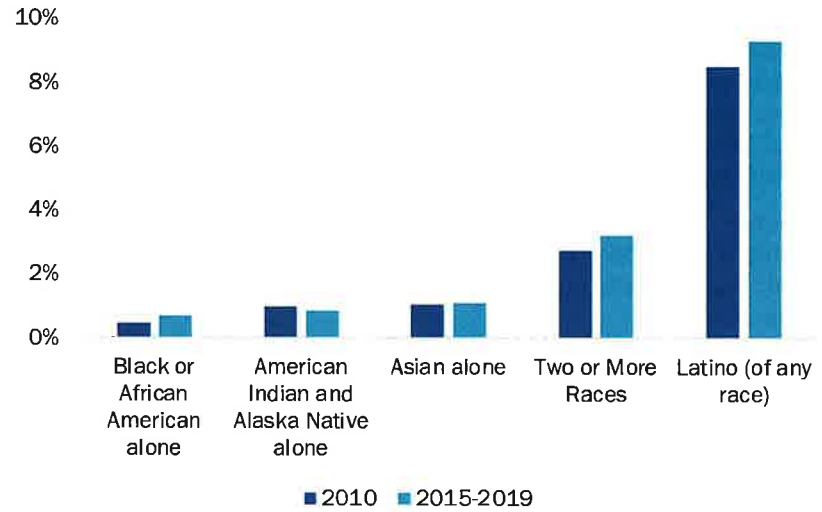


²⁵ The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Latino is an ethnicity and not a race, meaning individuals who identify as Latino may be of any race.

The share of Grants Pass' households that identified as Latino (of any race) increased slightly from 2010 to 2019 from 2,940 people to 3,493 people in 2019, consistent with regional trends.

Exhibit 22. Change in Population by Race and Ethnicity (for People of Color) as a Percent of the Total Population, Grants Pass, 2010 and 2015-2019

Source: US Census Bureau, ACS 2019 5-Year Estimates, Tables B02001 and B03002, 2010 Decennial Census P003001 and P005001.



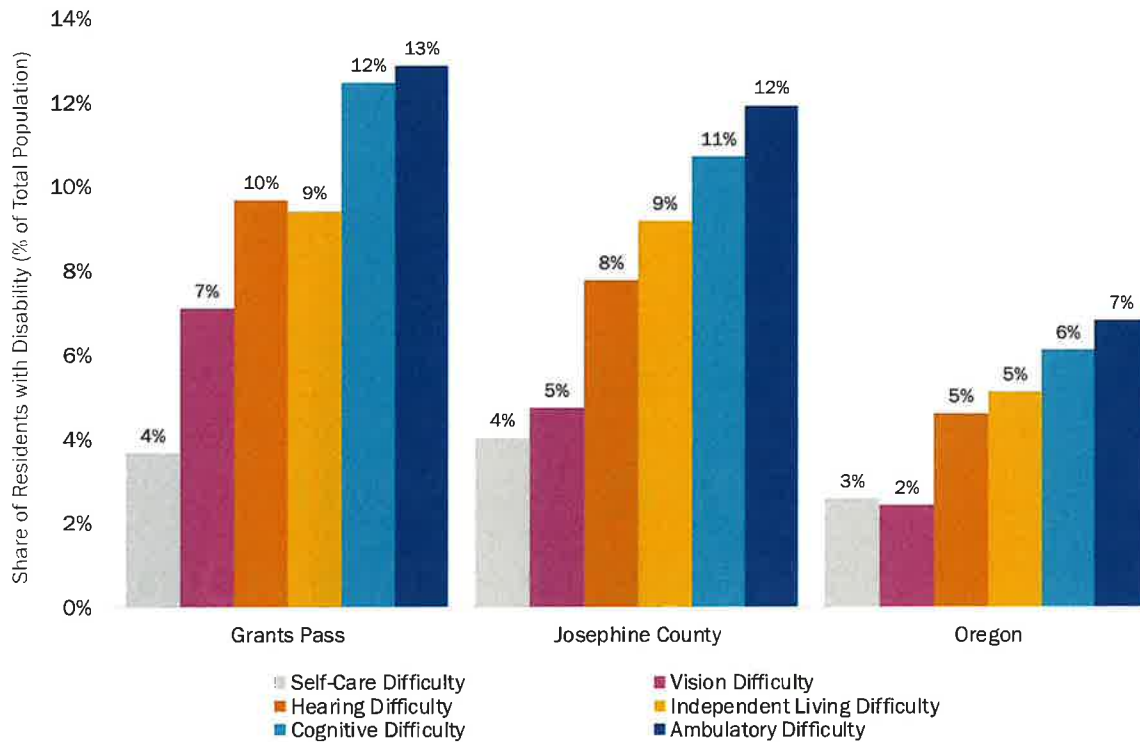
People With a Disability

People with one or more disabilities have special housing needs, because they may need housing that is physically accessible, housing that meets the needs of people with cognitive disability, or housing with specialized services.

Nearly a quarter of Grants Pass' population has one or more disabilities (about 9,200 people).

Exhibit 23. Persons Living With a Disability by Type and as a Percent of Total Population, Grants Pass, Josephine County, Oregon, 2015-2019

Source: U.S. Census Bureau 2015-2019 ACS, Table K201803.



Household Size and Composition

Housing need varies by household size and composition. The housing needs of a single-person household are different than those of a multi-generational household. On average, Grants Pass' households are smaller than both Josephine County's and Oregon's households.

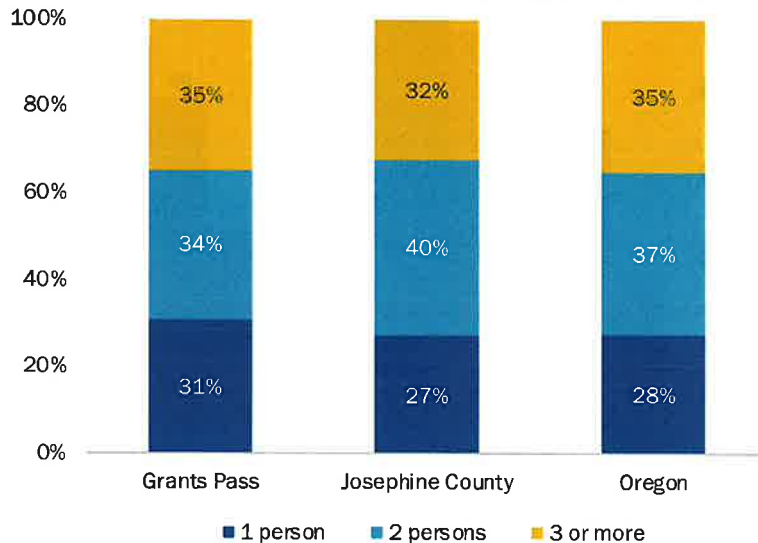
Grants Pass' average household size was slightly smaller than Josephine County's and Oregon's.

Exhibit 24. Average Household Size, Grants Pass, Josephine County, Oregon, 2015-2019
Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25010.

2.32 Persons **2.34 Persons** **2.51 Persons**
Grants Pass Josephine County Oregon

About 65% of Grants Pass' households were one and two person households.

Exhibit 25. Household Size, Grants Pass, Josephine County, and Oregon, 2015-2019
Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25010.

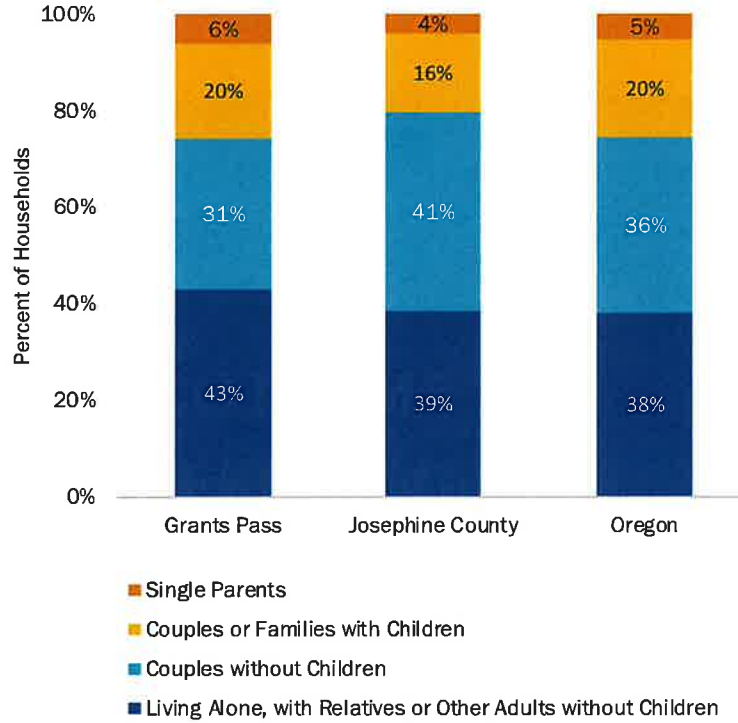


Grants Pass had a slightly larger share of households with children than Josephine County.

About 26% of Grants Pass households have children, compared with 20% of Josephine County households and 25% of Oregon households.

Exhibit 26. Household Composition, Grants Pass, Josephine County, and Oregon, 2015-2019

Source: US Decennial Census 2010, P020001 and ACS 5-Year Estimates 2015-2019 Table B11012.

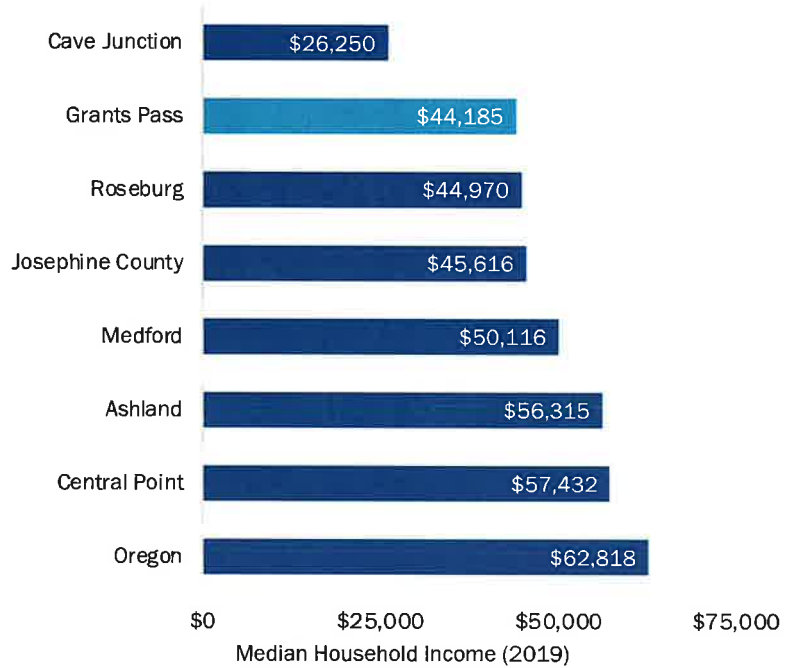


Household Income

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Grants Pass was lower than the Josephine County median income and the state's median income.

Over the 2015-2019 period, Grants Pass' median household income was \$1,431 which is less than Josephine County's Median Household Income or \$45,616.

Exhibit 27. Median Household Income, Grants Pass, Josephine County, Oregon, Comparison Cities, 2015-2019
Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25119.

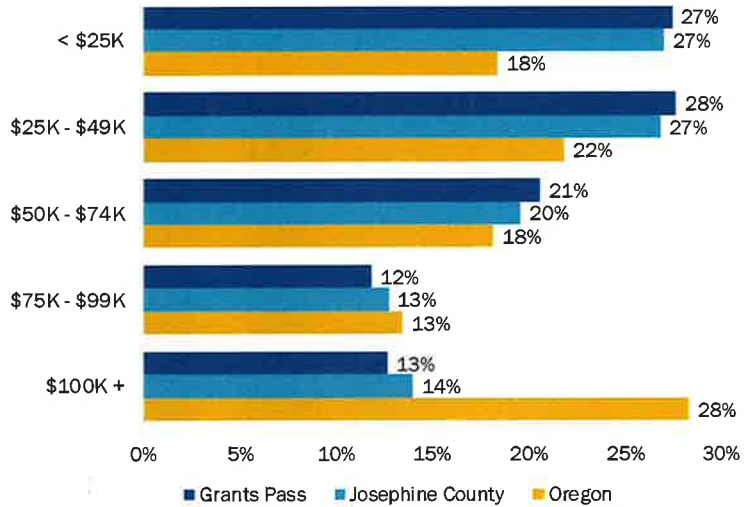


Slightly over half of all households in Grants Pass (55%) earned less than \$50,000, compared to 54% of Josephine County households, and 40% of Oregon households.

Grants Pass has fewer households earning more than \$75,000 compared to Josephine County and Oregon.

Exhibit 28. Household Income Distribution, Grants Pass, Josephine County, Oregon, 2015-2019

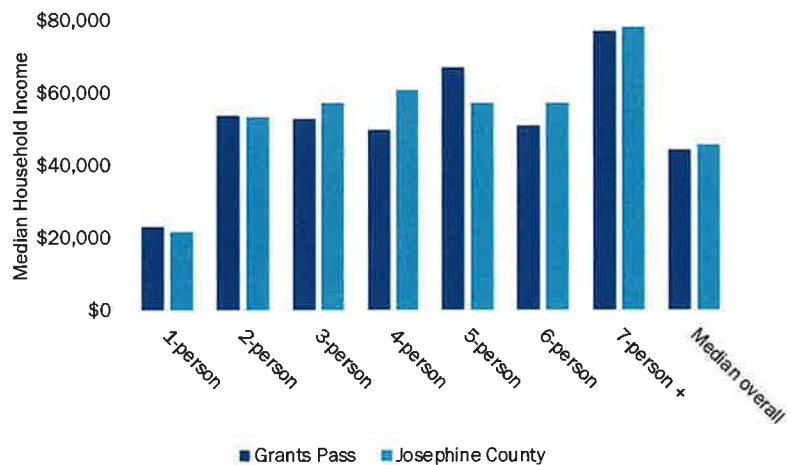
Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19001.



Median household income in Grants Pass varies with household size and is lowest for a single-person household.

Exhibit 29. Median Household Income by Household Size, Grants Pass, 2015-2019

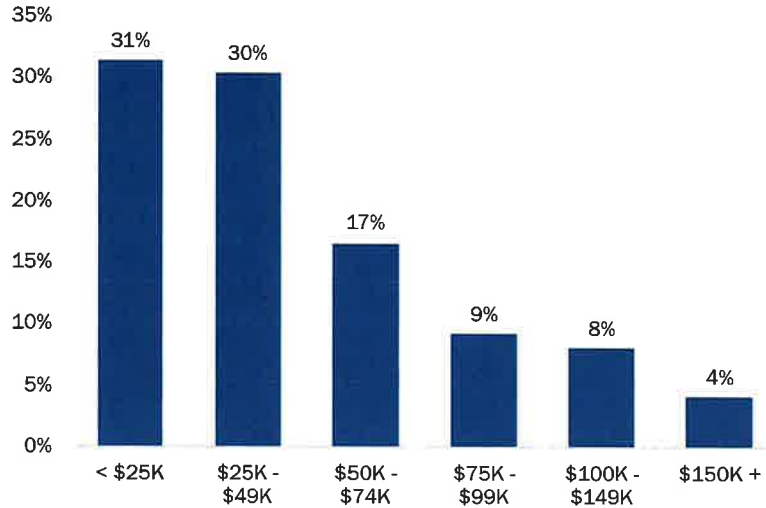
Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19019
 Note: Exhibit 29 displays median household income for households in Grants Pass, with Josephine County information providing additional context.



Sixty-one percent of households with a head of householder aged 65 or older earned less than \$50,000 per year.

Exhibit 30. Household Income Distribution for Householders Aged 65 Years and Older, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19037.



Households that identify as Black/African American or Latino (of any race) had incomes below the City's median.

Exhibit 31. Median Household Income by Race and Ethnicity for the Head of Household, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table S1903.

Note: Grants Pass data was not available for heads of households identifying as a Native Hawaiian or Pacific Islander, Some Other Race alone, or Two or More Races. Josephine County data was not available for heads of households identifying as Black or African American or Some Other Race Alone. Asian and American Indian/Alaska Native categories were removed due to high margins of error. Black bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census.

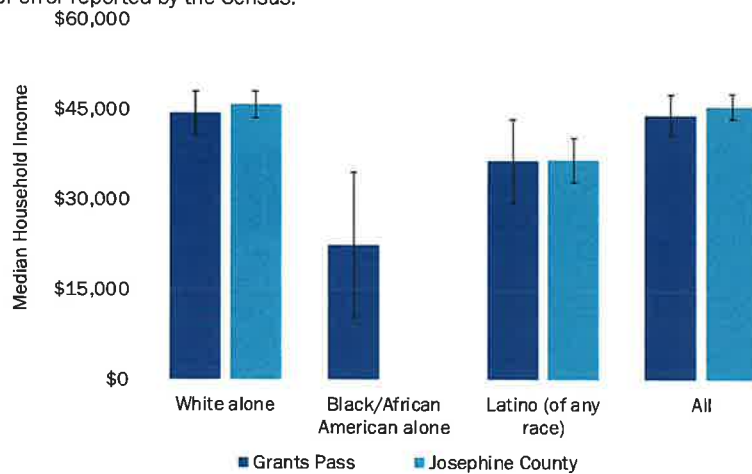


Exhibit 32 to Exhibit 34 compare household income for people of color (POC) households with white non-Hispanic households to show disparities in income levels. The income levels shown in these graphs are the same used throughout this report:

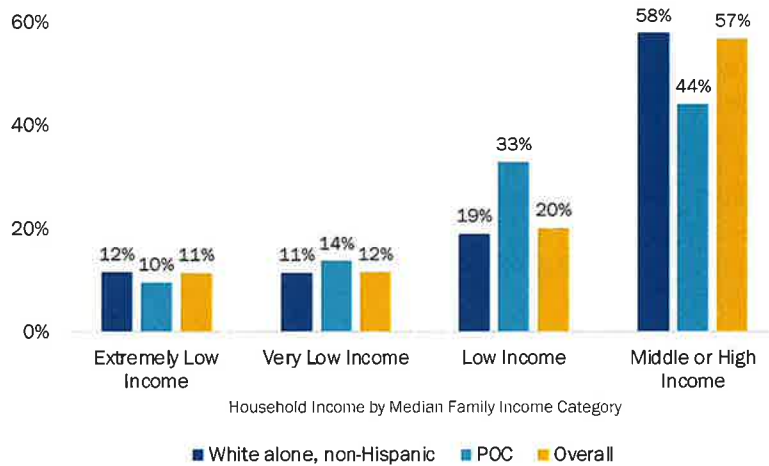
- Extremely Low Income: Less than 30% MFI
- Very-Low Income: 30% to 50% of MFI
- Low Income: 50% to 80% of MFI
- Middle Income: 80% to 120% of MFI
- High Income: 120% of MFI or more

Households headed by a person of color were more likely to be low income or very low income than the average household in Grants Pass.

About 57% of households headed by a person of color has an income below 80% MFI compared to 42% of households with a head of household who identifies as White.

Exhibit 32. Household Income by Income Grouping POC, White non-Hispanic, and All Households, Grants Pass, 2014-2018

Source: CHAS 2014-2018, Table 2.
 Note: POC category includes Hispanic.

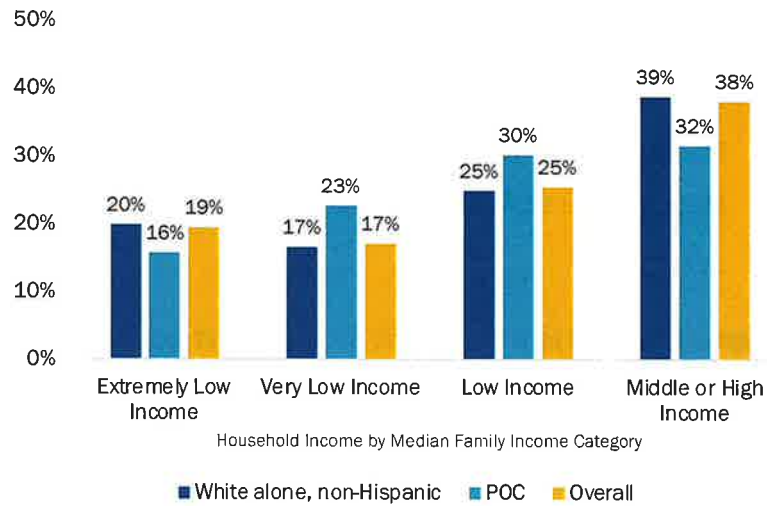


Over 60% of all renter households make below 80% MFI (have low, very low, or extremely low income).

Sixty-nine percent of POC renter households are low income compared to 62% of White households.

Exhibit 33. Renter Income by Income Grouping for POC, White non-Hispanic, and All Households, Grants Pass, 2014-2018

Source: CHAS 2014-2018, Table 2.
Note: POC category includes Hispanic

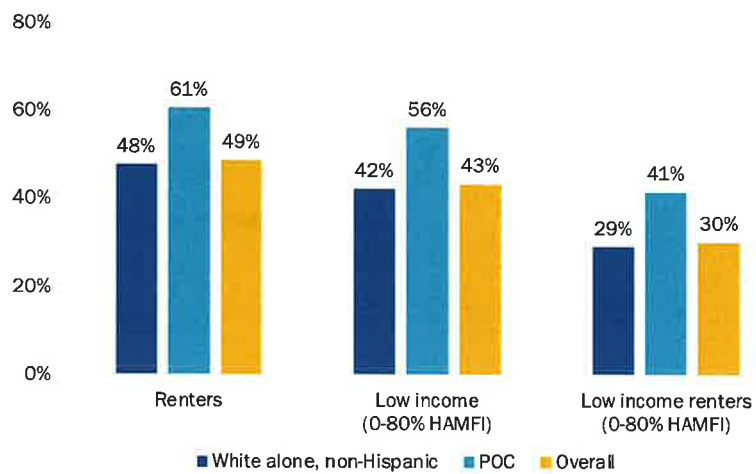


Over 60% of households headed by a person of color are renters compared to 48% of households with a White head of household.

Over 40% of POC households that rent are low income.

Exhibit 34. Comparison by Tenure and Income POC, White non-Hispanic, and All Households, Grants Pass, 2014-2018

Source: CHAS 2014-2018, Table 2.
Note: POC category includes Hispanic.



Housing Market Conditions and Trends

An analysis of housing market conditions and trends in Grants Pass provide insight into the functioning of the local housing market. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-unit detached** includes single-unit detached units, manufactured homes on lots and in mobile home parks²⁶, and accessory dwelling units.
- **Townhomes** includes all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multi-unit** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-unit detached units, manufactured units, or townhomes. This analysis groups multi-unit homes into two sub-categories: (1) duplexes, triplexes, and quadplexes, and (2) multi-unit homes in buildings with five or more units per structure.

Existing Housing Stock

According to the 2015-2019 American Community Survey (ACS) from the U.S. Census, Grants Pass had 16,629 dwelling units, an increase of 6,766 dwelling units from 2000. Most new units built were single units. In that time, about 1,708 units of multi-unit housing were built in Grants Pass, accounting for about 25% of the 6,766 new units over that period.

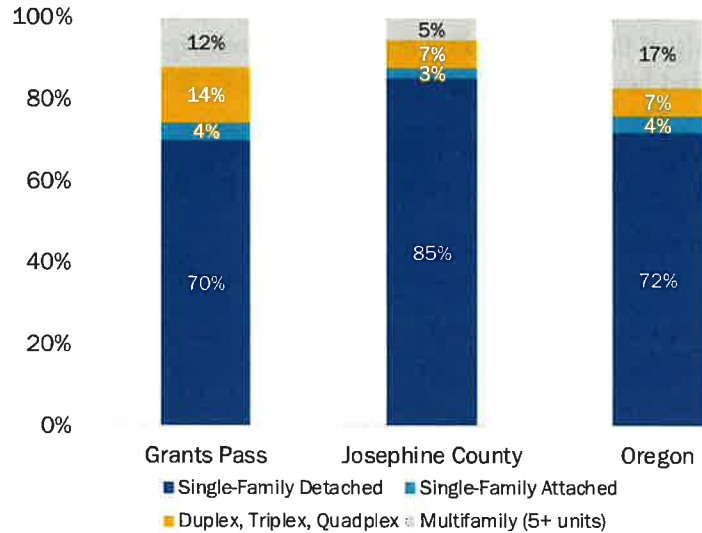
²⁶ According to Grants Pass zoning code (30.020) a manufactured home is “a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.” This does not include recreational vehicles which are defined in the zoning code as “A bot, camper, motor vehicle or portable vehicular structure capable of being towed on the highways by a motor vehicle, designed and intended for casual or short-term human occupancy for travel, recreational and vacation uses. **If identified in some manner as a recreational vehicle by the manufacturer or registered as such with the State, it is prima facie a recreational vehicle.**”

About 70% of Grants Pass' housing stock was single-unit detached housing.

Grants Pass had a larger share of multi-unit housing (with 5+ units per structure) than Josephine County as well as a larger share of duplex, triplex, and quadplex housing than the county and state.

Exhibit 35. Housing Mix, Grants Pass, Josephine County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B25024.

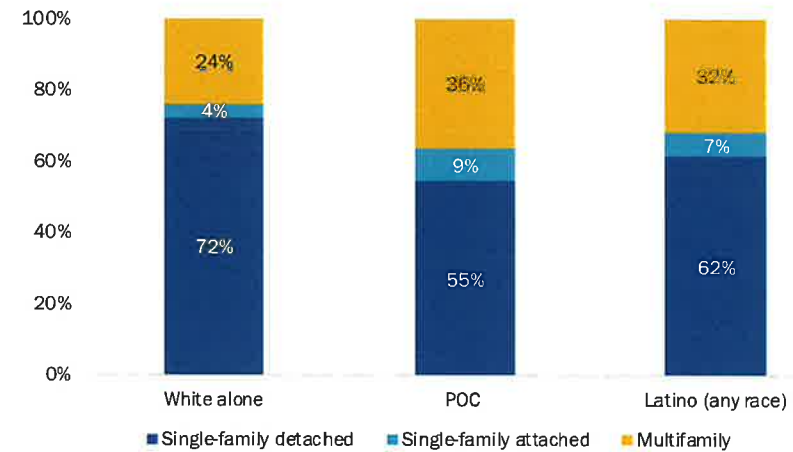


Households that identified as White alone were most likely to live in single-unit detached housing (72%). Households that identified as POC and Latino (any race) lived in multi-unit housing at the highest rates (55% and 62%, respectively).

While this exhibit reflects the types of housing these groups currently live in and/or what they can currently afford to live in, it may not reflect their housing preferences.

Exhibit 36. Occupied Housing Structure by Race and Ethnicity, Grants Pass, 2015-2019

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



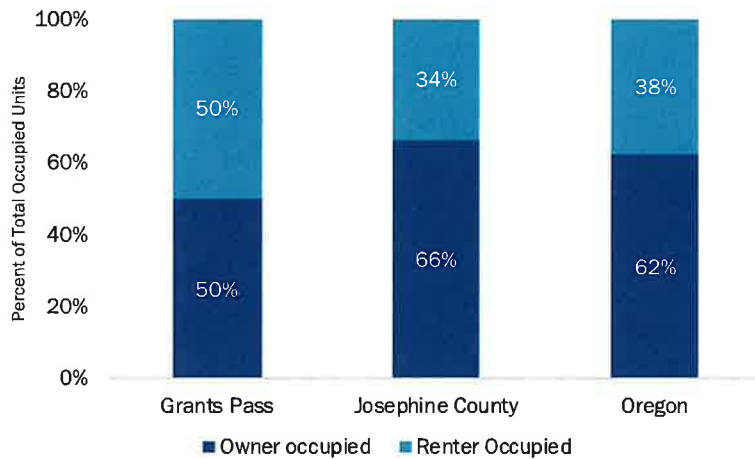
Housing Tenure

Housing tenure describes whether a dwelling is owner or renter occupied. In the 2015-2019 period, about 50% of Grants Pass' housing stock was owner occupied, and 50% was renter occupied. Grants Pass' homeownership rate decreased by 3 percentage points since 2000.

Grants Pass had a lower homeownership rate than Josephine County and Oregon.

Exhibit 37. Tenure, Occupied Units, Grants Pass, Josephine County, and Oregon, 2015-2019

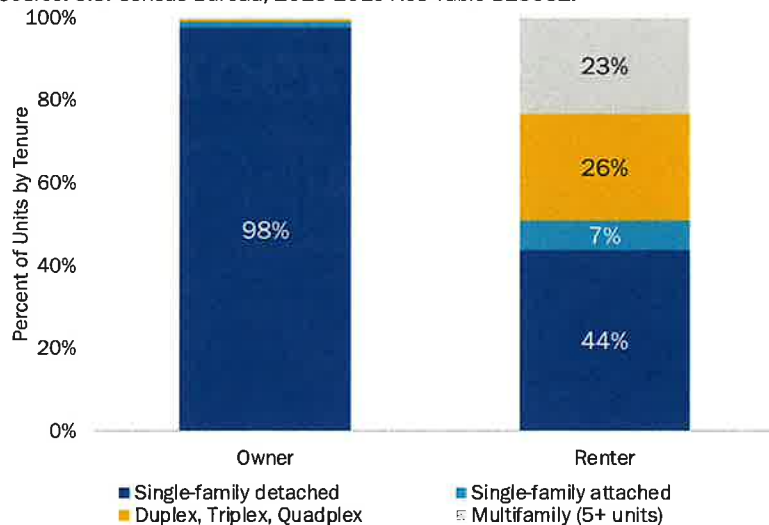
Source: U.S. Census Bureau, 2015-2019 ACS 5-Year Estimates, Table B25003.



Over half of Grants Pass' renters lived in multi-unit housing or townhomes. In comparison, nearly all of Grants Pass' homeowners (98%) lived in single-unit detached housing.

Exhibit 38. Housing Units by Type and Tenure, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B25032.

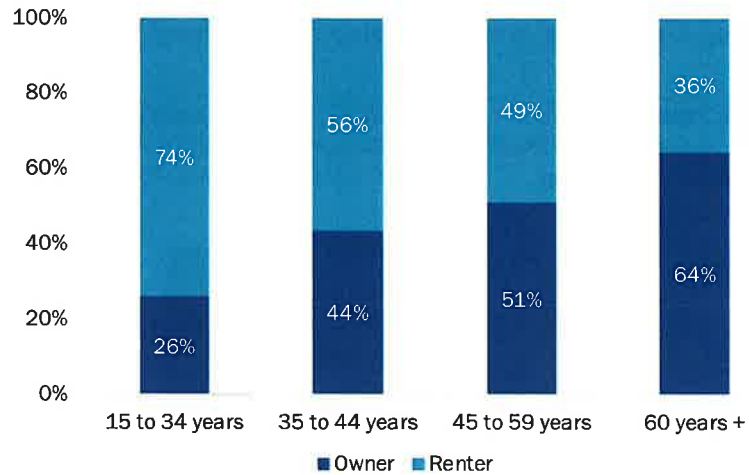


Grants Pass' homeownership rate increased with the age of the household.

In Grants Pass, about 64% of householders sixty years of age or older owned their homes.

Exhibit 39. Housing Tenure by Age of the Head of Household, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B25007.

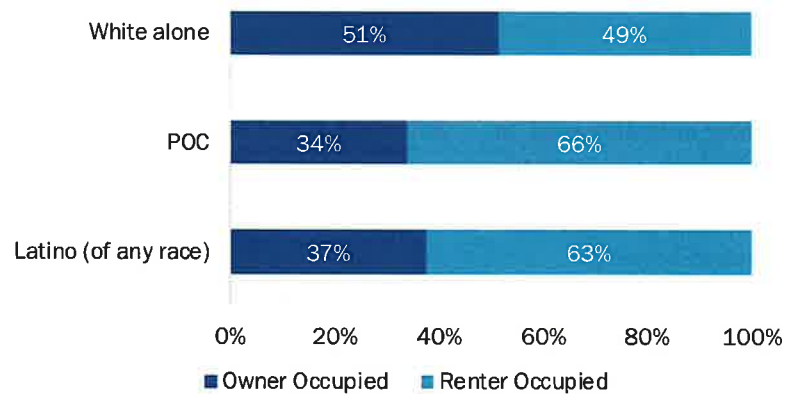


Half of households that identified White alone own their house compared to 37% of Latinos (any race) and 34% of POC.

Exhibit 40. Tenure by Race and by Ethnicity, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B25003A-1.

Note: POC does not include Latino (any race)



Rent-Restricted and Emergency Housing

There are 21 government-assisted housing developments in Grants Pass with a total of 668 dwelling units. Over four fifths of the 668 dwelling units (84%) are units with one or two-bedrooms. About 64 of Grants Pass' rent-restricted dwelling units (about 10%) were larger units with three or four-bedrooms.

Grants Pass had approximately 16,629 dwelling units in the 2015-2019 period. Rent-restricted units accounted for about 4% of Grants Pass' total housing stock.

Exhibit 41. Government-Assisted Housing, Grants Pass, 2020

Source: Oregon Health and Human Services, Affordable Housing Inventory in Oregon.

Note: SRO means single-room occupancy.

	Unit Size							Total
	Unknown	SRO	Studio	1-bd	2-bd	3-bd	4-bd	
Rent-Restricted Units	-	7	34	441	122	50	14	668
Share of Total Units	0%	1%	5%	66%	18%	8%	2%	100%

Grants Pass has 55 emergency shelter beds, 42 transitional shelter beds, and 0 permanently supportive housing beds supporting persons experiencing homelessness in the city.

Exhibit 42. Facilities and Housing Targeted to Households Experiencing Homelessness, Grants Pass, January 2020

Source: Grants Pass 2020-2024 Consolidated Plan.

Population Served	Emergency, Safe Haven, and Transitional Beds		Permanent Supportive Housing Beds
	Emergency Shelter	Transitional Housing	
Households with Adult(s) and Children	25	12	-
Households with Only Adults	30	30	-
Chronically Homeless Households	-	-	-
Veterans	-	-	-
Unaccompanied Youth	-	-	-

Manufactured Homes

Manufactured homes provide a source of affordable housing in Grants Pass.²⁷ Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492). Grants Pass has 27 manufactured home parks within its UGB. Within these parks, there are a total of 1,496 spaces (of which 44 spaces were vacant as of February 2022).

Exhibit 43. Inventory of Mobile/Manufactured Home Parks, Grants Pass UGB, 2022

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces
Blue Moon Mobile Home Park	6150 Monument Dr	Family	22	2
Caveman Mobile Home Park	3764 Rogue River Hwy	55+	35	1
Circle Tree Mobile Park	2172 Arnold Ave	55+	38	1
College Mobile Park	1950 Demaray Dr	55+	16	-
Country Estates	4571 Lower River Rd	55+	106	2
Country View Mobile Park	2325 NW Highland Ave	55+	59	1
Country Village Mobile Home Park	4425 Lower River Rd	55+	58	8
Del Mar Mobile Home Park	1431 Rogue River Hwy	Family	8	-
Five Acres MHP	7059 Rogue River Hwy	Family	10	-
Fruitdale Mobile Home	1275 Rogue River Hwy	Family	40	-
Grants Pass MHP	7001 Rogue River Hwy	Family	38	1
Highland Heights Mobile Home Park	2525 Highland Ave	55+	63	-
Highland Sinclair	2944 Highland Ave	Family	12	-
Holiday Mobile Home Park	3351 Rogue River Hwy	Family	33	10
Keith's Mobile Home Park	5040 Monument Dr	Family	18	8
Mount Baldy Mobile Home Park	2049 Rogue River Hwy	55+	8	-
Mountain View Mobile Home Park	115 NW Morgan Lane	55+	27	-
Redwood Acres LLC	2575 Redwood Ave	55+	18	2
Redwood Mobile Estates	2395 Redwood Ave	Family	109	-
Redwood Mobile Home Park	1462 Raydean Dr	Family	8	1
River Haven Mobile Estates	1241 Dowell Rd	55+	74	-
Riviera Mobile Park	5076 Leonard Rd	55+	103	-
Rogue Lea Estates	414 Currie Lane	55+	215	1
Rogue River Valley Mobile Estates	5648 Foothill Blvd	55+	40	1
Royal Trailer Park	200 SW Lewis Ave	Family	112	-
Westlake Village	936 Kingsway Dr	55+	93	5
Willow Estates Mobile North & South	1151 Willow Lane	55+	133	-
Total			1,496	44

²⁷ According to Grants Pass zoning code (30.020) a manufactured home is “a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.” This does not include recreational vehicles which are defined in the zoning code as “A bot, camper, motor vehicle or portable vehicular structure capable of being towed on the highways by a motor vehicle, designed and intended for casual or short-term human occupancy for travel, recreational and vacation uses. **If identified in some manner as a recreational vehicle by the manufacturer or registered as such with the State, it is prima facie a recreational vehicle.**”

People Experiencing Homelessness

According to HUD’s 2021 Annual Homeless Assessment Report (AHAR), the number of people experiencing *sheltered* homelessness has been decreasing across the United States since 2015, but the drop between 2020 and 2021 was steeper than in recent years.²⁸ It is likely that some of this decline is due to COVID-related precautions that resulted in fewer beds available (due to the need to have more space between beds). Other factors include people being unwilling to use shelter beds due to health risks, as well as eviction moratoria and stimulus payments which may have prevented people from needing emergency shelter.

Pandemic-related disruptions to *unsheltered* homelessness counts made it difficult to determine if this population is increasing or decreasing in communities. Many communities, including Grants Pass, chose not to conduct unsheltered PIT counts due to the risk of increasing COVID-19 transmission. While the communities that conducted unsheltered counts seem to indicate that this population did not increase, trends on unsheltered homelessness are known for only half of communities.

The Oregon Statewide Homelessness Estimates 2021 report from the Oregon Housing and Community Services presented two counts in their report—estimated and reported counts. The estimated counts were developed to address concerns that data limitations imposed by the COVID-19 pandemic resulted in an undercount.²⁹ This report uses the estimated count.

The following exhibits provide more localized estimates of homelessness in the Grants Pass region.

Josephine County’s Point-in-Time Homelessness count is estimated to have nearly doubled from 2017 to 2021.

Exhibit 44. Number of Persons Homeless, Josephine County, Point-in-Time Count, 2017, 2019, and 2021

Source: Oregon Housing and Community Services.

Note: OHCS reported two counts in 2021 – estimated and reported counts. This report uses the estimated counts.

650 Persons	1,030 Persons	1,254 Persons
2017	2019	2021

²⁸ The U.S. Department of Housing and Urban Development (2021). The 2021 Annual Homeless Assessment Report (AHAR) to Congress. Office of Community Planning and Development.

²⁹ The *reported* count for sheltered homelessness is what was collected/reported, while the *estimated* count is the largest sheltered count reported during 2019-2021 in Josephine County. For unsheltered, the 2021 PIT count is not available for all counties, so the report modeled it by adding the predicted 2019-2021 change, determined through analysis of past trends and other homelessness data, to the 2019 PIT count.

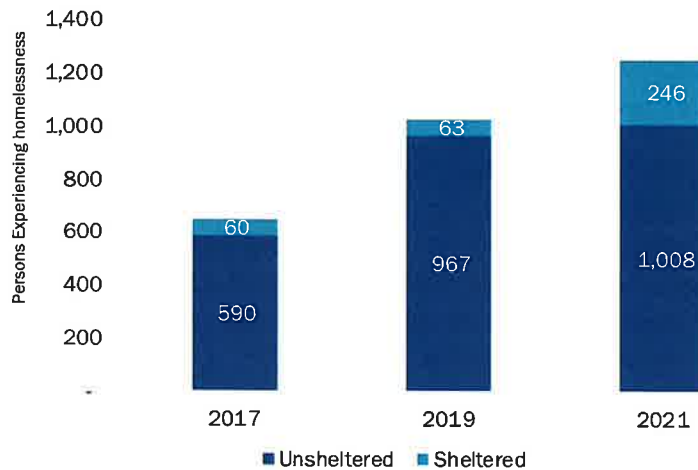
Most of the homeless population in Grants Pass are unsheltered. In 2021, an estimated 1,254 people experienced homelessness.

Oregon Housing and Community Services presented two counts in 2021 – estimated and reported counts. The estimated counts were developed to address concerns that data limitations imposed by the COVID-19 pandemic resulted in an undercount. This report uses the estimated count.

Exhibit 45. Point-in-Time Homelessness Estimates, Grants Pass, Josephine County CoC, 2017-2021

Source: Annual Homeless Assessment Report (AHAR) data.

Note: OHCS reported two counts in 2021 – estimated and reported counts. This report uses the estimated counts.

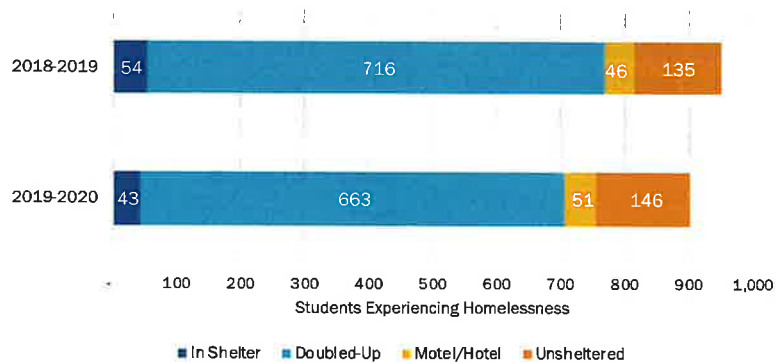


From the 2018-19 school year to the 2019-20 school year, student homelessness decreased from 951 students to 903, a decrease of 48 students.

Of the 903 students in 2019-20 experiencing homelessness, 136 were unaccompanied.

Exhibit 46. Students Homeless by Living Situation, Grants Pass School District, 2018-2019 and 2019-2020

Source: McKinney Vento, Homeless Student Data.



Based on the Oregon's Regional Housing Capacity Analysis, Grants Pass will need about 623 housing units to accommodate people experiencing homelessness in the 2020-2040 period.

Exhibit 47. Estimate of Future Housing Need for People Experiencing Homelessness, Grants Pass, 2020 to 2040

Source: From the Report *Implementing a Regional Housing Capacity Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

623 Dwelling Units

New Units Needed for People Experiencing Homelessness (2020-2040)

31 Dwelling Units

Annual Average

Housing Affordability Considerations

This section describes changes in sales prices, rents, and housing affordability in Grants Pass and a comparison of geographies. Both housing sale prices and rents have increased steadily in Grants Pass and the greater region over the last several years.

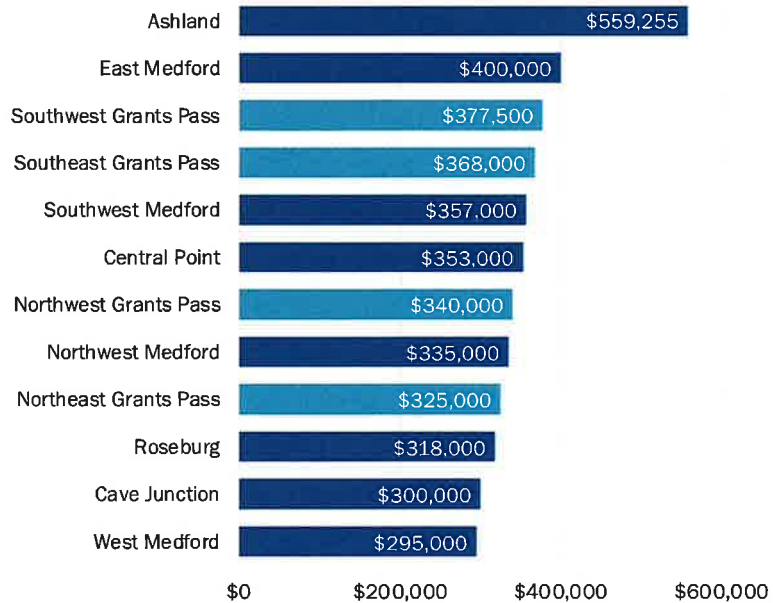
Housing Sale Prices

Grants Pass' median home sales price varied by sub-area, ranging from \$325,000 to \$377,500 in Oct-Dec of 2021.

The median sales prices in Grants Pass are similar to other comparable cities.

Exhibit 48. Median Home Sale Price, Grants Pass Sub-Areas and Comparison Cities, October-December 2021

Source: Southern Oregon Multiple Listing Service.

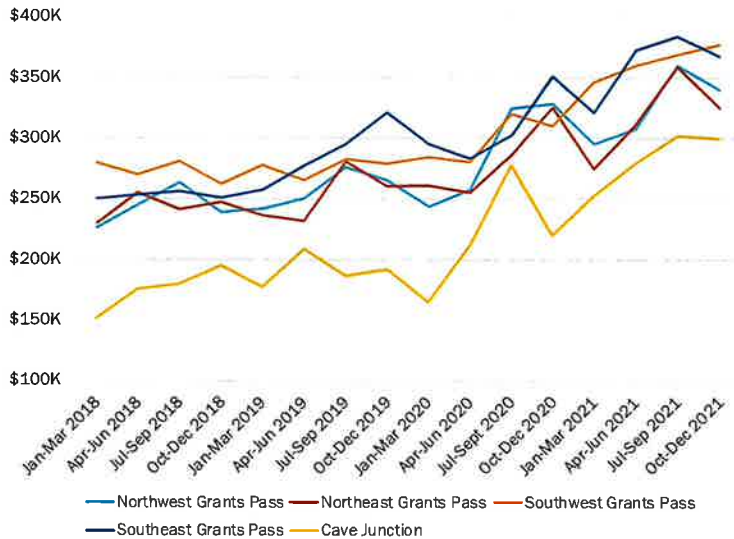


The median sales prices in Grants Pass increased in all neighborhoods between 2018 and 2021, ranging from an increase of \$77,500 in NE Grants Pass (31%) to \$117,000 (47%) in SW Grants Pass.

Increases in other comparable cities over the same period ranged from \$52,000 (Cave Junction) to \$138,000 (Ashland).

Exhibit 49. Median Sales Price, Grants Pass Sub-Areas, and Comparison Cities, 2018 through 2021

Source: Southern Oregon Multiple Listing Service.



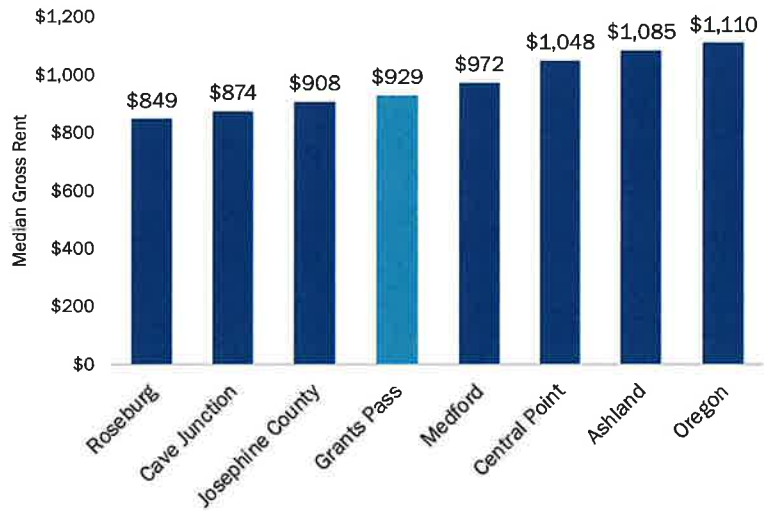
Rental Costs

The median gross rent in Grants Pass was \$929 in the 2015-2019 period, up from \$531 in 2000. However, based on a survey of rental properties in Grants Pass, the average asking rent for an apartment was about \$1,476 (Costar, 2021).

According to the 2015-2019 ACS, the median rent in Grants Pass was similar to the median rent in Josephine County but lower than Oregon's overall median.

Exhibit 50. Median Gross Rent, Grants Pass, Josephine County, Oregon, and Comparison Cities, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25064.

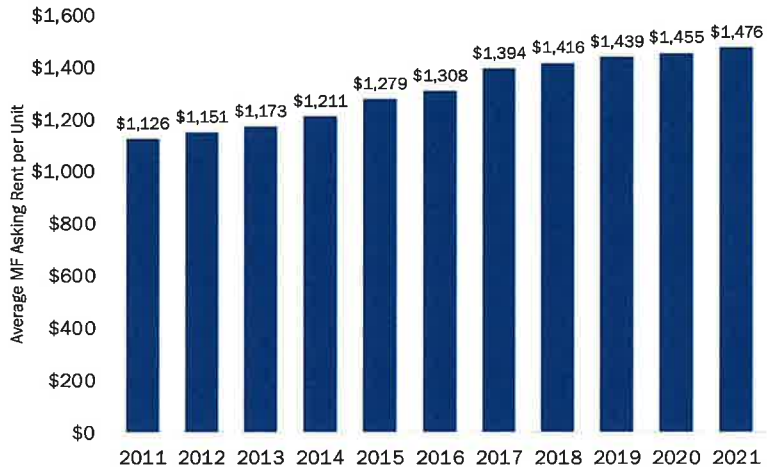


The average asking price per multi-unit home in Grants Pass has steadily increased over the past decade.

Between 2011 and 2021, Grants Pass' average multi-unit asking rent increased by about \$350 (a 31% increase), from \$1,126 per month to \$1,476 per month.

Exhibit 51. Average Multi-Unit Asking Rent per Unit, Grants Pass, 2011 through 2021

Source: CoStar.



Housing Cost Burden

Financially attainable housing costs for households across the income spectrum in Josephine County are identified in Exhibit 52. For example, a household earning median family income in Josephine County (about \$59,000 per year)³⁰ can afford a monthly rent of about \$1,480 or a home roughly valued between \$207,000 and \$236,000 without cost burdening themselves.

In Grants Pass, a household would need to earn \$90,000 to \$101,000 (153% to 171% of MFI for a household of four) to afford the median sales price of a home in Grants Pass, depending on the submarket (\$325,000 to \$377,500). A household would need to earn about \$59,000 (100% of MFI for a household of four) to afford the average asking rent of an apartment (\$1,476 per month).

Exhibit 52. Financially Attainable Housing, by Median Family Income (MFI) for Josephine County (\$59,000) 2021

Source: U.S. Department of Housing and Urban Development, Josephine County, 2021. Oregon Employment Department.



³⁰ Note that Median Family Income for the region is different than Median Household Income (MHI) for Grants Pass (see Exhibit 27). MFI is determined by HUD for each metropolitan area and non-metropolitan county. It is adjusted by household size, in that, 100% MFI is adjusted for a household of four. MHI is a more general term. MHI includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

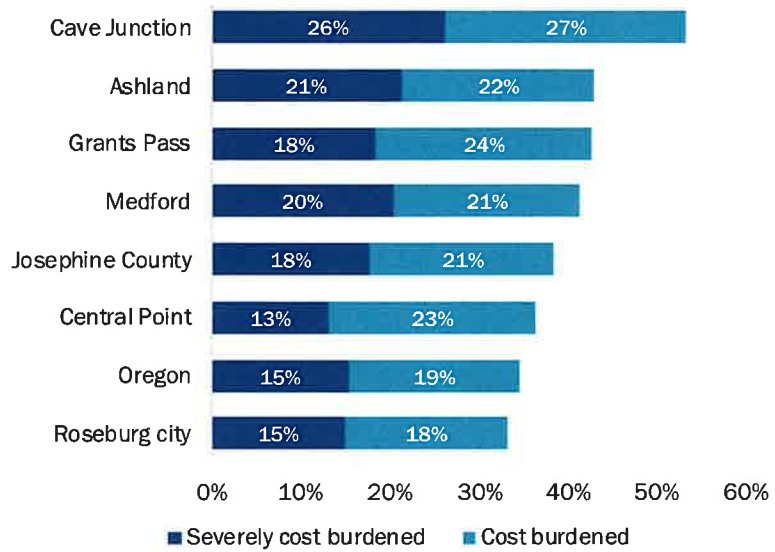
Because the local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels—and because it cannot often produce middle income/workforce housing without subsidy, many households in Grants Pass are cost burdened. A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened.

Overall, about 42% of all households in Grants Pass were cost burdened or severely cost burdened.

Grants Pass had a higher share of cost burdened households compared to Josephine County and the state.

Exhibit 53. Housing Cost Burden, Grants Pass, Josephine County, Oregon, and Other Comparison Cities, 2015-2019

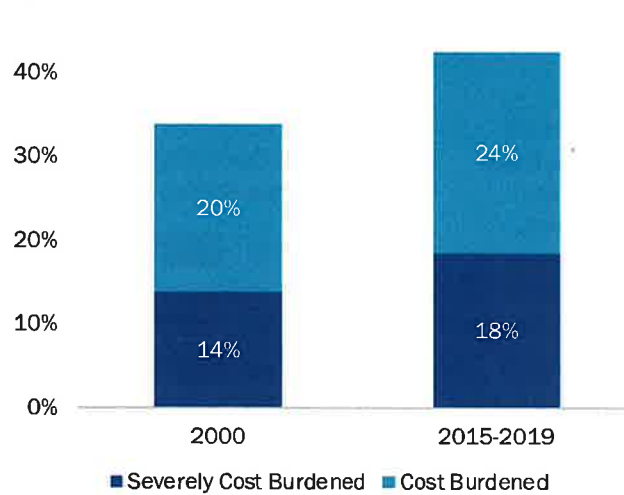
Source: U.S. Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



From 2000 to the 2015-2019 period, the number of cost-burdened and severely cost-burdened households grew by 8 percentage points in Grants Pass.

Exhibit 54. Change in Housing Cost Burden, Grants Pass, 2000 to 2015- 2019

Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2015-2019 ACS Tables B25091 and B25070.



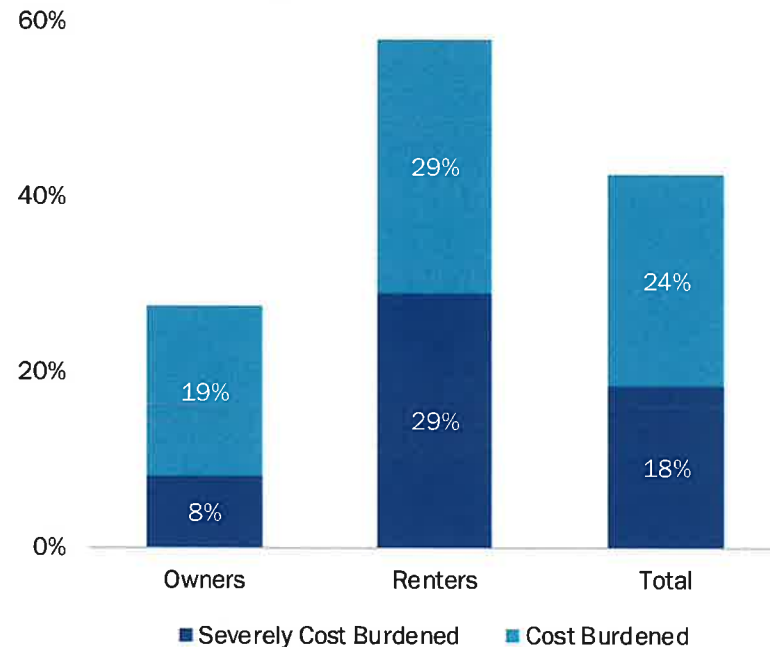
Renters are much more likely to be cost burdened than homeowners.

In the 2015-2019 period, about 58% of Grants Pass' renters were cost burdened or severely cost burdened, compared to 27% of homeowners.

Nearly 30% of Grants Pass' renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Exhibit 55. Housing Cost Burden by Tenure, Grants Pass, 2015-2019

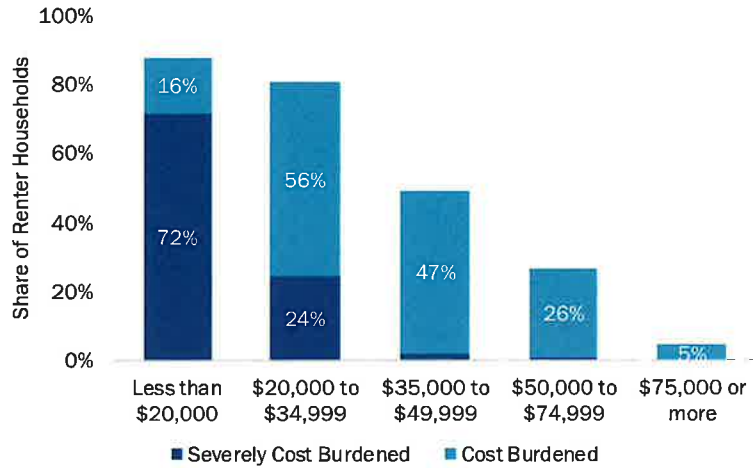
Source: U.S. Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



Most renter households earning less than \$35k are cost burdened.

Exhibit 56. Cost Burdened Renter Households, by Household Income, Grants Pass, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B25074.



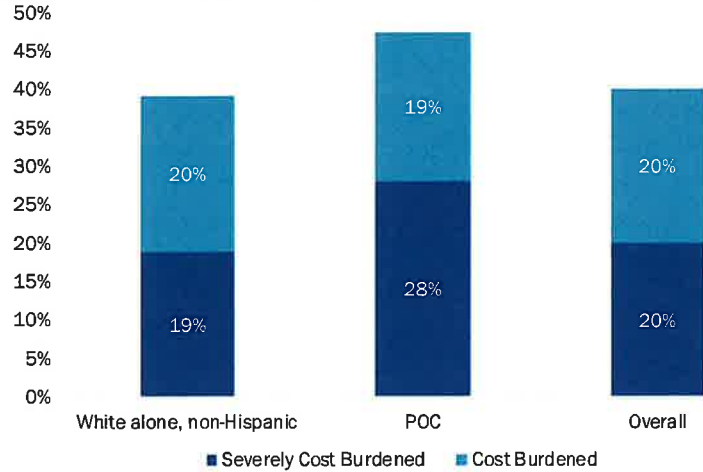
47% of POC households were cost burdened or severely cost burdened compared to 39% of White households.

28% of POC households were severely cost burdened, spending 50% or more of their gross income on housing.

Exhibit 57. Cost Burdened for Households by POC, White Non-Hispanic, and All Households, Grants Pass, 2014-2018

Source: CHAS Table 9.

Note: POC category includes Hispanic or Latino (all races)



POC households were more likely to be severely cost burdened whether they rent or own a home compared to White households.

73% of POC households that rent were cost burdened or severely cost burdened compared to 55% of White households.

Exhibit 58. Cost Burdened by Tenure for POC, White non-Hispanic, and All Households, Grants Pass, 2014-2018

Source: CHAS Table 9.

Note: POC category includes Hispanic or Latino (all races)

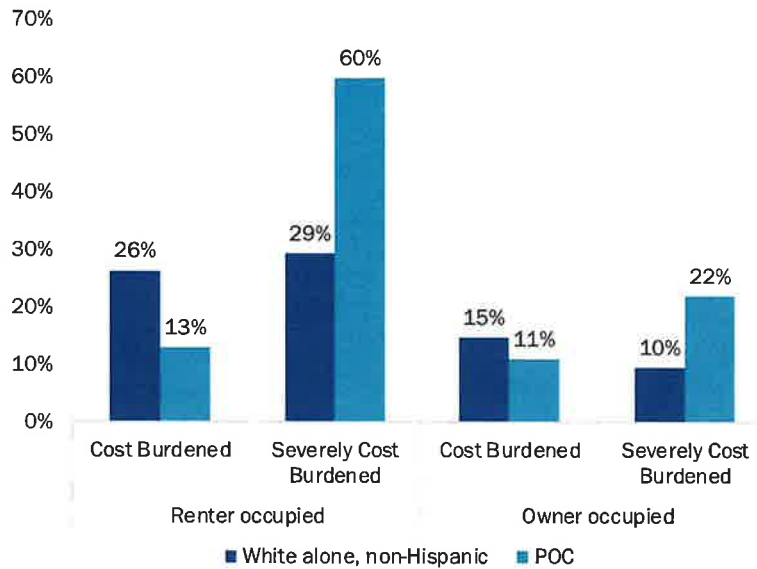


Exhibit 59 to Exhibit 60 show cost burden in Oregon for renter households for seniors, people of color, and people with disabilities.³¹ This information is not readily available for a city with a population as small as Grants Pass, which is why we present statewide information. These exhibits show that these groups experience cost burden at higher rates than the overall statewide average.

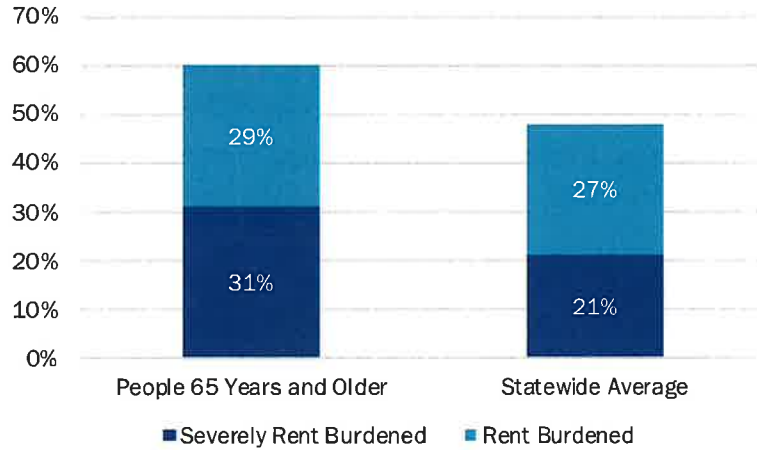
³¹ From the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, prepared for Oregon Housing and Community Services by ECONorthwest, March 2021.

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

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

Exhibit 59. Cost Burdened Renter Households, for People 65 Years of Age and Older, Oregon, 2018

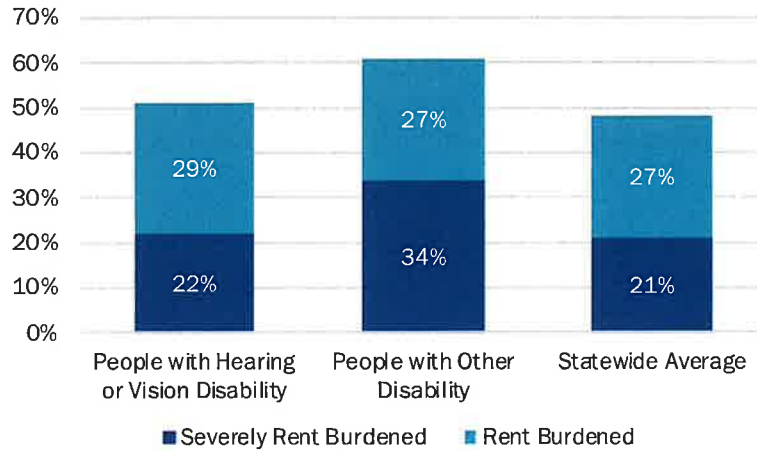
Source: S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



Renters with a disability in Oregon were disproportionately cost burdened.

Exhibit 60. Cost Burdened Renter Households, for People With Disabilities, Oregon, 2018

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



Key Terms in the HPS

This appendix presents applicable key terms used in Grants Pass' Contextualizing Housing Needs report. Per the Department of Land Conservation and Development, the following key terms will be incorporated into the Definitions section of OAR 660-008 (if they are not already):

- **Consumers of Needed Housing:** any person who inhabits or is anticipated to inhabit Needed Housing, as described in the definition of "Needed Housing" in ORS 197.303.
- **Housing Production Strategy Report:** the report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.
- **Housing Production Strategy:** a specific tool, action, policy, or measure a city will implement to meet the housing needs described in an adopted Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.
- **Needed Housing:** housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including (but not limited to) renter and owner-occupied attached and detached single-unit housing, multi-unit housing, and manufactured homes.
- **Producers of Needed Housing:** developers, builders, service providers, or other persons or entities providing materials and funding needed to build housing. Producers of Needed Housing may include nonprofit organizations or public entities.
- **Unmet Housing Needed:** occurs when housing need determined pursuant to subsection(3)(b) is greater than the housing capacity (i.e., buildable, residential land is insufficient to accommodate demand for housing).

Appendix B: Evaluation Criteria for Actions

This appendix summarizes the evaluation criteria used to evaluate actions for inclusion in the HPS. The evaluation criteria (summarized below) fall into five categories: impact, income-level served, feasibility, administrative complexity, flexibility.

Income Level Served

The HPS is intended to result in development and preservation of housing affordable at all income levels. We discuss affordability Median Family Income (MFI) that is defined by the U.S. Department of Housing and Urban Development (HUD) for Josephine County for a family of four people.

A household of four people earning 100% of MFI (about \$59,000) could afford monthly housing costs of \$1,475. The income and affordable monthly costs vary by household size. For example, a household of one person with an income of 100% MFI has income of \$41,300 and can afford monthly housing costs of \$1,033. A household of six people at 100% of MFI has income of \$68,400 and can afford monthly housing costs of \$1,711.

We define income levels based on MFI for a household of four people as follows:

Extremely Low and Very Low Income	Low Income	Middle Income	High Income
Extremely Low Income: Less than 30% MFI or \$17,700 or less for a household of four Very-Low Income: 30% to 50% of MFI or \$17,700 to \$29,500 for a household of four	Low Income: 50% to 80% of MFI or \$29,500 to \$47,200 for a household of four	Middle Income: 80% to 120% of MFI or \$47,200 to \$70,800 for a household of four	High Income: 120% of MFI or more \$70,800 or more for a household of four
31% of Grants Pass households	21% of Grants Pass households	21% of Grants Pass households	27% of Grants Pass households
Can afford \$740 or less in monthly housing costs.	Can afford \$740 to \$1,180 in monthly housing costs.	Can afford \$1,180 to \$1,770 in monthly housing costs.	Can afford \$1,770 or more in monthly housing costs.

Impact for Housing Development

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

Small	Moderate	Large
<p>Will not directly result in development of new housing or it may result in development of a small amount of new housing.</p> <p>May not improve housing affordability in and of itself.</p> <p>May be necessary but not sufficient to increase housing affordability.</p>	<p>Could directly result in development of new housing.</p> <p>May not improve housing affordability in and of itself.</p> <p>May be necessary but not sufficient to increase housing affordability.</p>	<p>Could directly result in development of new housing.</p> <p>May improve housing affordability in and of itself.</p> <p>May still need to work with other policies to increase housing affordability.</p>
<p>~1-3% of needed housing 40 to 120 new dwelling units³²</p>	<p>~3% to 5% of needed housing 120 to 200 new dwelling units</p>	<p>~5% to 10% (or more) of needed housing 200 to 400 new dwelling units</p>

Administrative Complexity

Administrative complexity for implementation considers how much staff time and resources (financial or otherwise) are required to implement the action. Is it difficult or costly to administer once it is in place? For funding sources, the easier it is to administer the tax or fee, the more net revenue will be available for housing production or preservation. For other actions, this criterion assesses the costs to establish and maintain tool implementation. We define administrative complexity as follows:

Low	Medium	High
<p>Requires some staff time to develop the action and requires some on-going staff time to implement the action.</p> <p>May require review by the Planning Commission. May require acceptance or adoption by City Council.</p>	<p>Requires more staff time to develop the action and requires more on-going staff time to implement the action.</p> <p>Will require review by the Planning Commission. Will require acceptance or adoption by City Council.</p>	<p>Requires significant staff time to develop the action and/or significant on-going staff time to implement the action.</p> <p>Will require review by the Planning Commission. Will require acceptance or adoption by City Council.</p>

³² Grants Pass’ Housing Needs Analysis projects that the City will grow by 4,055 new dwelling units between 2020 and 2040.

Has relatively small funding or revenue impacts.	Has relatively moderate funding or revenue impacts.	Has relatively larger funding or revenue impacts.
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Feasibility

Feasibility assesses the acceptability of the action for stakeholders. It considers expected political acceptability for elected officials and the public at large likely to support or have concerns about the action. If the action is dependent on the action of another organizational entity, the action is likely to be less feasible than if the City controlled all aspects of tool implementation. We define feasibility, as follows:

More Feasible	Moderately Feasible	Less Feasible
Likely to have little resistance from stakeholder groups, the public at large, and/or elected officials. The action may require little or no coordination with another organizational entity to implement or use.	Likely to have moderate resistance from stakeholder groups, the public at large, and/or elected officials. The action may require one-time or on-going coordination with another organizational entity to implement or use.	Likely to have significant resistance from stakeholder groups, the public at large, and/or elected officials. The action may require significant coordination with another organizational entity to implement or use in an on-going basis.

Flexibility

Flexibility assesses whether the action can be flexibly used to achieve multiple outcomes. Does it have legal limitations or other barriers that limit its utility for achieving goals of supporting housing development, increasing housing stability or other HPS goals? This category considers limitations on the types of projects that can be implemented with a given action. Given development market cycles, a funding source especially may be less useful to the City if its use is limited to certain types of projects.

We define feasibility as follows:

More Flexible	Moderately Flexible	Less Flexible
The action can be used to achieve multiple outcomes, has few barriers on its use, or supports multiple goals in the HPS. It can be used in many situations.	The action can be used flexibly for multiple outcomes, but there may be some barriers on its use. It can be used in somewhat specific situations.	The action can be used in specific situations to achieve specific outcomes with little flexibility in its use.

Appendix C: Trends in Gentrification and Displacement Risk

DATE: July 14, 2022
TO: Amber Neeck
FROM: Beth Goodman, Emmanuel Lopez, and Justin Sherrill
SUBJECT: Trends in Gentrification and Displacement Risk in Grants Pass

As the City of Grants Pass sets the stage for its Housing Production Strategy, staff are interested in understanding current trends in gentrification and displacement risk in Grants Pass. The Housing Production Strategy Project Team will use this information to inform potential actions that the City could take to mitigate the risk that the City's most vulnerable populations would be displaced from their housing.

The initial, high-level results of our analysis reveal that:

- **Most Grants Pass residents live in neighborhoods that are at risk of gentrification.** Approximately 85% of households live in areas that are either susceptible to or in the early stages of gentrification. These areas generally have high levels of socioeconomic vulnerability, which may lead to housing insecurity or displacement. The only part of Grants Pass showing little to no gentrification risk is the City's northwestern area, west of Highway 99 and north of NW F Street.
- **Grants Pass has a substantial number of households that are at-risk of displacement and are socioeconomically vulnerable, especially in the southern parts of the city.** Compared to its surrounding region, Grants Pass has higher concentrations of vulnerable populations, such as people with less than a bachelor's degree, Hispanic population, and People of Color.

In the following sections, we will examine results and trends in further detail. An overview of the methodologies used in this analysis are within this memorandum.

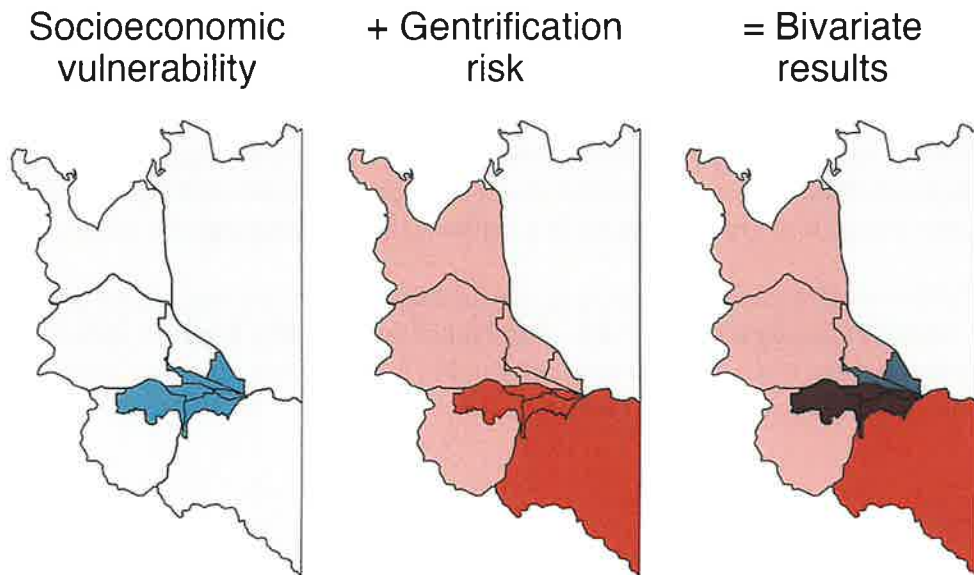
Analysis Methodology

ECONorthwest conducted this analysis by combining two parallel models that look at 1) where the city's most **socioeconomically vulnerable populations** are currently clustered, and (2) where **gentrification** has been most rapidly advancing within Grants Pass since 2010.

Within the **socioeconomic model**, we designed a model that identified the Grants Pass surrounding region's most disproportionately cost-burdened demographic groups (such as households with children present or households with people of color, or households with people with a disability) using 2016-2020 ACS PUMS data, then compiled Census tract-level estimates of these demographic groups.

Within the **gentrification model**, we used Dr. Lisa Bates' 2018 gentrification methodology that the Portland Bureau of Planning and Sustainability (BPS) used for the City of Portland, which identifies areas in different stages of gentrification, from stable (low risk of gentrification) to early-stage gentrification to late-stage gentrification. The data we used was like the data Dr. Bates used but shifted over a few years for ease of accessibility, for example: Rather than using decennial census, we used American Communities Surveys for the years of 2006-2010, 2011-2015, and 2016-2020. For housing market conditions, we utilized Property Radar data to capture median sale prices within a census tract for the years of 2010 and 2020.

Exhibit 61. Bivariate Analysis Outline



Socioeconomic Vulnerability Methodology

In this part of the analysis, ECONorthwest answers the question, “Who is most likely to be displaced if housing market conditions were to further appreciate in price or stay the same?”

We began with identifying groups that are inequitably burdened by housing costs, meaning that these groups have higher rates of cost burden compared to all households. First, we developed a weighted vulnerability indexing analysis, based on Oregon’s 2019 Public-Use Microdata Survey (PUMS) data at the state level, to identify demographic groups who are unequally burdened by housing costs. This means that a given group’s share of the state’s cost-burdened households is greater than its total share of all state households. For example, households with a Hispanic/Latino head comprise 8.6% of the state’s households, but 13.4% of the state’s cost-burdened households—a difference of 4.8% points.

Our analysis identified six demographic groups that were most disproportionately burdened:

- Households with children present.
- People of Color (neither white non-Hispanic, nor Hispanic/Latino people are included in this group).
- People of Hispanic/Latino origin, any race.
- People five years and older who speak English “not well.”
- People with one or more disabilities.
- People 25 years and older who have an educational attainment of less than a bachelor’s degree.

Disproportionate cost burdening varies across the state. To capture this variation, ECONorthwest compared disproportionate cost burdening among these groups for six geographic areas of the state and compared levels of disproportionate cost burden among the demographic groups for Census tracts in Grants Pass with state and regional results.³³

The result of this analysis is identification of Census tracts with lower and higher percentages of people in vulnerable groups. Census tracts with higher vulnerability levels would indicate places where it is more likely that not only current, but where future housing cost burdening and possible displacement, are more likely to occur.

³³ ECONorthwest rank-ordered vulnerable demographic groups by six geographic areas of the state. We used the rank (1 through 6) as a weighting factor. Based on this rank-ordered list, we next used tract-level 2019 ACS estimates of all six demographic groups to calculate each tract’s percentage of its region’s total number of vulnerable groups. This share was then converted to decile ranks, and each decile rank was multiplied by the rank-ordered weighting factor. These “scores” were then summed for each tract, with total scores ranging between 21 to 210. Lastly, this score was then divided by the maximum possible value to compute a more intuitive percentage value, with “100%” indicating tracts with the highest levels of all vulnerable demographic groups.

Gentrification and Displacement Methodology

Gentrification has many definitions such as *“a process of neighborhood change that includes economic change in a historically disinvested neighborhood—by means of real estate investment and new higher-income residents moving in—as well as demographic change—not only in terms of income level, but also in terms of changes in the education level or racial make-up of residents.”*³⁴ This analysis uses the methodology developed by Dr. Lisa Bates at Portland State University in tandem with the City of Portland’s Bureau of Planning and Sustainability (BPS) in their [“2018 Gentrification And Displacement Neighborhood Typology Assessment.”](#)³⁵

The analysis identifies Census tracts in Grants Pass where gentrification is taking place or may take place in the future. These tracts where place-specific ordinances and location-specific research can serve to protect vulnerable populations and determine how much the data matches the lived experience of residents on the ground.

The Gentrification and Displacement Risk Analysis methodology used in this analysis mirrors closely to what BPS and Dr. Lisa Bates utilized in 2018 with an additional typology, explained below.³⁶ The analysis considers the following characteristics:³⁷

- **Vulnerable populations** are ones with:
 - High rates of renting households relative to the region.
 - Large shares of communities of color relative to the region.
 - Large shares of adults (25 years and older) without a four-year degree relative to the region.
 - Large shares of low-income households (below 80% Median Family Income) relative to the region.

³⁴ Chapple, K., & Thomas, T., and Zuk, M. (2021). Urban Displacement Project website. Berkeley, CA: Urban Displacement Project.

^{**} The Stable–Low Vulnerability typology was developed to show tracts that have historically not had a vulnerable population (between 2010 and 2020) while also experiencing low amounts to no demographic change.

³⁵ In previous anti-displacement in gentrification analysis, Dr. Lisa Bates of Portland State University and BPS used a large sample of 168 census tracts (as of 2019 Census Tract estimates) to measure and compare statistics.

In this analysis ECONorthwest sought to maintain consistency with the previous methodology. Given that the City of Grants Pass has just 10 tracts, we used regional level data to calculate the baseline statistics for each of the indicators of gentrification and social vulnerability analysis. We compared Grants Pass against the regional analysis. The intention behind this was to provide a more robust picture for what the City of Grants Pass should compare itself to. It would not have been effective to compare the city of Grants Pass only to the city of Grants Pass and Medford, but instead to compare it to the entire region to provide a more accurate depiction of housing market conditions, socioeconomic vulnerability, and other considerations in the analysis.

³⁶ The methods used by ECONorthwest draw from the work of Dr. Lisa Bates and BPS, but used the observation years of 2010, 2015, and 2020 for both Census and American Communities Surveys years.

³⁷ More information about the definitions for the “Vulnerable Population,” “Demographic Change,” and “Housing Market Condition” can all be found in the [2018 report here](#).

- **Demographic changes** (over the last decade or so) require three of the following four conditions being true or the **two bolded** were true:
 - Share of homeowners increased or decreased slower than the regional average.
 - **Share of white population increased or decreased slower than the regional average.**
 - **The share of adults with a four-year degree increased faster than the regional average.**
 - Median household income increased faster than the regional average.
- **Housing market conditions** are Census tracts with the following conditions:
 - **Adjacent tracts:**
 - Had low or moderate 2010 home values/rents.
 - Experienced low or moderate 2010-2020 appreciation (or 2015-2020 rental appreciation).
 - Touched the boundary of at least one tract with high 2020 values and/or high 2010 appreciation (or 2010-2020 rental appreciation).
 - **Accelerating tracts:**
 - Had low or moderate 2020 home values/rents.
 - Experienced high 2010-2020 appreciation (or 2010-2020 rental appreciation).
 - **Appreciated tracts:**
 - Had low or moderate 2010 home values/rents.
 - Had high 2020 home values/rents.
 - Experienced high 2010-2020 appreciation.

This analysis of change (in populations, demographics, and housing markets) over time is completed at the regional and Census-tract levels, rather than at the household level. A basic limitation of census and ACS data is that they cannot provide longitudinal data on individual households between surveys (e.g., over 10-year spans of time). Whether or not low-income families in Grants Pass have been displaced from other neighborhoods in that time (tracts labeled Late: Type 1 or Dynamic) requires a much deeper level of analysis and qualitative analysis done by either academics or the City.

Exhibit 62 shows a summary of the typologies used in this analysis. They are:

- **Early-Stage Gentrification.** These tracts have not started to gentrify or show early signs that they could be gentrifying.
 - **Susceptible.** These tracts have higher shares of vulnerable populations but have not yet experienced demographic changes. Their housing market sales and rents were

low or moderate in costs, but they are adjacent to tracts whose housing costs are already high or are increasing rapidly.

- **Early: Type 1.** These tracts have higher shares of vulnerable populations but have not yet experienced demographic changes. Their housing market is still low or moderate in cost but has experienced high appreciation since 2010.
- **Early: Type 2.** These tracts have higher shares of vulnerable populations but have experienced demographic changes showing the loss of vulnerable populations. Their housing market is low or moderate in costs, but they are adjacent to tracts whose housing costs are already high or are increasing rapidly.
- **Mid-Stage Gentrification.**
 - **Dynamic.** These tracts are currently undergoing gentrification. They have higher shares of vulnerable populations and have experienced demographic changes by losing vulnerable populations. Their housing market is still low or moderate in costs but has experienced high appreciation since 2010.
- **Late-Stage Gentrification.** These tracts have mostly gentrified but vulnerable populations may still reside in there. The housing market has completely shifted from low or moderate to high housing costs.
 - **Late: Type 1.** These tracts have higher shares of vulnerable populations but have experienced demographic changes by losing vulnerable populations proportionally. Their housing market used to be low or moderate in 2010 but has appreciated rapidly since, and now values are high.
 - **Late: Type 2.** These tracts no longer have high shares of vulnerable populations like they used to in 2010. They have experienced demographic changes by losing their once-high share of vulnerable populations. Their housing market is still low or moderate but has experienced high appreciation since 2010.
 - **Continued loss.** These tracts no longer have high shares of vulnerable populations like they used to in 2010 or in 2015. The share of white people is growing and/or the share of people with a four-year degree is growing. Their housing market used to be low or moderate in 2010 but has appreciated rapidly since, and now values are high.
- **Stable Low-Vulnerability Communities.** These tracts are ones that have had historically low levels of vulnerable populations relative to the region (from 2010-2020).

Exhibit 62. Gentrification/Displacement Methodology

Typology	Vulnerable Population?	Demographic Change?	Housing Market Condition
Early-Stage Gentrification			
Susceptible	Yes	No	Adjacent
Early: Type 1	Yes	No	Accelerating
Early: Type 2	Yes	Yes	Adjacent
Mid-Stage Gentrification			
Dynamic	Yes	Yes	Accelerating
Late-Stage Gentrification			
Late: Type 1	Yes	Yes	Appreciated
Late: Type 2	Used to be in 2010 or 2015	Yes	Accelerating
Continued Loss	Used to be in 2010 or 2015	Increasing share of white people and adults with bachelor's degree	Appreciated
Stable - Low Vulnerability **	No	No	Any**

What neighborhoods are at most risk of gentrification and displacement?

The most at-risk neighborhoods are in the southern and eastern areas of Grants Pass, while the more stable, low-risk neighborhoods are located west of US 99 and north of NW F Street.

Most Grants Pass households (~85%) live in Census tracts that are susceptible to or in the early stages of gentrification, while around 15% are in low-risk areas (see **Exhibit 64**).

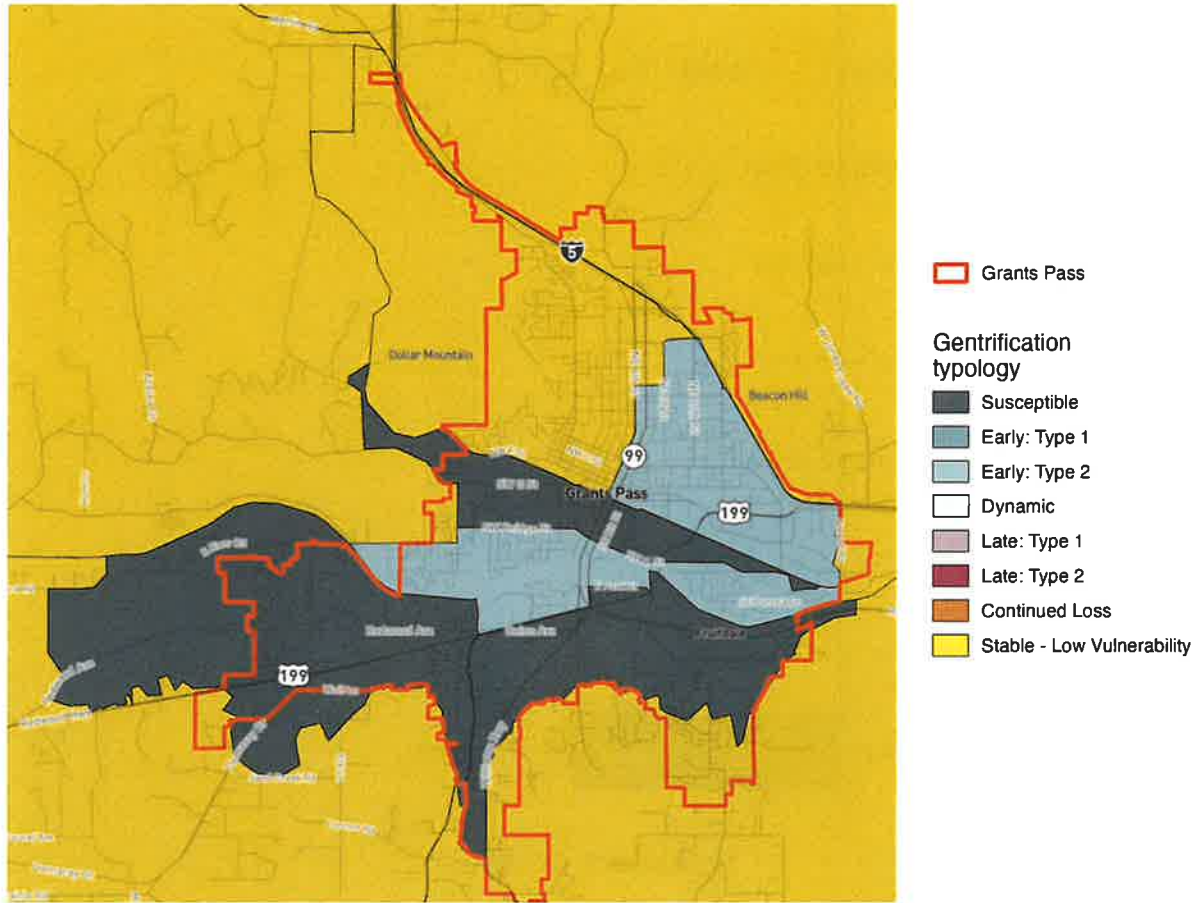
Three out of six tracts in Grants Pass are classified as Susceptible, and two are classified as Early: Type 2 (see Exhibit 63). Demographic changes and housing price increases suggest that these areas are in the early stages of gentrification. This indicates that economically vulnerable neighborhoods may be at-risk of experiencing gentrification which ultimately leads to rising housing costs, and potentially displacement. Early: Type 2 may indicate that some areas are already experiencing demographic change and gentrification to some degree, and that these areas are also adjacent to high priced housing markets.

Areas in Grants Pass’s northwest region and just outside the city are generally classified as Stable–Low Vulnerability (see Exhibit 63). In these neighborhoods, incomes and housing prices are generally higher and have not changed at a greater rate than the regional average during the study period (2010-2020). However, some pockets of Susceptible tracts are found in this area around Hogan Butte and Hogan Cedars.

Exhibit 63 shows Grants Pass’ gentrification typology by census tract.

Exhibit 63. Gentrification Typology by Tract

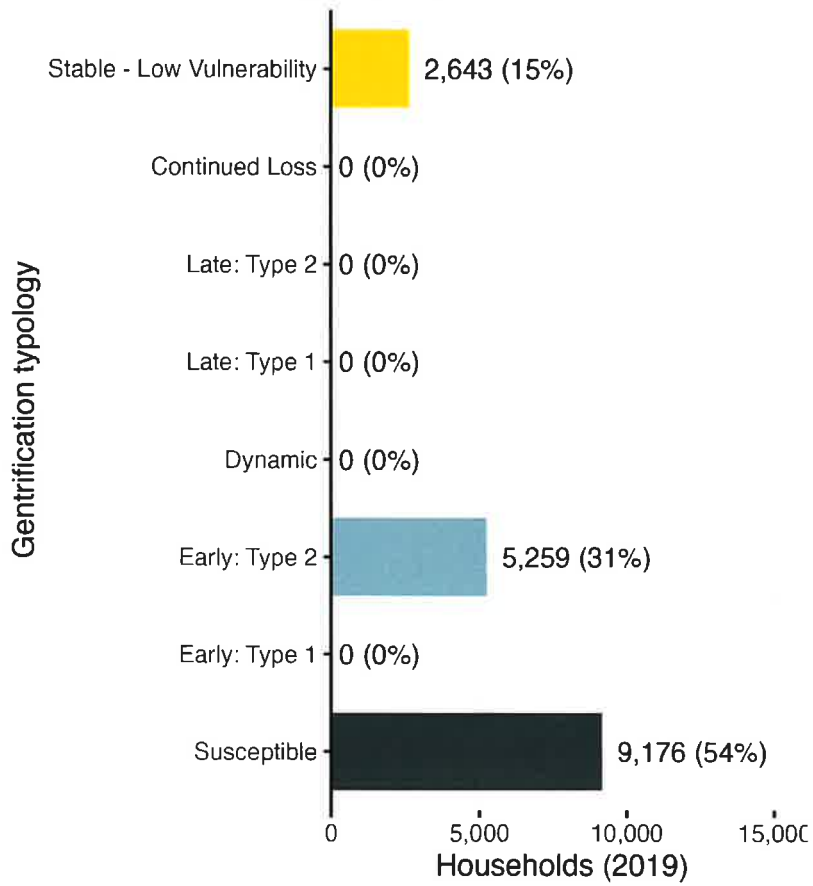
Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest, Bates/BPS



Eighty-five percent of households in Grants Pass live in tracts that are in the early or susceptible stages of gentrification, as shown in Exhibit 64. While this does not necessarily indicate that two-thirds of *all households* are at risk of gentrification, it indicates that the majority of Grants Pass shows signs of housing instability relative to its surrounding region.

Exhibit 64. Total Grants Pass Households by Tract Gentrification Typology

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



Neighborhood-Level Observations Results

Gentrification can be quite a nuanced topic. While the data presents one story about an entire census tract, the Grants Pass neighborhoods that are in the process of being gentrified may be a much smaller portion of that Census tract.

For Grants Pass, most tracts and households within those tracts fall under the definition of **Early: Type 2** and **Susceptible**. These typologies are characterized by having high levels of economic vulnerability, low to moderate rates of demographic change, and having either nearby tracts (called “adjacent” tracts) becoming more valuable (rents and/or sale prices appreciating quickly) or being in an “appreciated” tract where rent values and home sale prices rose drastically between 2010 and 2020. These tracts are ones where the City may want to focus active monitoring to make sure that residents who are already cost-burdened are not forced to leave due to gentrifications.

Where do Grants Pass' most vulnerable residents live?

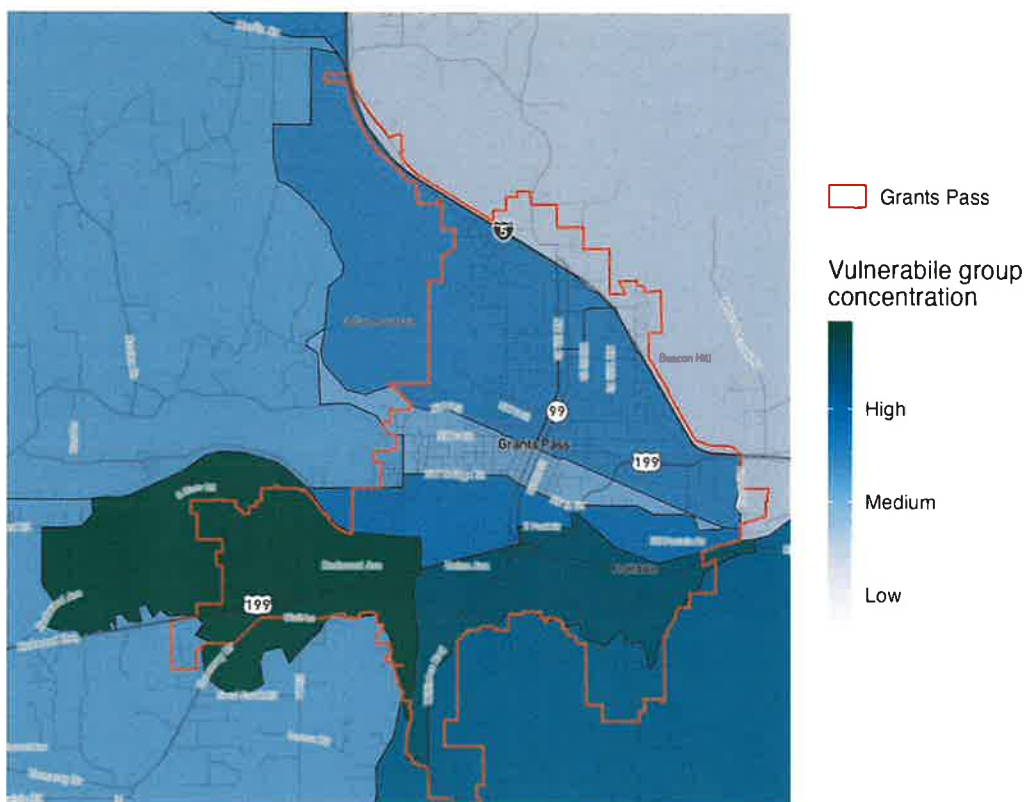
While the previous section provides information on how tracts in Grants Pass have or have not gentrified, based in part on the Dr. Bates/BPS methodology, this does not answer the question of which neighborhoods and demographic groups are most disproportionately burdened by housing costs. To address this issue, ECONorthwest developed a separate model (described on page 111) using ACS/census datasets to determine which tracts in Grants Pass are most acutely and unequally burdened by housing prices—the implication being that, should trends hold, the most burdened households today will likely be the first to be displaced tomorrow.

Tracts showing the highest levels of vulnerability are mainly clustered around Grants Pass' southern boundary.

Exhibit 65 shows the results of the Socioeconomic Vulnerability model. These “high-vulnerability” tracts contain the combined largest shares of the region’s most disproportionately cost burdened demographic groups, such as people without a bachelor’s degree or higher, people of color, and people living with one or more disabilities. Low-vulnerability tracts in Grants Pass are mostly found in the central areas of the City, and just beyond the City’s boundary to the northeast. Most vulnerable tracts are clustered in the southern portion of Grants Pass, but the unique groups that make up those tracts vary around the City

Exhibit 65. Overall Socioeconomic Vulnerability by Tract

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



Who is most likely to be displaced if housing market conditions continue to appreciate or stay the same?

Some interesting trends include a noticeable clustering of LEP households along Grants Pass' southern half, but more evenly distributed high rates of POC and Hispanic population across Grants Pass. **Exhibit 66** shows the results of our Socioeconomic Vulnerability analysis, broken out by each demographic group examined.

Across the state of Oregon, having less than a bachelor's degree was the strongest determinant of cost-burdened households. Grants Pass largest vulnerable group is less than a bachelor's degree, though this group can also include relatively more financially secure elder or retired residents.

Exhibit 66. Vulnerable Group Concentration by Tract

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest

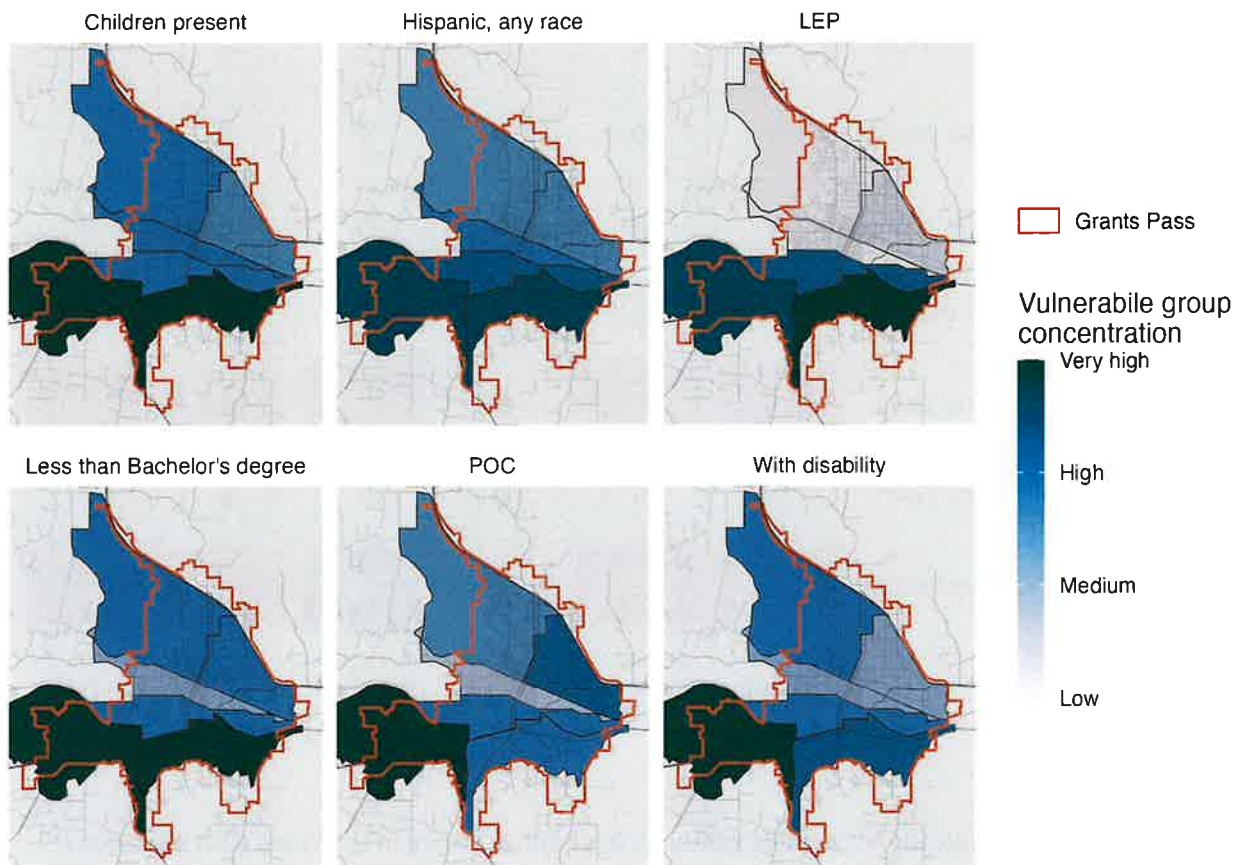


Exhibit 67 depicts the combined Socioeconomic Vulnerability model results in terms of number of households or population (depending on the specific census topic) that reside in tracts with intersecting gentrification typologies and socioeconomic vulnerability groupings. For instance, we find that the most common intersection of our model is the 13,573 people living in Susceptible gentrification tracts and having an educational attainment of less than a bachelor’s degree. These groups are not mutually exclusive, so many demographic traits would be counted multiple times (i.e., a POC head of household, with children present, and with someone in the household having a disability).

Exhibit 67. Estimated Households or Population by Vulnerability Group and Gentrification Typology

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest

Gentrification Typology	Stable - Low Vulnerability	602	433	0	3,435	318	933
	Continued Loss	0	0	0	0	0	0
	Late: Type 2	0	0	0	0	0	0
	Late: Type 1	0	0	0	0	0	0
	Dynamic	0	0	0	0	0	0
	Early: Type 2	1,240	1,026	67	6,801	852	1,580
	Early: Type 1	0	0	0	0	0	0
	Susceptible	2,955	2,212	251	13,573	1,298	3,406
		Children present (Households)	Hispanic, any race (Population)	LEP (Population)	Less than Bachelor's degree (Population)	POC (Population)	With disability (Population)
Vulnerable Group							

Most socioeconomically vulnerable residents in Grants Pass are in the “Less than bachelor’s degree” group, which falls in line with high degrees of housing cost-burdening across the state of Oregon. This sub-group is concentrated in tracts that are susceptible gentrification, or have started the process of gentrifying, thus placing them even more at risk.

Where do areas with higher gentrification risk and vulnerable populations intersect?

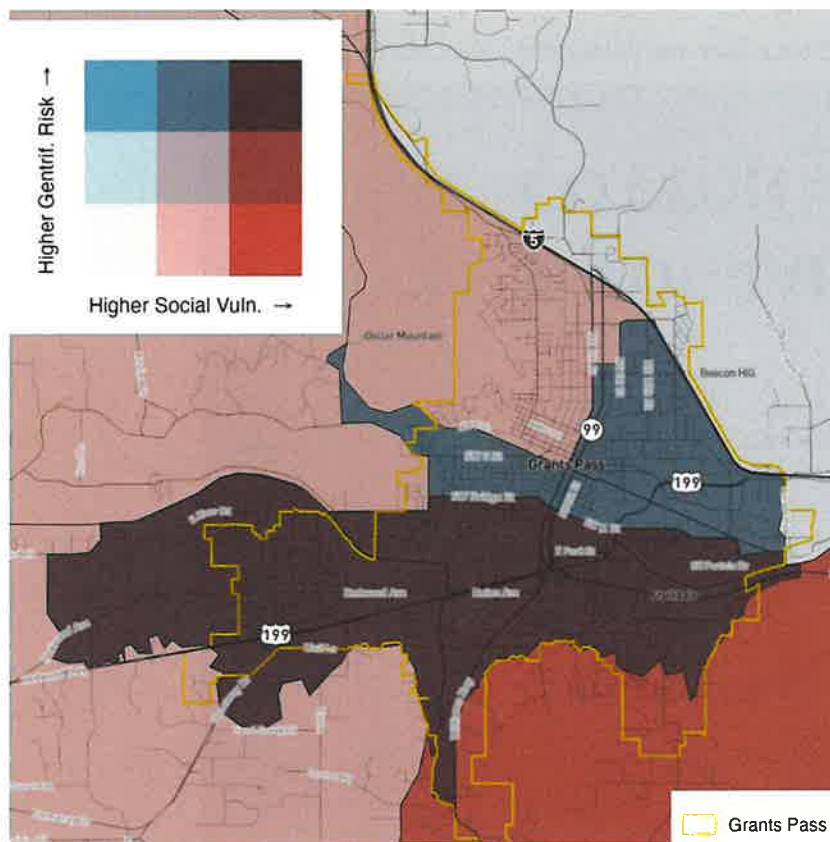
SE Bridge St/SW M St is a dividing line when it comes to the intersection of gentrification and socioeconomic vulnerability in Grants Pass.

Grants Pass contains relatively large amounts of its surrounding region's most vulnerable tracts when considering both gentrification and displacement risk. Tracts to the south of SE Bridge St./SW M St. exhibit signs of high gentrification risk combined with high socioeconomic vulnerability to displacement. By comparison, tracts in the northeast sector of Grants Pass show signs of high gentrification risk but moderate levels of socioeconomic vulnerability.

Exhibit 68 shows areas with higher gentrification risk and areas with higher social vulnerability.

Exhibit 68. Composite Gentrification and Socioeconomic Vulnerability Risk, by Tract

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



Indicators of **higher gentrification risk** include:

- high shares of low-income households,
- changing socioeconomic demographics as compared to the region
- rising prices of housing for sales and rent

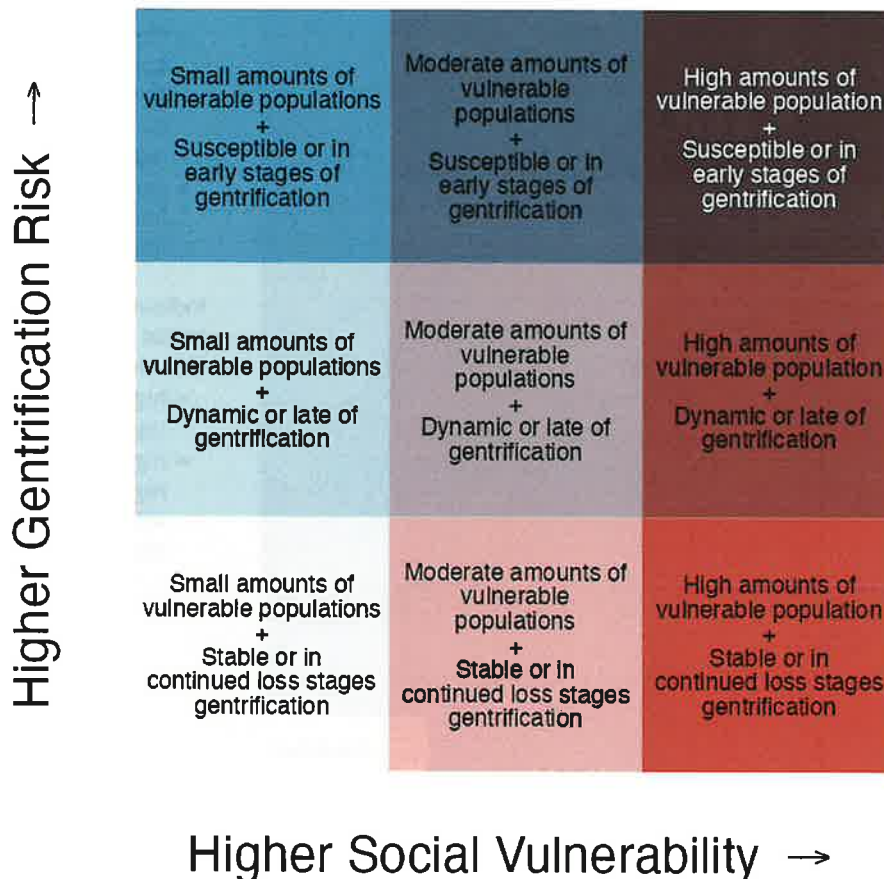
Indicators of **higher social vulnerability** include:

- higher shares of the region's POC
- higher shares of the region's population without a bachelor's degree or higher

Exhibit 69 provides more context about the risk for gentrification and the level of social vulnerability in Exhibit 68. The following describes the gentrification risk and social vulnerability at each corner of the matrix in Exhibit 68 and Exhibit 69.

- **Top row left side – in blue.** These areas are at risk of displacing existing populations, but the populations in these areas are generally less vulnerable as compared to the region. This may also indicate that neighborhoods nearby are experiencing appreciations in home sales and rents.
- **Top row, right side – in dark violet.** These areas are the highest risk of displacement of existing vulnerable population, such as lower-income households, people of color, Latino households, or other vulnerable populations.
- **Bottom row left side – in light grey.** These are areas with little risk of displacement and few vulnerable populations.
- **Bottom row, right side – in pink.** These areas have little existing risk of displacement but are home to vulnerable populations.

Exhibit 69. Gentrification & Socioeconomic Vulnerability Risk Matrix



Most Grants Pass residents live in neighborhoods that are at risk of gentrification

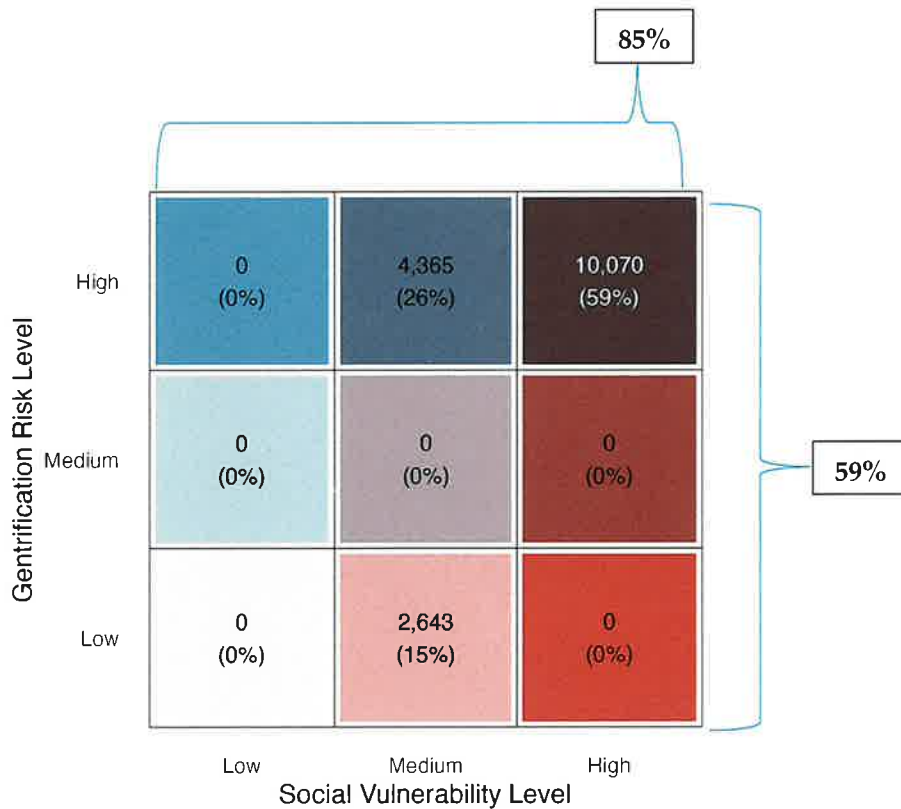
Many Grants Pass residents are at risk of displacement. The analysis describes the households and tracts that may be at most risk of displacement or additional cost-burdening if the City continues business as usual. Nearly two-thirds (59%) of Grants Pass households live in Census tracts that combine a high gentrification risk and a high socioeconomic vulnerability level.

Exhibit 70 shows the percentage of households in Grants Pass in each of the groupings shown in Exhibit 68 and Exhibit 69.

- 85% of Grants Pass households reside within tracts identified as at high risk of gentrification (either in early or susceptible stages).
- 59% of households reside in tracts identified as at high socioeconomic risk of housing displacement.

Exhibit 70. Grants Pass Households Within Composite Gentrification and Socioeconomic Vulnerability Groups

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



Implications and Next Steps for the Housing Production Strategy

This analysis shows that substantial parts of Grants Pass are in early stages of gentrification or at-risk of gentrification, especially where there are higher concentrations of vulnerable population. As neighborhoods that were once low-income begin to appear as appealing to new residents, it is important to recognize that the people living in those neighborhoods may not have the same economic opportunities as the people moving in.

For the City of Grants Pass to validate what is happening on the ground, it is important to consider neighborhood characteristics and design community charettes to accurately represent what change looks like to the residents there now. Grants Pass may want to take steps to further understand potential for gentrification and potential displacement of vulnerable populations, such as conducting additional research about areas at risk for gentrification to better understand the demographic characteristics of people who may be displaced.

The HPS may include actions to preserve existing affordable housing, stabilize households, and prevent future displacement and gentrification.

Appendix D. Urban Growth Boundary Maps

Exhibit 71. Grants Pass Proposed Rezone Study Areas

Source: City of Grants Pass

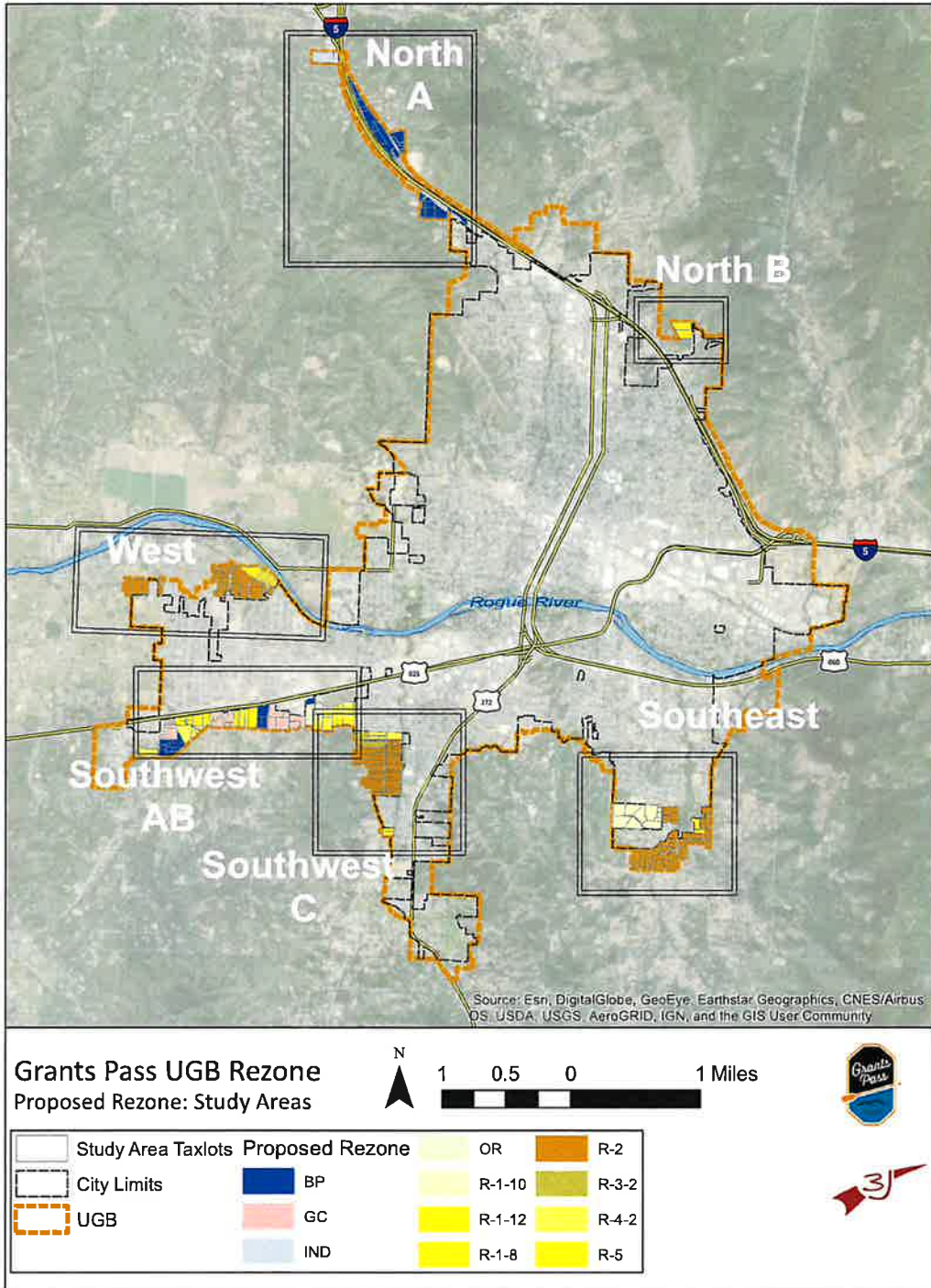


Exhibit 72. Grants Pass UGB Proposed Rezone: North A

Source: City of Grants Pass

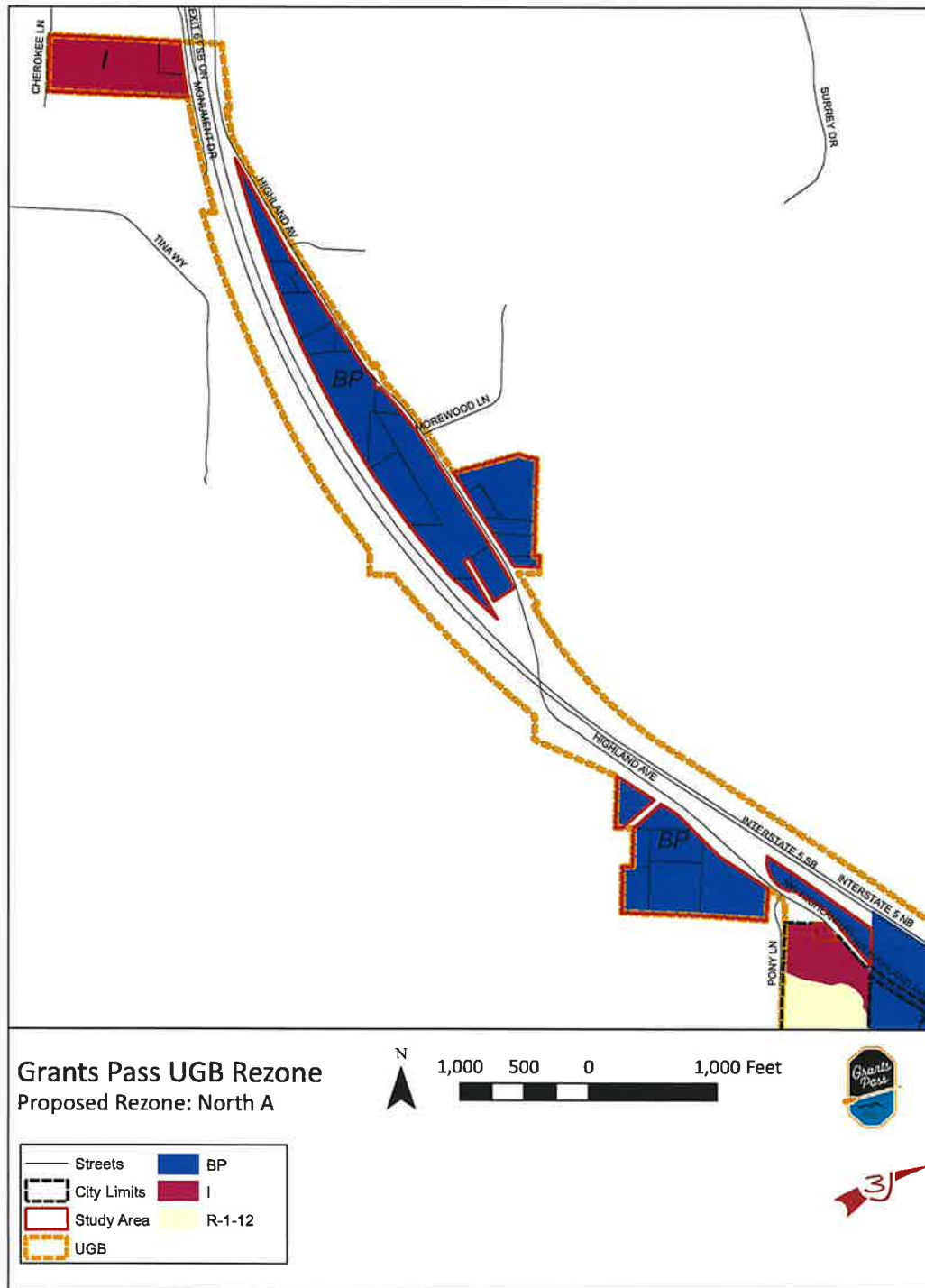


Exhibit 73. Grants Pass UGB Proposed Rezone: North B
 Source: City of Grants Pass

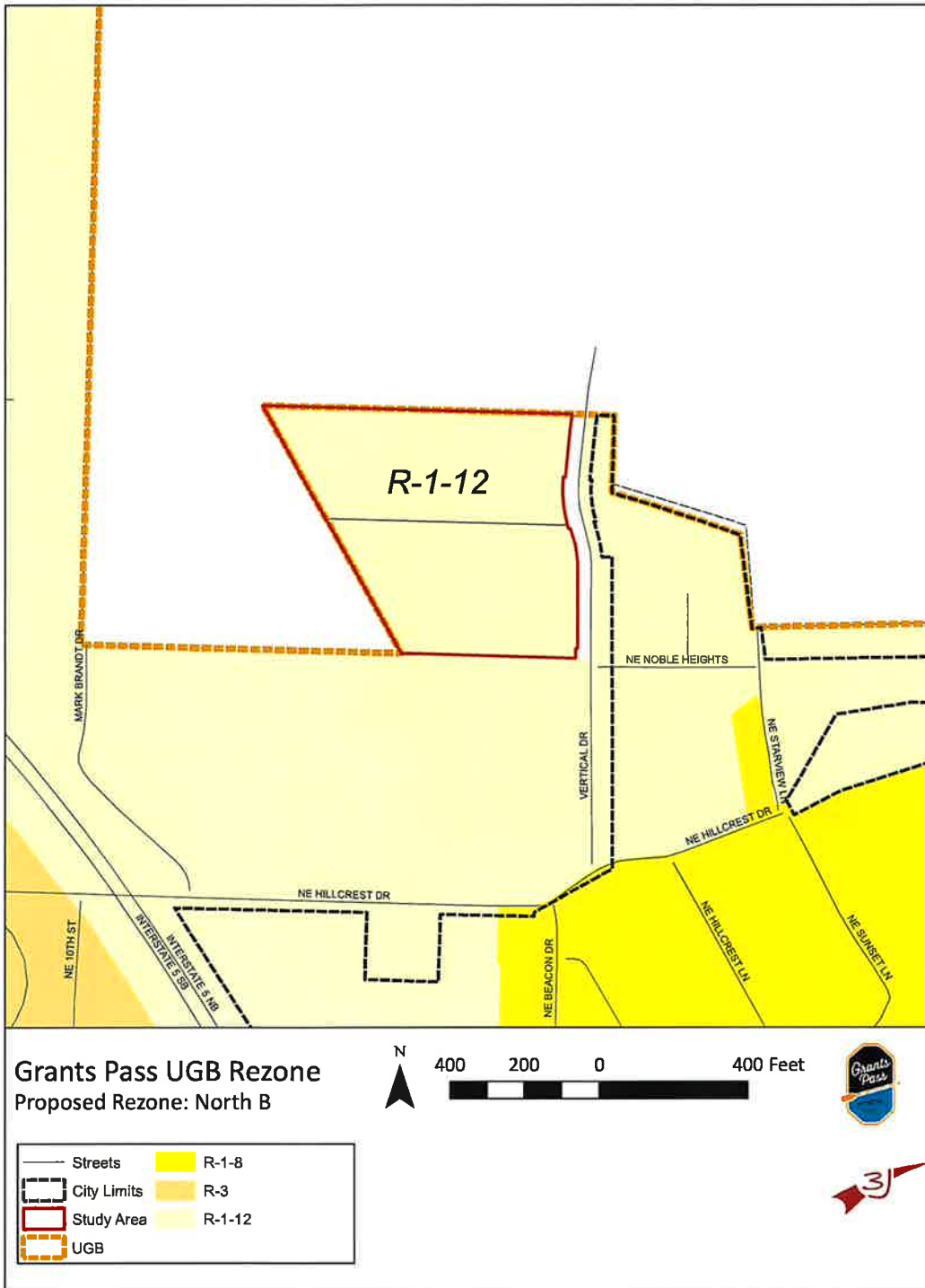


Exhibit 74. Grants Pass UGB Proposed Rezone: Southeast
 Source: City of Grants Pass

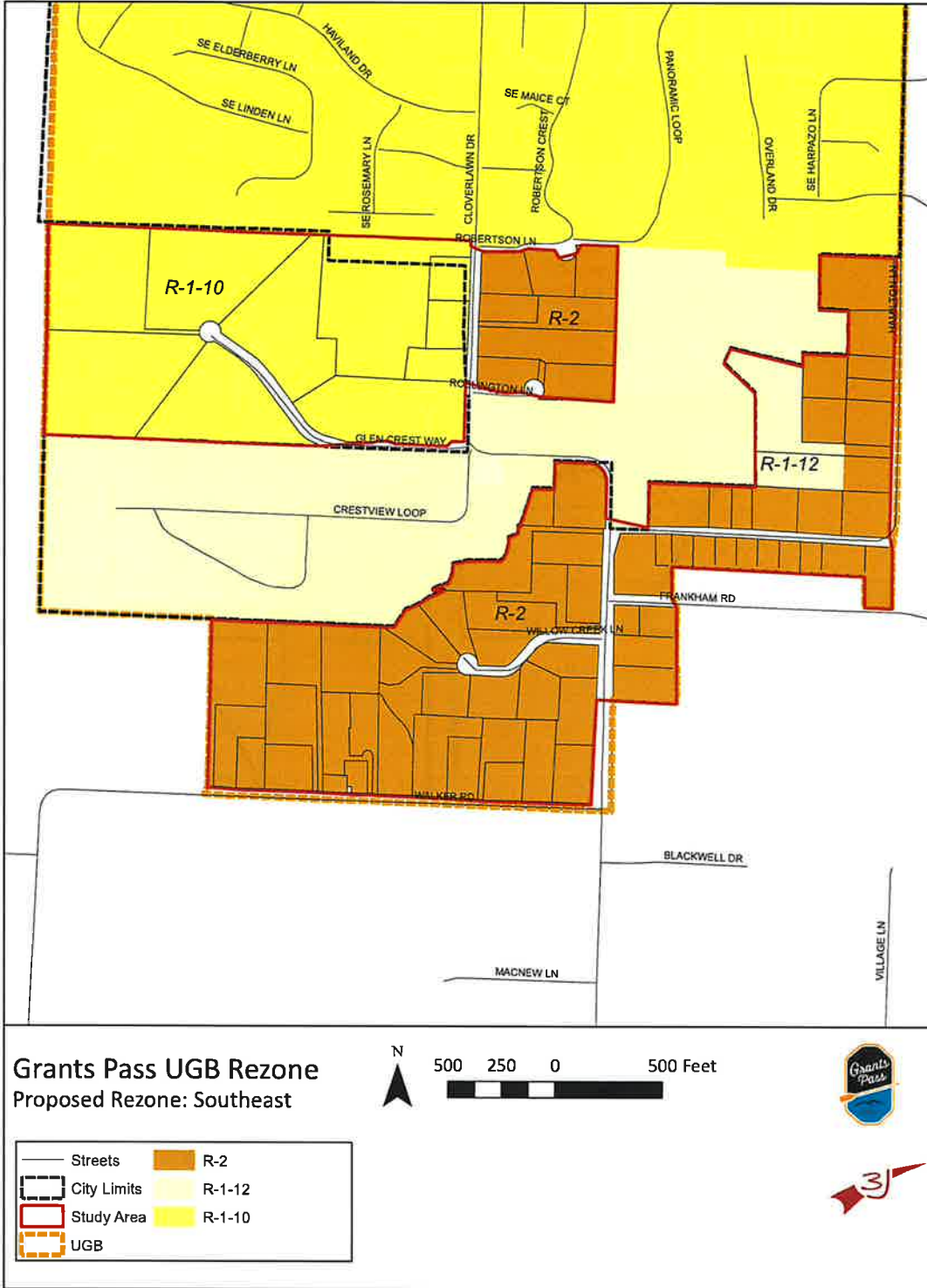


Exhibit 75. Grants Pass UGB Proposed Rezone: Southwest C
 Source: City of Grants Pass

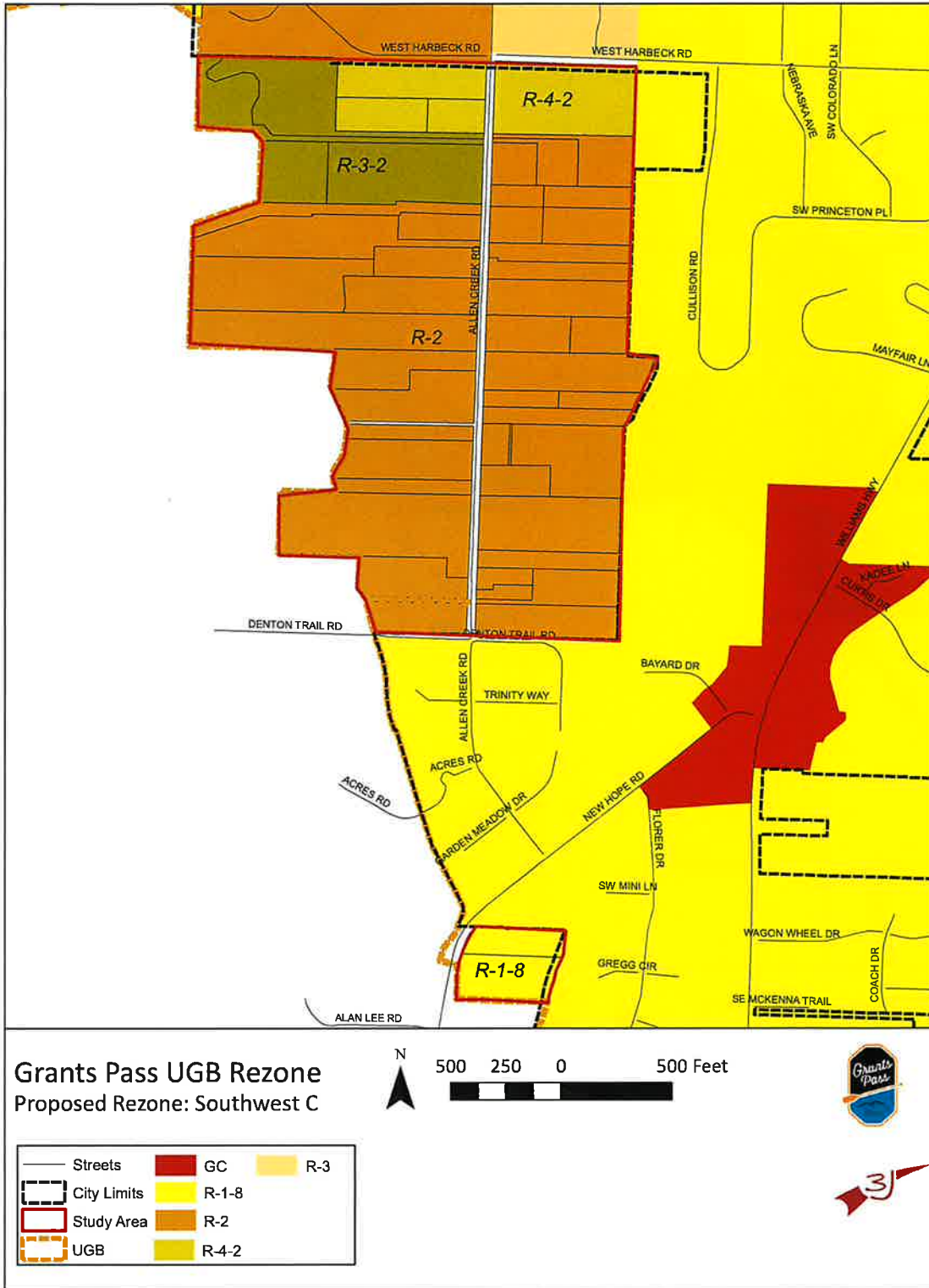


Exhibit 76. Grants Pass UGB Proposed Rezone: Southwest AB
 Source: City of Grants Pass

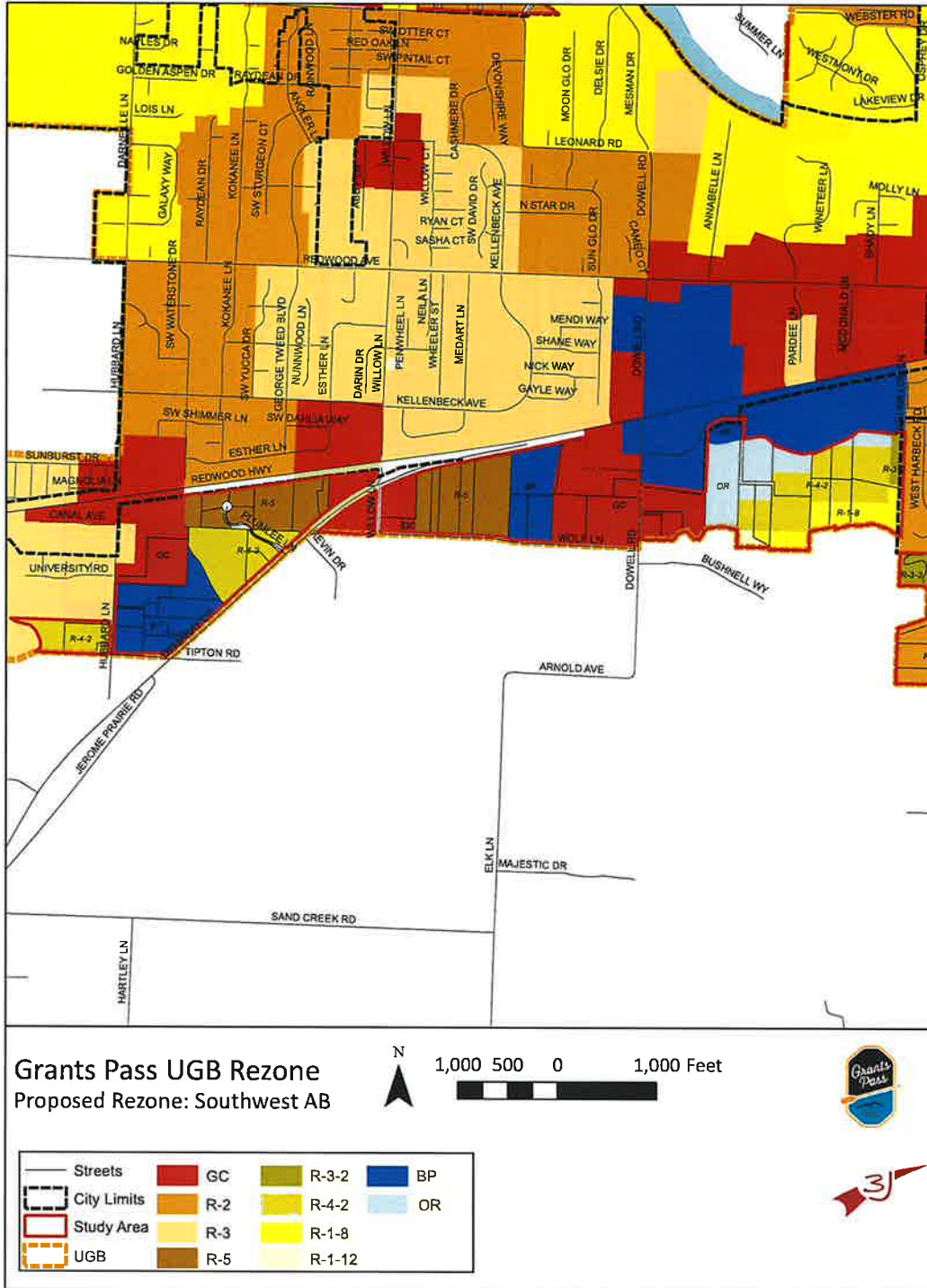


Exhibit 77. Grants Pass UGB Proposed Rezone: West
 Source: City of Grants Pass

