
City of Medford

2022—2042 Housing Capacity Analysis

September 2022

Prepared for: City of Medford

REVISED REPORT

ECONorthwest

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Executive Summary

Medford has changed considerably since the City of Medford last adopted its Housing Element of its Comprehensive Plan in 2010. Medford grew from 74,907 people in 2010 to 83,115 people in 2020, an addition of 8,208 people or 11% growth. Between 2010 and 2020, the City of Medford permitted 3,773 new units, of which 65% were for single-family units, 33% were for multifamily units, and 2% were for accessory dwelling units.

Housing has long been unaffordable for many in Medford and the surrounding region and has become harder to afford for many people over the last decade, especially after many homes were lost in the Alameda Fire in September 2020. In 2000, 35% of households in Medford were cost burdened and by 2014-2018, 43% of households were cost burdened. Cost burden was most common among renters, 57% of whom were cost burdened in 2014-2018 and 32% of whom were severely cost burdened.

Homeownership is also becoming less affordable in Medford and the surrounding region. The median sales price of existing housing in Medford in 2020 ranged from \$245,000 in West Medford to \$350,000 in East Medford. From 2017 to 2020, the median sales price in Northwest Medford increased by \$152,000 (111%). In that same time, the median price increased by \$54,500 (29%) in West Medford, \$66,050 (27%) in Southwest Medford, and \$55,000 (19%) in East Medford. Newly built housing was about \$55,000 or 17% more expensive than sales of existing housing.

This report presents Medford's Housing Capacity Analysis for the 2022 to 2042 period. It considers these issues and is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996). This report was updated in September 2022 to use the most up-to-date population forecast (from June 2022) and update the buildable lands inventory.

This report focused on the technical analysis to understand Medford's housing needs over the next 20 years. It presents information about buildable land and residential capacity in Medford, as well as expected population and housing growth. It identifies key housing needs and provides information necessary to develop policy responses to Medford's housing needs. The *Medford Housing Production Strategy* proposes policies and actions to meet those housing needs.

The technical analysis, which is the focus of this report, required a broad range of assumptions that influenced the outcomes. The City of Medford and ECONorthwest solicited input about these assumptions from the City's Housing Advisory Commission, Planning Commission, City Council, and general public. Local review and community input were essential to developing a locally appropriate and politically viable housing capacity analysis and input into the *Medford Housing Production Strategy* report.

This report was updated in September 2022 to use the most up-to-date population forecast and update the buildable lands inventory.

How much population growth is Medford planning for?

Medford's population within its urban growth boundary (UGB) is projected to grow by over 20,000 people between 2022 and 2042, at an average annual growth rate of 1.48%.

Exhibit 1. Forecast of Population Growth, Medford UGB, 2022 to 2042

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2022.

91,116	122,242	31,125	34%
Residents in 2022	Residents in 2042	New Residents 2022 to 2042	increase 1.48% AAGR

How much housing will Medford need?

To accommodate the city's forecasted population growth of 31,125 people Medford needs to plan for 13,102 new dwelling units. This is averaging 655 new dwelling units annually. About 55% of new housing will be single-family detached. About 7% of new housing will be single-family attached. About 13% of new housing will be duplexes, triplexes, and quadplexes. About 25% of new housing will be multifamily housing (with five or more units per structure).

How much buildable residential land does Medford currently have?

Medford has 3,259 unconstrained buildable acres, excluding land required for open space. Of this, 2,236 acres is in Urban Residential, which is 69% of all buildable acres. This land is Medford's buildable residential land, and capacity for new housing on this land is estimated in Chapter 6. Of the approximately 623 acres of land in commercial plan designations, about 44 is expected to develop with housing over the 20-year planning period, consistent with historical housing development in commercial areas.

Exhibit 2. Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designation (excluding land in required open space), Medford UGB, 2022

Source: Jackson County, ECONorthwest analysis update of buildable land by Medford staff.

Note: Open space areas that are mapped in the Open Space Overlay and open space areas that are not mapped (but required percentage of land are known) are accounted for in this table.

Plan Designation	Areas with Mapped Open Space			Open Space Percentage Deduction for Areas where Open Space is not Mapped	Total Unconstrained Buildable Land Excluding All Open Space
	Open Space Deduction	Vacant	Partially Vacant		
Urban Residential	148	1,325	1,105	195	2,236
Urban Medium Density Residential	1	68	61	-	128
Urban High Density Residential	47	199	110	37	272
Service Commercial	42	113	66	6	174
Commercial	23	296	222	69	448
City Center	-	2	-	-	2
Total	261	2,003	1,564	307	3,259

How much land will be required for housing?

Exhibit 3 shows that Medford has sufficient land to accommodate housing development in each of its residential plan designations. Medford has capacity for development of about 18,346 dwelling units on its buildable land. Given the forecast of 13,102 new dwelling units (plus about 667 units for group quarters), Medford has a surplus housing capacity in most Plan Designations.

- **Urban Residential.** Surplus capacity of 4,615 dwelling units means that the City has a surplus of 888 gross acres of Urban Residential land (at 5.2 dwelling units per gross acre).
- **Urban Medium Density Residential.** Deficit capacity of 333 dwelling units, with a deficit of about 30 gross acres of Urban Medium Density Residential land (at 11.1 dwelling units per gross acre).
- **Urban High Density Residential** Surplus capacity of 660 dwelling units means that the City has an approximate surplus of 50 gross acres of Urban High Density Residential land (at 13.1 dwelling units per gross acre).
- **Stewart Meadow's Planned Unit Development (PUD).** The PUD is assumed to be built out according to its approved master plan, which was updated in 2022.
- **Commercial.** This plan designation has more buildable acres than is assumed to be needed to accommodate dwelling units and group quarters. This analysis assumes that Medford has capacity such that nearly 1,441 new housing units could locate in commercial areas, consistent with historical development over the 2009 to 2020 period.

Exhibit 3. Final Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Medford UGB, 2022 to 2042

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

*Note: ECONorthwest reduced the “total unconstrained buildable acres” in the Commercial plan designations on the assumption that not all vacant land in commercial areas will develop with housing, based on historical development in these plan designations.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Urban Residential	11,626	7,011	-	4,615	888
Urban Medium Density Residential	1,422	1,755	-	(333)	(30)
Urban High Density Residential	3,561	2,568	333	660	50
Stewart Meadows PUD	296	296	-	0	0
Commercial *	1,441	1,472	334	365	11
Total	18,346	13,102	667		

What are the key housing needs in Medford?

- **Medford’s population is forecast to grow slightly faster than in the past.** Medford UGB is forecast to grow from 91,116 people in 2022 to 122,242 people in 2042, an increase of 31,125 people. This population growth will occur at an average annual growth rate of 1.48%. Medford’s population grew by 29% between 2000 and 2019. Medford added 18,311 new residents, at an average annual growth rate of 1.3%.
- **Medford’s existing housing mix is predominately single-family detached.** In the 2014-2018 period, 66% of Medford’s housing was single-family detached, 6% was single-family attached, 13% was multifamily housing (with two to four units per structure), and 15% was multifamily housing (with five or more units per structure). Between 2009 and 2020, Medford issued building permits for 3,773 units, of which 65% were single-family units (both single-family detached and attached), 33% were multifamily of all types, and 2% were accessory dwelling units.
- **Demographic changes across Medford suggest increases in demand for single-family attached housing and multifamily housing.** The key demographic and socioeconomic trends that will affect Medford’s future housing needs are an aging population, increasing housing costs, housing affordability concerns for millennials, Generation Z, and Latino populations. The implications of these trends are increased demand from smaller, older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
- **Medford needs more affordable housing types for homeowners.** Housing sales prices increased in Medford subareas over the last three years. Between August and October of 2017 to August and October of 2020, the median sales price in Northwest Medford increased by \$152,000 (111%). In that same time, the median price increased by \$54,500 (29%) in West Medford, \$66,050 (27%) in Southwest Medford, and \$55,000 (19%) in East Medford.

A household earning 100% of Medford’s median household income (\$47,567) could afford a home valued between about \$228,500 and \$260,000, which is less than West

Medford's median home sales price between \$245,000 and \$350,000, with an overall median sales price of \$312,000. A household can start to afford median home sales prices in West Medford at about 112% of Medford's median household income.

- **Medford needs more affordable housing types for renters.** To afford the average asking rent of \$1,250, a household would need to earn about \$50,000 or 77% of MFI. About 52% of Medford's households earn less than \$50,000 and cannot afford these rents. In addition, about 19% of Medford's households have incomes of less than \$19,500 (30% of MFI) and are at risk of becoming homeless.

What are the key findings of the Housing Capacity Analysis?

The key findings and conclusions of the Medford's Housing Capacity Analysis are that:

- **Medford is planning for 13,102 new dwelling units.** The growth of 31,125 people will result in the demand for 13,102 new dwelling units over the 20-year planning period, averaging 655 new dwelling units annually.
- **Medford's needed housing mix is for an increase in housing affordable to renters and homeowners, with more attached and multifamily housing types.** Historically, about 65% of Medford's housing was single-family detached. While 55% of new housing in Medford is forecast to be single-family detached, the City will need to provide opportunities for the development of new single-family attached housing (7% of new housing), duplexes, triplexes, quadplexes (13% of new housing), and multifamily structures with 5 or more units (25% of new housing).
- **Medford has unmet needs for affordable housing.** About 5,113 new households will have incomes between \$32,550 and \$78,120. These households will all need access to housing that is affordable to them, which will predominantly be existing housing or newly built smaller units, such as cottage housing, duplexes, or multifamily housing. These households can afford between \$820 to \$1,950 in monthly housing costs. Development of rental housing affordable to households in this income category (especially those with middle incomes) can occur without government subsidy, but the City's zoning code will need to provide opportunities for the development of a wider range of housing types in more places to accommodate more of this type of housing.
- **Damage from the Alameda Fire in 2020 increased demand for housing.** In 2020, more than 2,500 housing units were destroyed by wildfire damage in Jackson County. A majority of the impacted/destroyed units were located in Phoenix and Talent. Many of these dwelling units were relatively affordable, such as manufactured housing. The loss of this housing decreased the supply of affordable housing and increased the need for it. Some of these households will temporarily or permanently seek housing in Medford.
- **Medford's development occurred at an average of eight dwelling units per net acre over the 2009 to 2020 period.** Over the 2022 to 2042 period, if new housing develops at the same densities as over the 2009 to 2020 period, Medford's housing will develop at an

average of 8.3 dwelling units per net acres or 6.8 dwelling units per gross acre. Based on this assumption, Medford is able to achieve its needed development density.

- **Medford has enough land within its UGB to accommodate the forecast for growth between 2022 and 2042 but a deficit of land for the Urban Medium Density Residential Plan Designation.** Medford has a surplus of capacity in most of its plan designations that can accommodate housing outright. The largest surplus of capacity is in Urban Residential, which has capacity for about 7,000 units beyond the forecast for the 20-year period. Medford has a surplus in the Urban High Density Residential designation. In addition, Medford's Commercial plan designation can accommodate more development than is included in the forecast, adding more multifamily development capacity, if necessary.

Medford has a deficit for about 333 dwelling units in the Urban Medium Density Residential Plan Designation. Medford may be able to address that deficit by re-Designating land to the Urban Medium Density Residential Plan Designation, given the large surplus of land in other Plan Designations.

Given the large surplus of land in Medford, there may be little market pressure to redevelop existing residential areas. Redevelopment is most likely to occur in areas where the city is planning for redevelopment, such as the Liberty Park Neighborhood or in downtown.

The *Medford Housing Production Strategy* includes recommendations for a wide range of policies to support the development of housing for people experiencing homelessness and housing for extremely low to middle-income households. The *Housing Production Strategy* also includes recommendations that are intended to improve equitable outcomes for housing development, as well as strategies to support the development of all types of housing.

1. Introduction

This report presents Medford's Housing Capacity Analysis for the 2022 to 2042 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

This report was updated in September 2022 to use the most up-to-date population forecast (from June 2022) and update the buildable lands inventory. These updates have been integrated into the report, changing the prior analysis to use the updated forecasts of population growth and updated buildable lands inventory.

The City of Medford last adopted its Housing Element of its Comprehensive Plan in 2010. The city has changed considerably since then. Medford grew from 74,907 people in 2010 to 83,115 people in 2020. This is an addition of 8,208 people or 11% growth. Between 2010 and 2020, the City of Medford permitted 3,483 new units, of which 35% were multifamily units.

Housing has long been unaffordable for many in Medford and the surrounding region and has become harder to afford for many people over the last decade. In 2000, 35% of households in Medford were cost burdened¹ and by 2014-2018, 43% of households were cost burdened. Cost burden was most common among renters, 57% of whom were cost burdened in 2014-2018 and 32% of whom were severely cost burdened.

Homeownership is also becoming less affordable in Medford and the surrounding region. The median sales price of existing housing in Medford in 2020 ranged from \$245,000 in West Medford to \$350,000 in East Medford. From 2017 to 2020, the median sales price in Northwest Medford increased by \$152,000 (111%). In that same time, the median price increased by \$54,500 (29%) in West Medford, \$66,050 (27%) in Southwest Medford, and \$55,000 (19%) in East Medford. Newly built housing was about \$55,000 or 17% more expensive than sales of existing housing.

Since 2010, Medford has had several policy changes that affect residential development. The Regional Problem-Solving Plan (referred to as the *Regional Plan*) was adopted in 2012 and established urban reserves around Medford and other cities in the region. In 2018, Medford expanded its urban growth boundary (UGB) by more than 4,000 acres. The UGB expansion included land for housing, jobs, parks, and other urban amenities. Part of the UGB expansion analysis also resulted in rezoning nearly 500 acres of land. Medford has also adopted several

¹ The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden."

housing-related documents in the last few years, such as the *City of Medford Homeless System Action Plan* (December 2019) and the *City of Medford 2020-2024 Consolidated Plan* (May 2020).

These changes make this a good time to update Medford's Housing Capacity Analysis (HCA), allowing the City to plan to meet the housing needs of its residents over the next 20 years. This report provides Medford with a factual basis to update the Housing Element of the City's Comprehensive Plan and zoning code, as well as support future planning efforts related to housing and options for addressing unmet housing needs in Medford. It provides the city with newer information about the housing market in Medford and describes the factors that will affect future housing demand in the city, such as changing demographics.

This analysis will help decision makers understand whether Medford has enough land to accommodate growth over the next 20 years. In addition, it provides information used in developing the *City of Medford Housing Production Strategy*, which is an action plan intended to support the development of needed housing in Medford over the next eight years.

This report was updated in September 2022 to use the most up-to-date population forecast (from June 2022) and update the buildable lands inventory.

Framework for a Housing Capacity Analysis

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

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

This report provides information about how the choices of individual households and the housing market in Jackson County and Medford have interacted, focusing on implications for future housing need in Medford over the 2022 to 2042 period. This report and the *City of Medford Housing Production Strategy* provide policy options that can influence future housing development, considering opportunities to increase access to affordable housing for lower-

income communities and communities of color, as well as housing needs for all residents of Medford.

Statewide Planning Goal 10

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

Goal 10 provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).² Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

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

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multifamily housing for both owner and renter occupancy.
- (b) Government-assisted housing.³
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

² ORS 197.296 applies to cities with populations over 25,000, which includes Medford.

³ Government-assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

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

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

Public Process

At the broadest level, the purpose of the project was to understand how much Medford will grow over the next 20 years. This project focused on the technical analysis to understand Medford's housing needs over the next 20 years. The *Medford Housing Production Strategy* proposes policies and actions to meet those housing needs. The technical analysis, which is the focus of this report, required a broad range of assumptions that influenced the outcomes; the housing strategy is a series of high-level policy choices that will affect Medford residents.

The intent of the public process was to establish broad public engagement throughout the project as work occurs, to get input from stakeholders and decision makers in Medford. Public engagement was accomplished through various avenues. We discuss the two primary avenues below.

Housing Advisory Commission Engagement

The City of Medford and ECONorthwest solicited public input from the City's Housing Advisory Commission. The Housing Advisory Commission met five times⁴ to discuss project assumptions, results, and implications. The project relied on the Housing Advisory Commission to review draft products and provide input at key points (e.g., before recommendations and decisions were made and before draft work products were finalized).

The project required many assumptions and policy choices that the commission needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate and politically viable housing capacity analysis and housing strategy.

Planning Commission and City Council Engagement

City staff have briefed the Planning Commission and City Council on the work in the Housing Capacity Analysis during the project. ECONorthwest presented results of this analysis, in

⁴ Housing Advisory Commission meeting dates: December 9, 2020; February 10, 2021; March 10, 2021; April 14, 2021; and May 12, 2020.

combination with information from the *Medford Housing Production Strategy*, at two meetings of the Planning Commission and one City Council meeting.⁵

Broader Public Engagement

The City of Medford and ECONorthwest solicited input from the general public at one public meeting. The meeting, held on April 27, 2021, solicited comments on the results of the Housing Capacity Analysis.

Organization of This Report

The rest of this document is organized as follows:

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

⁵ The Planning Commission meeting was on April 26, 2021, and the City Council meeting was on May 13, 2021.

2. Residential Buildable Lands Inventory

The general structure of the standard method BLI analysis is based on the DLCD HB 2709 workbook *“Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,”* which specifically addresses residential lands. The steps and substeps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.
2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.
3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.
4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The methods used for this study are consistent with many others completed by ECONorthwest that have been acknowledged by DLCD and LCDC. A detailed discussion of the methodology used in this study is provided in Appendix A. The BLI for Medford includes all residential land designated in the comprehensive plan within the Medford UGB. From a practical perspective, this means that all lands within tax lots identified by the Jackson County Assessor’s Office that fall within the UGB were inventoried. ECONorthwest used the most recent tax lot shapefile from Jackson County for the analysis. The inventory then builds from the tax lot-level database to estimate buildable land by plan designation.

The buildable lands inventory in this chapter was updated in August 2022 to account for development that occurred since completion of the original BLI in this report, covering development through August 2022. This update is based on building permits and review of the latest aerial photography by Medford staff.

Residential Buildable Lands Inventory Results

Land Base

The land base for the Medford residential BLI includes all tax lots in the urban growth boundary (UGB) in residential plan designations. Exhibit 4 shows the land base by plan designation in the UGB.

There are 29,094 tax lots in the land base. There are 156 tax lots that are split between two or more plan designations and 121 tax lots split between two or more zoning districts. This results in 29,371 lots accounting for 13,100 acres.

Exhibit 4. Land Base by Plan Designation, Medford UGB, 2022

Source: Jackson County, ECONorthwest analysis, update of buildable and developed land by Medford staff.

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis due to split plan designations.

Plan Designation	Number of Tax Lots	Total Acres
Urban Residential	23,738	9,120
Urban Medium Density Residential	186	209
Urban High Density Residential	2,515	1,056
Service Commercial	719	608
Commercial	1,828	1,999
City Center	385	108
Total	29,371	13,100

Development Status

Exhibit 5 shows total acres in tax lots classified by development status. We used a rule-based classification (described in Appendix A) to define an initial development status. We confirmed development status through a series of reviews by ECONorthwest and City staff. Through that review, we examined partially vacant lots in more detail (as described in Appendix A) to identify lots where additional development was unlikely due to existing development.

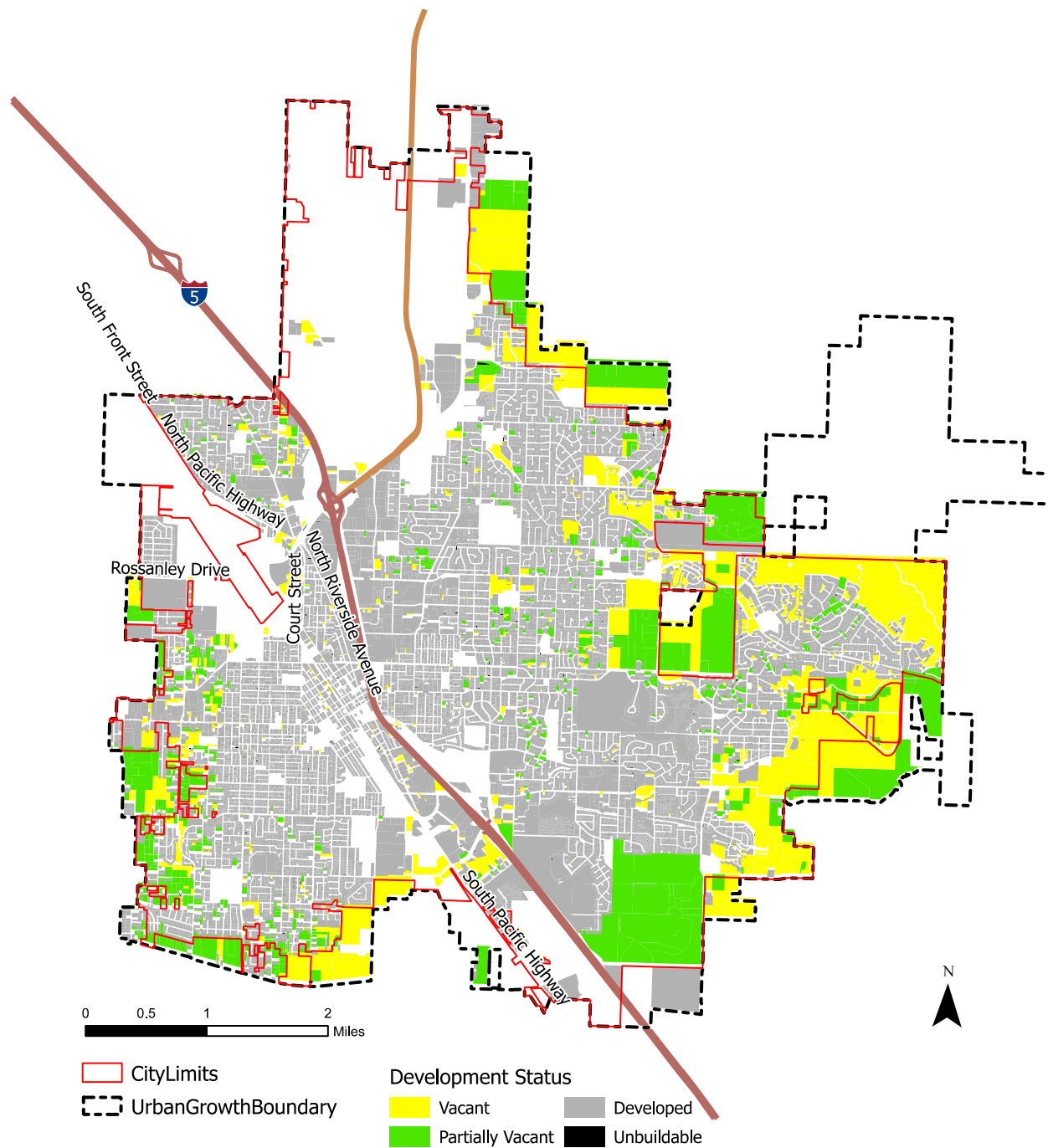
Exhibit 5. Development Status, Constraints Not Applied by Plan Designation, Medford UGB, 2022

Source: Jackson County, ECONorthwest analysis, update of buildable and developed land by Medford staff.

Plan Designation	Buildable Acres		Total Committed Acres			Total
	Vacant	Partially Vacant	Developed	Unbuildable	Public	
Urban Residential	1,663	1,668	5,669	4	116	9,120
Urban Medium Density Residential	75	78	53	0	3	209
Urban High Density Residential	260	136	644	0	16	1,056
Service Commercial	125	90	381	0	11	608
Commercial	316	291	1,295	2	95	1,999
City Center	2	-	69	0	36	108
Total	2,441	2,262	8,112	7	278	13,100

Exhibit 6 shows residential land by development status. Note that partially vacant land in Exhibit 6 shows the entire tax lot as being partially vacant, without distinguishing the part of the tax lot that is not available for development. The buildable lands inventory database accounts for the portion of the tax lot that is developed (and considered unavailable for future development) and the portion of the tax lot that is vacant.

Exhibit 6. Residential Land by Development Status, Medford UGB, 2020



Information current as of 11/15/2020 and does not reflect changes to the Comprehensive Plan map made after that date.

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Development Constraints

The buildable lands inventory identifies the following conditions as constraints that prohibit development: flood hazards, riparian corridor, wetlands, slopes greater than 25%, and landslide susceptibility.

In addition, in urbanizing areas recently brought into the UGB, Medford requires a certain amount of open space.⁶ In some urbanizing areas, the open space has been mapped (in an open space overlay), and in some areas, the percentages of open space have been identified but not mapped. Areas where open space requirements have been mapped are included in the analysis of constraints that prohibit development. Open space requirements in areas where the open space has not yet been mapped are accounted for in a separate step of the analysis (in Exhibit 8).

Vacant or partially vacant land with these constraints (including mapped open space) are considered unavailable for development and removed from the inventory of buildable land. Exhibit 7 shows development status with constraints applied, resulting in buildable acres. Of the 13,100 total acres in the land base, 1,056 are constrained acres (8%), 8,216 are committed acres⁷ (63%), 261 are in mapped open space areas (2%), and 3,566 are buildable acres (27%).

Exhibit 7. Development Status with Constraints by Plan Designation (excluding mapped open space), Medford UGB, 2022

Source: Jackson County, ECONorthwest analysis, update of buildable and committed land by Medford staff.

*Note: Open space areas that are mapped in the Open Space Overlay are accounted for in this table.

Plan Designation	Taxlot Acres	Constrained Acres	Committed Acres	Mapped Open Space Deductions from Buildable Acres*	Buildable Acres Excluding Mapped Open Space*
Urban Residential	9,120	811	5,730	148	2,431
Urban Medium Density Residential	209	21	58	1	128
Urban High Density Residential	1,056	59	642	47	309
Service Commercial	608	24	381	23	179
Commercial	1,999	137	1,303	42	517
City Center	108	5	101	-	2
Total	13,100	1,056	8,216	261	3,566

⁶ Regional Plan Element, Ordinance 2012-127 and Neighborhood Element (Urbanization Planning Chapter) – Ordinance 2018-131

⁷ Committed acres are developed, unbuildable, and public lands.

Vacant Buildable Land

Exhibit 8 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Exhibit 8 deducts required open space in areas where it is not mapped, but there is a required percentage of land in open space (as described in Appendix A).

Medford has 3,259 unconstrained buildable acres, excluding land required for open space. Of this, 2,236 acres is in Urban Residential, which is 69% of all buildable acres. This land is Medford's buildable residential land, and capacity for new housing on this land is estimated in Chapter 6.

Exhibit 8. Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designation (excluding land in required open space), Medford UGB, 2022

Source: Jackson County, ECONorthwest analysis update of buildable land by Medford staff.

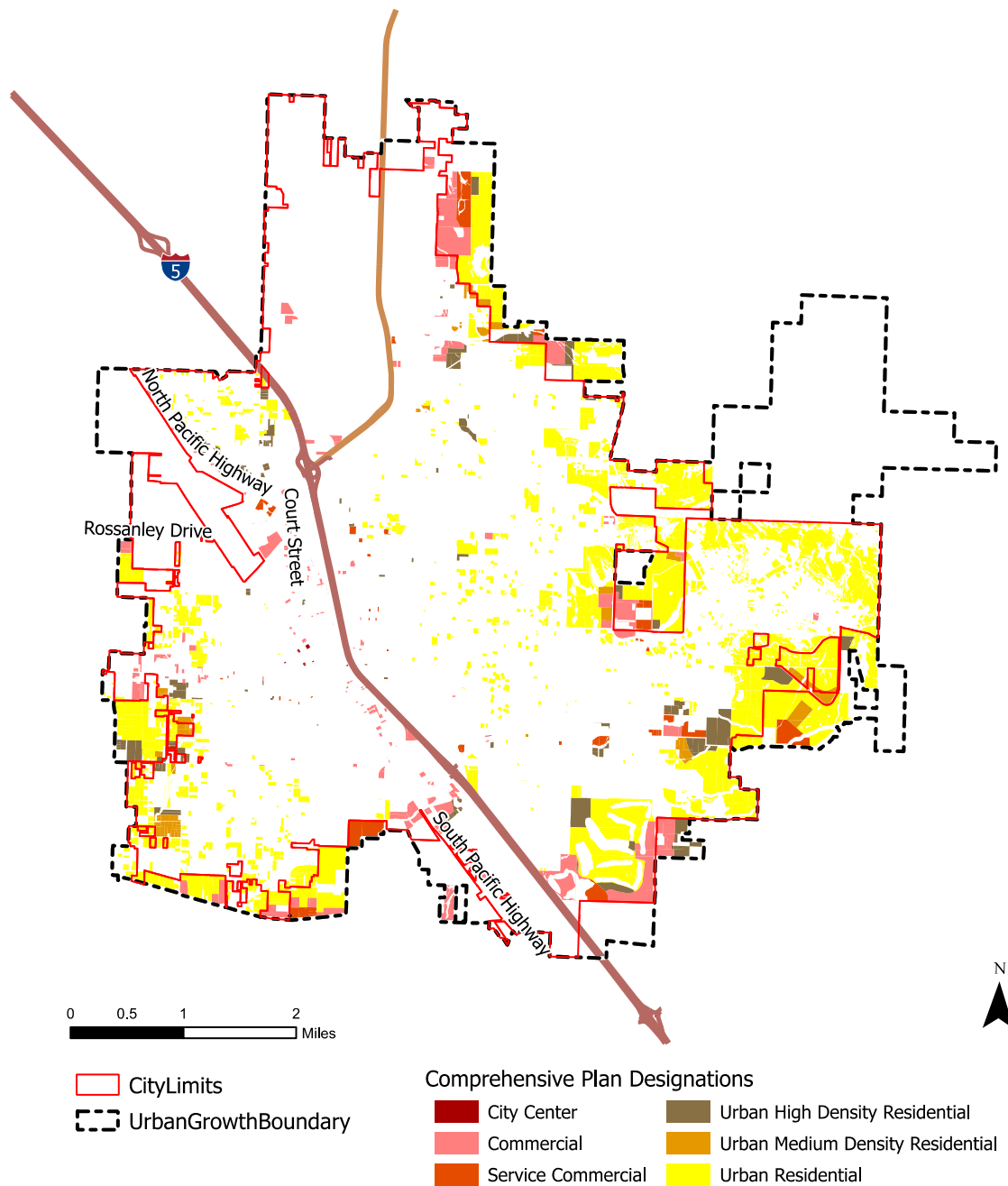
Note: Open space areas that are mapped in the Open Space Overlay and open space areas that are not mapped (but required percentage of land are known) are accounted for in this table.

Plan Designation	Areas with Mapped Open Space			Open Space Percentage Deduction for Areas where Open Space is not Mapped	Total Unconstrained Buildable Land Excluding All Open Space
	Open Space Deduction	Vacant	Partially Vacant		
Urban Residential	148	1,325	1,105	195	2,236
Urban Medium Density Residential	1	68	61	-	128
Urban High Density Residential	47	199	110	37	272
Service Commercial	42	113	66	6	174
Commercial	23	296	222	69	448
City Center	-	2	-	-	2
Total	261	2,003	1,564	307	3,259

Exhibit 9 shows Medford's buildable vacant and partially vacant residential land. Note that partially vacant land in Exhibit 9 shows the entire tax lot as being partially vacant, without distinguishing the part of the tax lot that is not available for development. The buildable lands inventory database accounts for the portion of the tax lot that is developed (and considered unavailable for future development) and the portion of the tax lot that is vacant.

Redevelopment potential was not directly assessed in the buildable lands inventory. Given Medford's supply of buildable land, redevelopment is most likely to occur in areas where the City is planning for it, such as in the Liberty Park Neighborhood or in downtown Medford. In both areas, Medford has urban renewal districts intended to support redevelopment and new development.

Exhibit 9. Unconstrained Vacant and Partially Vacant Residential Land (excluding land in required open space), Medford UGB, 2020



Information current as of 11/15/2020 and does not reflect changes to the Comprehensive Plan map made after that date.

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3. Historical and Recent Development Trends

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

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

This Housing Capacity Analysis examines changes in Medford's housing market from 2000 to 2018, as well as residential development from 2009 to 2020. We selected this time period because (1) Medford last adopted its Housing Element in 2010; (2) the period provides information about Medford's housing market before and after the national housing market bubble's growth, deflation, and the more recent increase in housing costs; and (3) data about Medford's housing market during this period is readily available from sources such as the Census and the City building permit database.⁸

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

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

For the purposes of this study, we grouped housing types based on (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:⁹

⁸ ORS 197.296(5)(a) requires cities to determine housing capacity based on "data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater." The 2010 Medford Housing Element (December 2010) presented data for development from 1996 through 2009. The analysis of housing density and development starts with where the prior analysis left off in 2009 and includes data through 2020.

⁹ ORS 197.303 defines needed housing as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes."

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or town houses.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

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

Data Used in This Analysis

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

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the United States. From 2014 to 2018, the ACS sampled an average of 3.5 million households per year in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- **Comprehensive Housing Affordability Strategy (CHAS)**, which is custom tabulations of American Community Survey (ACS) data from the US Census Bureau for the US Department of Housing and Urban Development (HUD). CHAS data show the extent of housing problems and housing needs, particularly for low-income households. CHAS data are typically used by local governments as part of their consolidated planning work to plan how to spend HUD funds and for HUD to distribute grant funds. The most up-

to-date CHAS data covers the 2013-2017 period, which is a year older than the most recent ACS data for the 2014-2018 period.

- **Southern Oregon Multiple Listing Services and Property Radar**, which provides real estate sales data.

This report uses data from the 2014-2018 ACS for Medford. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report also includes data from Oregon’s Housing and Community Services Department, the US Department of Housing and Urban Development, and the City of Medford.

The foundation of the Housing Capacity Analysis is the population forecast for Medford from the Oregon Population Forecast Program. The forecast is prepared by the Portland State University Population Research Center.

It is worth commenting on the methods used for the American Community Survey.¹⁰ 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.

¹⁰ A thorough description of the ACS can be found in the Census Bureau’s publication “What Local Governments Need to Know.” <https://www.census.gov/library/publications/2009/acs/state-and-local.html>

Trends in Housing Mix

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

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

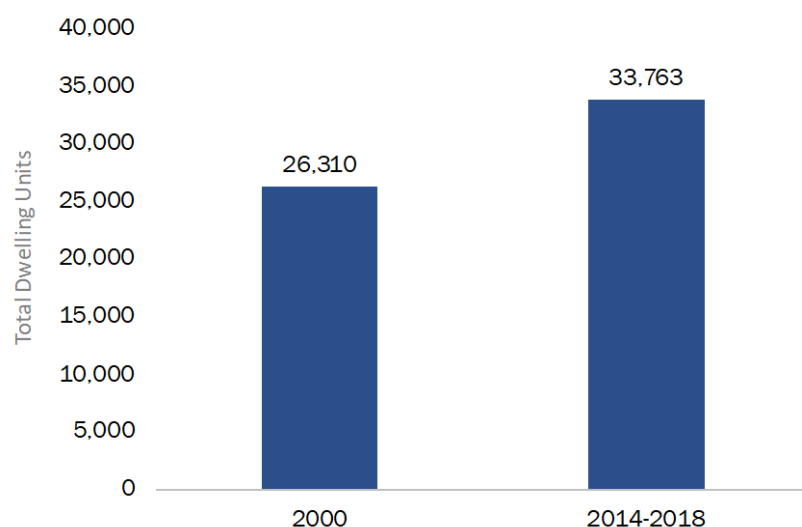
- **Medford's housing stock is predominantly single-family detached housing units.** Sixty-six percent of Medford's housing stock is single-family detached; 15% is multifamily (with five or more units per structure); 13% is duplexes, triplexes, or quadplexes; and 6% is single-family attached (e.g., town houses).
- **Since 2000, Medford's housing mix has remained relatively static.** Medford's housing stock grew by about 28% (about 7,453 new units) between 2000 and the 2014-2018 period.
- **Single-family detached housing accounted for the majority of new housing permitted in Medford between 2009 and 2020.** About 65% of new units permitted were for single-family units, 33% were for multifamily units, and 2% were for accessory dwelling units. Residential development occurred across Medford, with single-family housing developed in most parts of Medford and multifamily units concentrated in a few areas.

Housing Mix

The total number of dwelling units in Medford increased by 28% from 2000 to 2014-2018.

Medford added 7,453 new dwelling units since 2000.

Exhibit 10. Total Dwelling Units, Medford, 2000 and 2014-2018
Source: US Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2014-2018 ACS Table B25024.

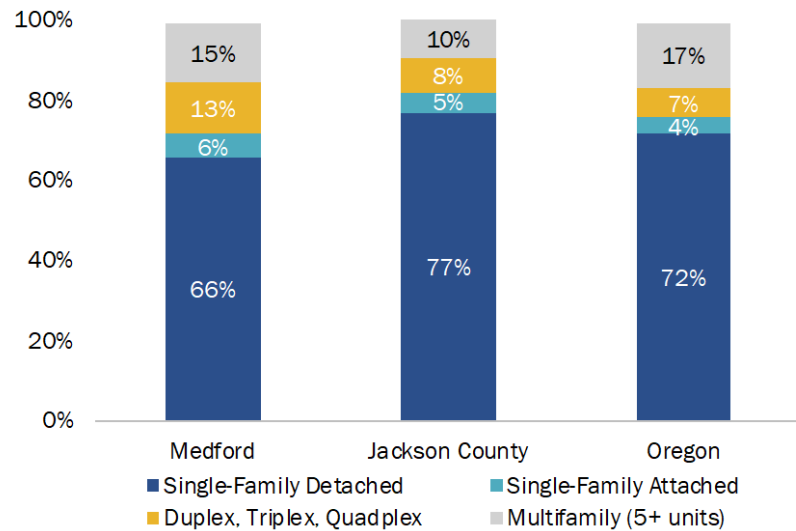


Sixty-six percent of Medford's housing stock was single-family detached.

Medford had a larger share of multifamily housing (5+ units per structure) than Jackson County as well as a larger share of duplex, triplex, and quadplex housing.

Exhibit 11. Housing Mix, Medford, Jackson County, and Oregon, 2014-2018

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



From 2000 to 2014-2018, the share of single-family detached housing in Medford decreased by 2% while the share of single-family attached housing increased by 2%.

Exhibit 12. Change in Housing Mix, Medford, 2000 and 2014-2018

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

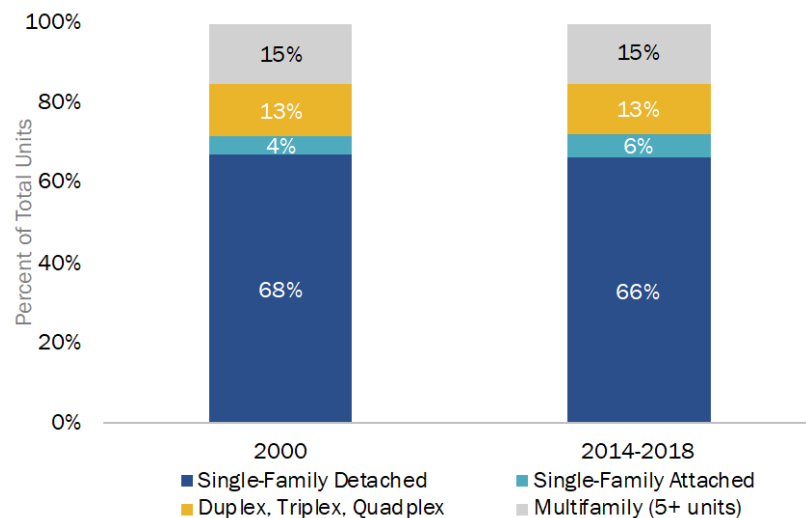
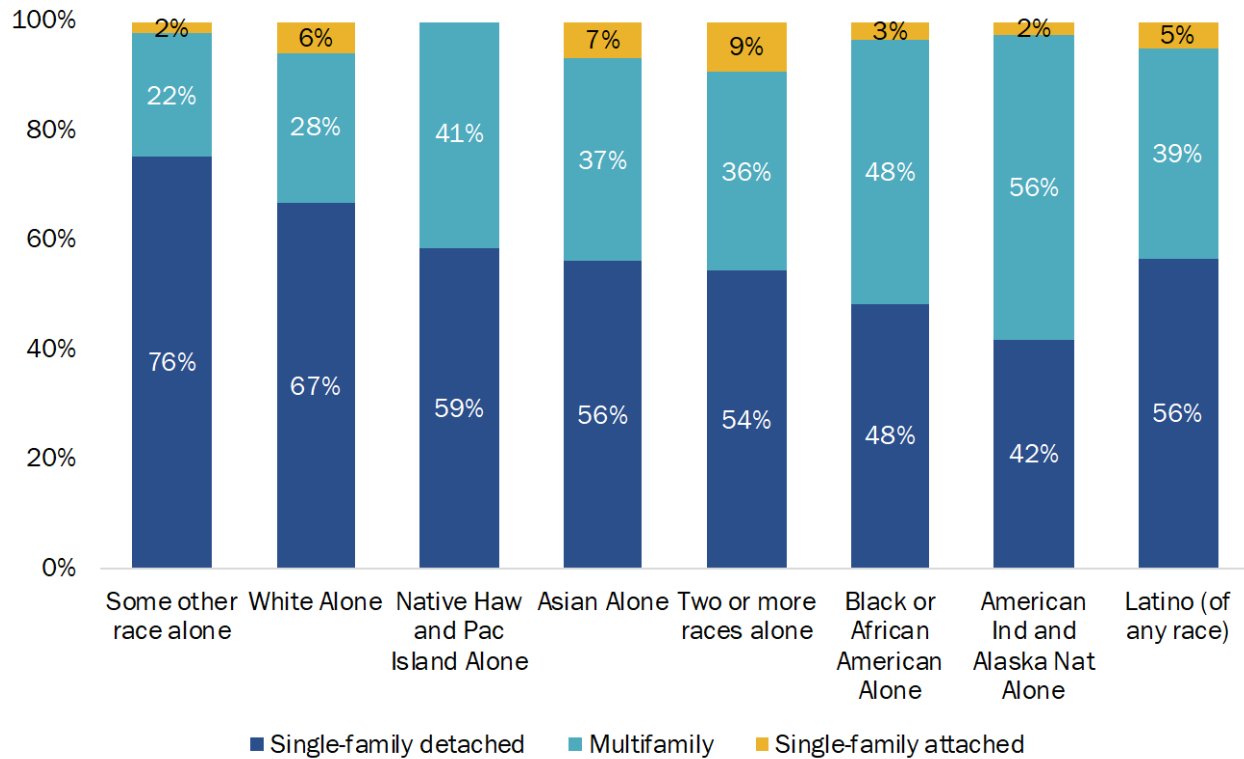


Exhibit 13 shows that households that identified as White Alone and households that identified as Some Other Race were most likely to live in single-family detached housing (67% and 59%, respectively). Households that identified as American Indian and Alaska Native, as well as Black or African American, lived in multifamily housing at the highest rates (56% and 48%, respectively). Over half of the households that identified as Latino lived in single-family detached housing (56%).

Exhibit 13. Occupied Housing Structure by Race and Ethnicity, Medford, 2014-2018

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



Building Permits

Over the 2009 to 2020 period, Medford issued permits for 3,773 dwelling units, with an annual average of 343 permits issued. Of these 3,773 permits, about 65% were for single-family units,¹¹ 33% were for multifamily units, and 2% were for accessory dwelling units.

Exhibit 14. Building Permits Issued for New Residential Construction by Type of Unit, Medford, 2009 through October 2020

Source: City of Medford, Permit Database.

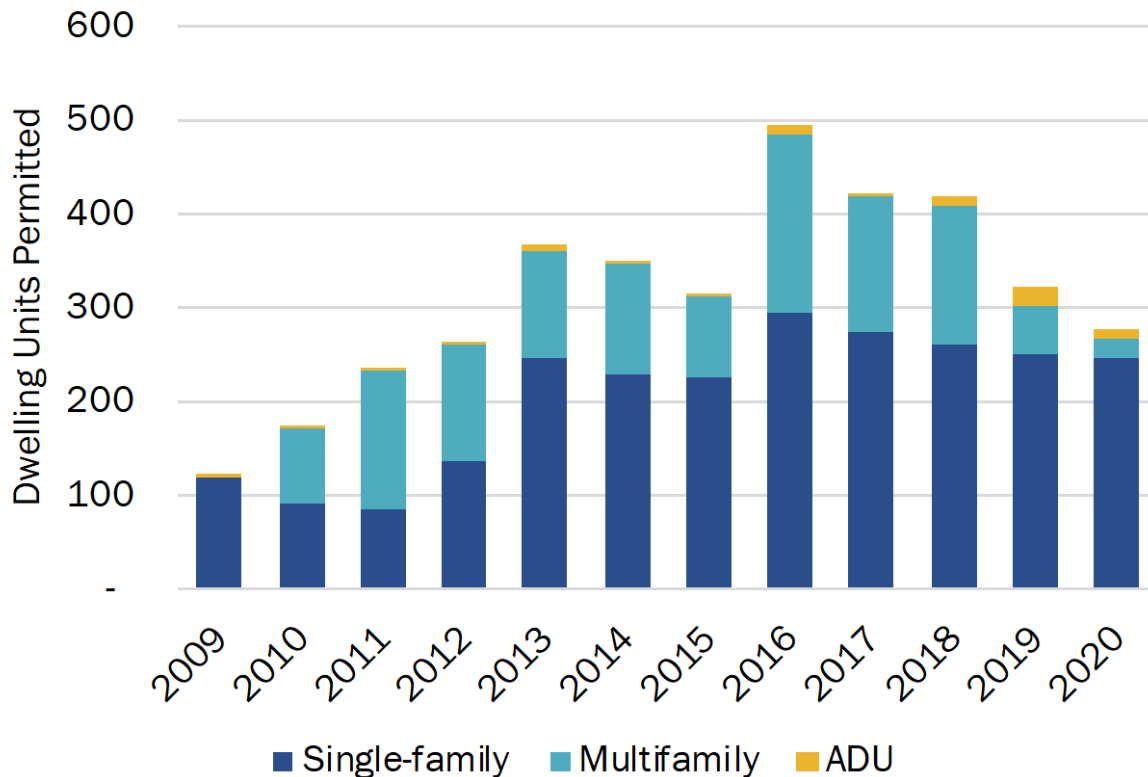
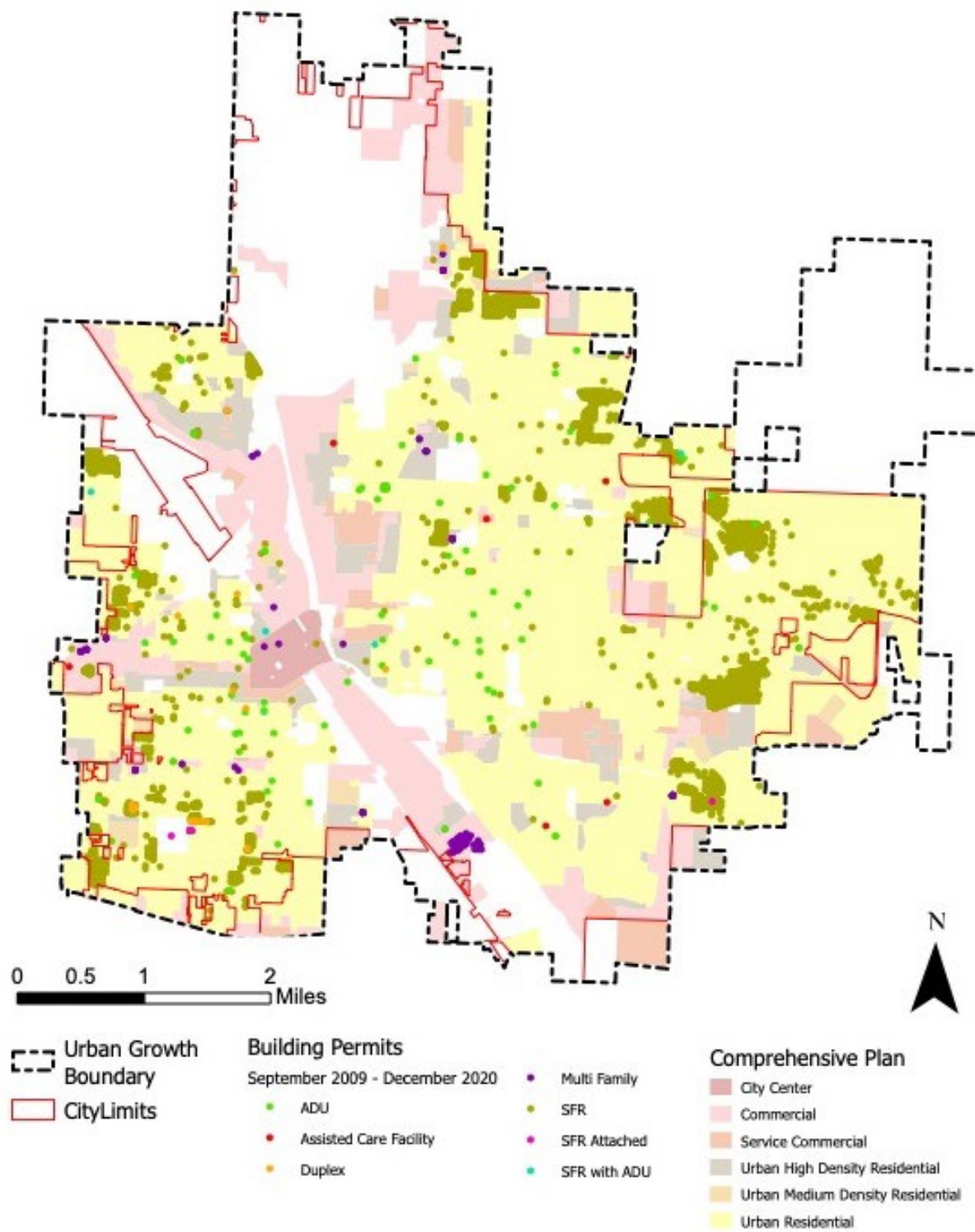


Exhibit 15 presents the locations of residential permits issued between 2009 and 2020.

¹¹ This analysis does not differentiate between single-family detached and single-family attached units because Medford's building permit database combines them into one category: single family.

Exhibit 15. Building Permits Issued for New Residential Construction by Type of Unit, Medford, 2009 through 2020

Source: ECONorthwest using the City of Medford's Permit Database.



Trends in Housing Density

Housing density is the density of residential structures by structure type, expressed in dwelling units per net or gross acre.¹² The US Census does not track residential development density; thus, this study analyzes housing density based on Medford’s permit database for development between 2009 and 2020.

Exhibit 16 shows that between 2009 and 2020, Medford’s newly permitted housing was developed¹³ at an average net density of 8.0 dwelling units per net acre.¹⁴ Exhibit 16 shows average net residential density by structure type for the historical analysis period. Single-family¹⁵ housing developed at 6.0 dwelling units per net acre, and multifamily housing developed at 26.7 dwelling units per net acre.

Exhibit 16. Net Density by Structure Type and Plan Designation, Medford 2009 through 2020

Source: City of Medford Permit Database.

Plan Designation	Single-Family			Multifamily			Total, Combined		
	Dwelling Units	Net Acres	Net Density	Dwelling Units	Net Acres	Net Density	Dwelling Units	Net Acres	Net Density
Urban Residential	2,448	418	5.9	190	13	14.5	2,638	431	6.1
Urban Medium Density Residential	6	1	8.6	54	3	16.5	60	4	15.1
Urban High Density Residential	44	3	14.6	243	13	18.0	287	16	17.4
Commercial & City Center	46	5	10.1	727	16	46.4	773	20	38.2
Total	2,544	426	6.0	1,214	46	26.7	3,758	472	8.0

¹² OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net buildable acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

¹³ Note (for the density analysis by plan designation): units permitted in general industrial, heavy industrial, and parks and schools were excluded from this analysis, as they do not allow housing outright. Units permitted in the commercial plan designation and the city center plan designation were combined into one category, as there were limited observations in the city center plan designation. ADUs were included in the single-family housing type category, but their acreage was excluded from the analysis.

¹⁴ Exhibit 14 shows that Medford issued permits for 3,773 dwelling units. A few dwelling units (15 dwellings) were excluded from the analysis of development density analysis because information about land where the dwelling unit was developed was not sufficient for inclusion in the density analysis.

¹⁵ This analysis does not differentiate between single-family detached and single-family attached units because Medford’s building permit database combines them into one category: single family.

Exhibit 17 presents Medford's density analysis by plan designation and by zone.

Exhibit 17. Net Density by Structure Type by Plan Designation and by Zoning District, Medford 2009 through 2020

Source: City of Medford Permit Database.

Plan Designation and Zone	Single-Family			Multifamily			Total, Combined		
	Dwelling Units	Net Acres	Net Density	Dwelling Units	Net Acres	Net Density	Dwelling Units	Net Acres	Net Density
Urban Residential	2,448	418	5.9	190	13	14.5	2,638	431	6.1
Single-Family Residential - 1 Unit	26	33	0.8	-	-	-	26	33	0.8
Single-Family Residential - 2 Units	56	25	2.2	-	-	-	56	25	2.2
Single-Family Residential - 4 Units	1,058	210	5.0	44	5	8.8	1,102	215	5.1
Single-Family Residential - 6 Units	741	84	8.8	-	-	-	741	84	8.8
Single-Family Residential - 10 Units	567	65	8.7	130	7	19.6	697	72	9.7
Multiple-Family Residential - 15 Units	-	-	-	16	1	10.8	16	1	10.8
Urban Medium Density Residential	6	1	8.6	54	3	16.5	60	4	15.1
Single-Family Residential - 1 Unit	1	0	6.6	-	-	-	1	0	6.6
Single-Family Residential - 6 Units	-	-	-	-	-	-	-	-	-
Single-Family Residential - 10 Units	5	1	9.2	-	-	-	5	1	9.2
Multiple-Family Residential - 15 Units	-	-	-	54	3	16.5	54	3	16.5
Urban High Density Residential	44	3	14.6	243	13	18.0	287	16	17.4
Single-Family Residential - 4 Units	2	0	4.5	-	-	-	2	0	4.5
Single-Family Residential - 6 Units	2	-	-	-	-	-	2	-	-
Single-Family Residential - 10 Units	18	2	10.3	-	-	-	18	2	10.3
Multiple-Family Residential - 20 Units	22	1	27.0	243	13	18.0	265	14	18.6
Commercial	45	4	10.0	720	15	48.5	765	19	39.6
Single-Family Residential - 1 Unit	1	-	-	-	-	-	1	-	-
Community Commercial	1	0	4.4	27	1	27.8	28	1	23.3
Heavy Commercial	43	4	10.1	693	14	49.9	736	18	40.6
City Center	1	0	13.5	7	1	8.4	8	1	8.8
Community Commercial	1	0	13.5	7	1	8.4	8	1	8.8
Total	2,544	426	6.0	1,214	46	26.7	3,758	472	8.0

Trends in Tenure

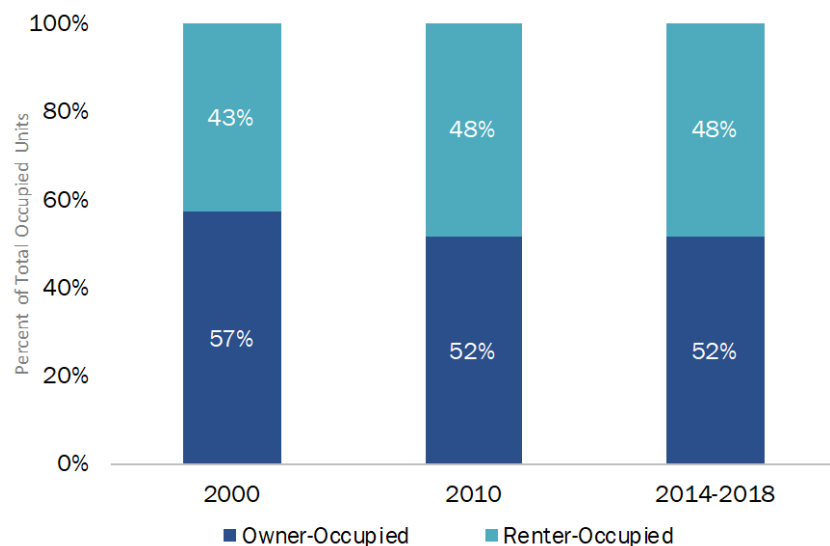
Housing tenure describes whether a dwelling is owner or renter occupied. This section shows:

- **Homeownership rates in Medford were lower than Jackson County's and Oregon's rates.** About 52% of Medford's households own their home. In comparison, 63% of Jackson County households and 62% of Oregon households are homeowners.
- **Homeownership rates in Medford declined between 2000 and 2014-2018.** In 2000, 57% of Medford households were homeowners. This decreased to 52% in 2010 and remained steady at 52% in 2014-2018.
- **Most of Medford's homeowners (95%) live in single-family detached housing, while almost half of renters (57%) lived in multifamily housing** (including units in duplexes, triplexes, quadplexes, and housing with five or more units per structure).

The implications for the forecast of new housing are that Medford has a balance of opportunities for homeownership and for renting. Relatively few multifamily housing types (including duplexes) were owner occupied, which combined with information about housing affordability in Chapter 4 may suggest a need for homeownership opportunities for a wider range of housing types, such as town houses, cottage housing, and duplexes, triplexes, and quadplexes.

The homeownership rate in Medford decreased by 5% from 2000 to 2014-2018.

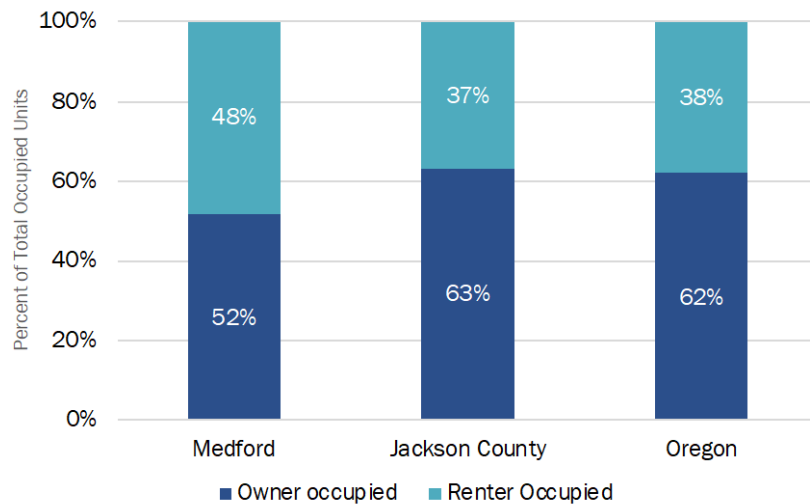
Exhibit 18. Tenure, Occupied Units, Medford, 2000, 2010, 2014-18
Source: US Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2014-2018 ACS Table B25003.



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

Exhibit 19. Tenure, Occupied Units, Medford, Jackson County, and Oregon, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimates, Table B25003.



Nearly all of Medford's homeowners (95%) lived in single-family detached housing.

In comparison, only 35% of Medford households that rent lived in single-family detached housing.

A quarter of renters lived in duplex, triplex, or quadplex housing, and about a third of renters lived in multifamily housing.

Exhibit 20. Housing Units by Type and Tenure, Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS Table B25032.

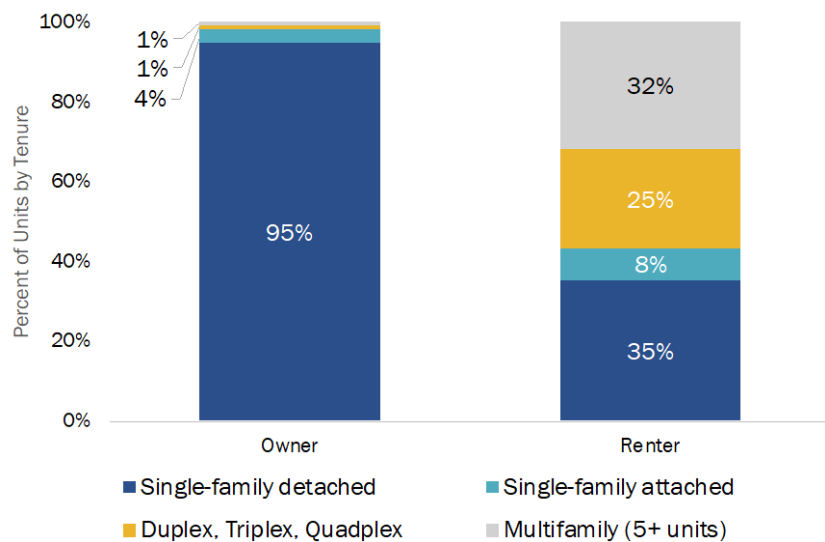
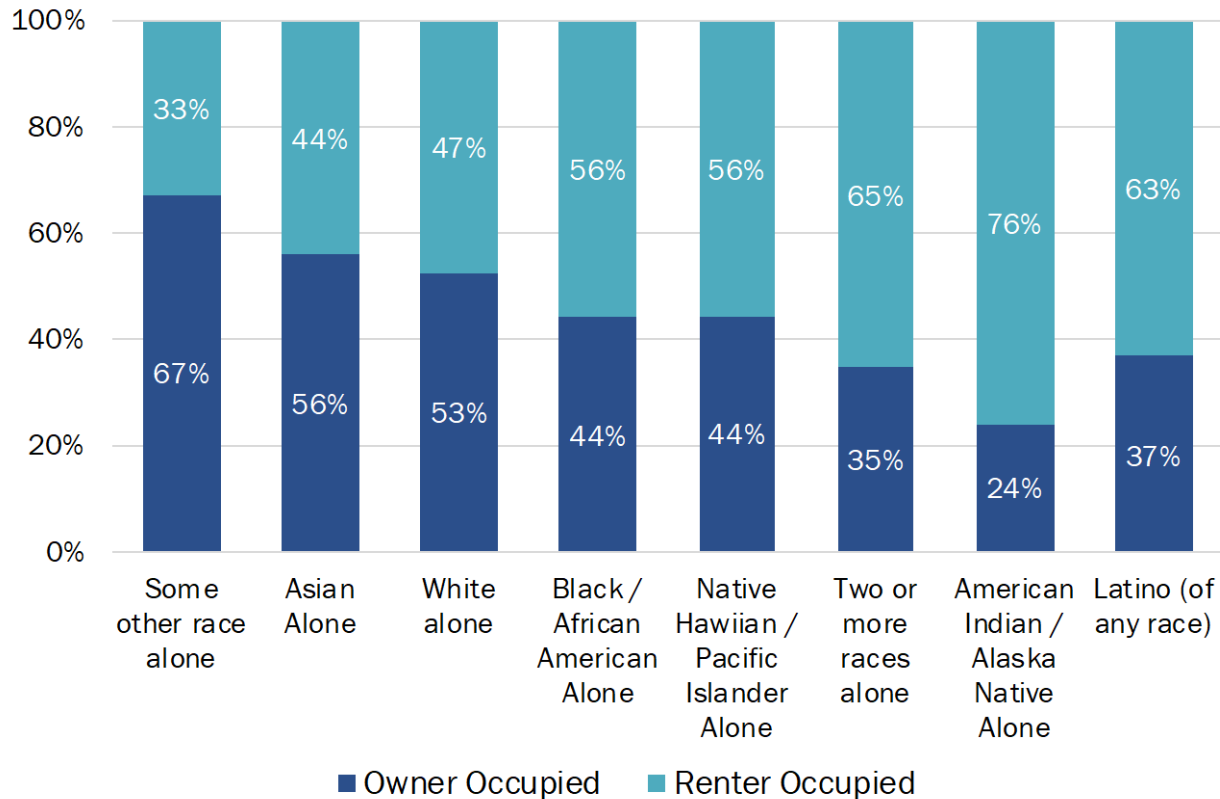


Exhibit 21 shows housing tenure by race and ethnicity for Medford’s households. Households that identified as American Indian and Alaska Natives Alone had the lowest rates of home ownership (24%). In comparison, 53% of households that identified as White Alone, 56% of households that identified as Asian Alone, and 67% of households that identified as Some other Race Alone were homeowners. About 37% of households who identified as Latino (of Any Race) owned their own home.

Exhibit 21. Tenure by Race and by Ethnicity, Medford, 2014-2018

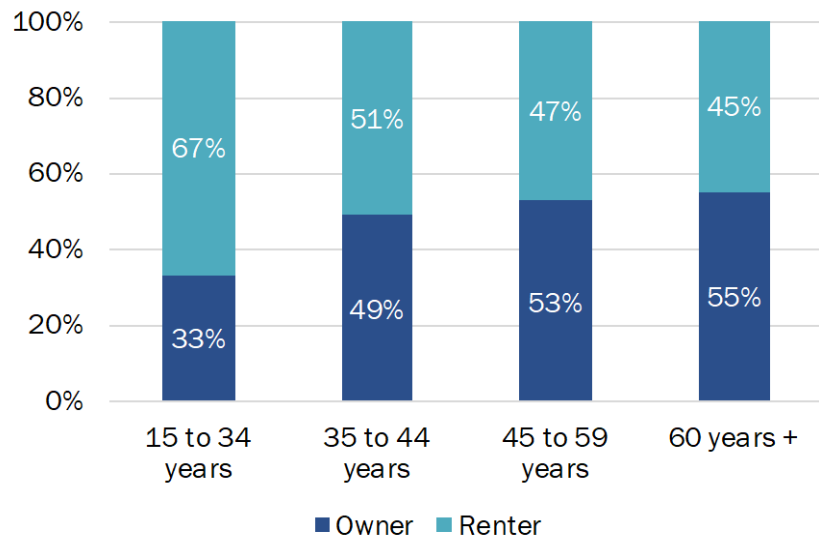
Source: US Census Bureau, 2014-2018 ACS Table B25003A-I.



The homeownership rate in Medford increased with age. In Medford, about 50% of householders 35 years or older owned their homes.

Exhibit 22. Tenure by Age of the Head of Household, Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS Table B25007.



Vacancy Rates

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

According to the 2014-2018 American Community Survey, the vacancy rate in Medford was 6.2%, compared to 7.5% for Jackson County and 9.1% for Oregon. Nearly one-fifth of Medford's vacant units are for seasonal, recreational, or occasional use (19%), which is lower than the Oregon average (39%) and Jackson County average (30%).

Government-Assisted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low and moderate-income households in renting or purchasing a home. There are 54 government-assisted housing developments in Medford with a total of 1,648 dwelling units.

Exhibit 23. Government-Assisted Housing, Medford, 2019

Source: Oregon Department of Health and Human Services, Affordable Housing Inventory in Oregon, July 2019.

Note: bedroom size data not available for Cottonwood Apartments, Glen Ridge Terrace, Mulberry Court, and Swing Lane.

Development Name	Total Units	Unit Size					
		SRO	Studio	1-bd	2-bd	3-bd	4-bd
11th St Retreat	11	-	-	-	11	-	-
ARC Apts	6	-	-	6	-	-	-
Autumn Glen	14	-	-	12	2	-	-
Barnett Townhomes	82	-	-	-	21	40	21
Birch Corners	8	-	-	6	2	-	-
Canterbury Hills	48	-	-	14	24	10	-
Catalpa Shade Apts	21	-	-	16	5	-	-
Cherry Creek	50	-	-	14	20	16	-
Conifer Gardens	52	-	16	36	-	-	-
Coronado Apt	1	-	-	-	1	-	-
Cottonwood Apts	5	-	-	-	-	-	-
Crater Lake Retreat	4	-	-	-	4	-	-
Delta Waters	18	-	-	12	6	-	-
Elk Street Townhomes	13	-	-	-	13	-	-
Finley Square	40	-	-	20	20	-	-
Four Oaks	7	-	-	6	1	-	-
Franquette Street	6	6	-	-	-	-	-
Glen Ridge Terrace	46	-	-	-	-	-	-
Grand Apts	26	-	3	23	-	-	-
Grape Street House	8	8	-	-	-	-	-
Holly Court Apts	8	-	-	4	4	-	-

Exhibit continued on next page.

Development Name	Total Units	Unit Size					
		SRO	Studio	1-bd	2-bd	3-bd	4-bd
Holly Street Apts	6	-	-	-	3	3	-
Larson Creek Retirement Center	40	-	-	40	-	-	-
Lilac Meadow	82	-	-	13	43	22	4
Lions Cottage	4	-	-	2	2	-	-
Main Street Apts	8	-	-	-	8	-	-
Maple Terrace	82	-	-	22	48	12	-
Mountain Vista	44	-	-	8	29	7	-
Mulberry Court	30	-	-	-	-	-	-
Narregan Apts	9	-	-	-	-	9	-
New Medford Apts	74	-	-	74	-	-	-
Northwood Apts	36	-	-	18	18	-	-
Orange Street	5	-	5	-	-	-	-
Osprey Apts	12	-	-	-	12	-	-
Quail Ridge Retirement Commun	60	-	-	60	-	-	-
Rocky Rd/Carmel Circle	4	-	-	-	2	2	-
Rogue River Estates	94	-	12	81	1	-	-
Ross Knotts Retirement Center	-	-	-	-	-	-	-
Royal Apts	86	-	-	8	66	12	-
Schuler Apts	30	2	-	28	-	-	-
Seroba Circle	12	-	-	-	-	-	12
Sheraton Court	10	-	-	-	-	8	2
Southernaire	58	-	-	3	38	17	-
Spring Street Apts	56	-	-	50	6	-	-
Stevens Place	49	-	-	16	21	9	3
Summit Street Apts	6	-	-	-	-	6	-
Swing Lane	8	-	-	-	-	-	-
T'Morrow for the Elderly	36	-	-	36	-	-	-
Table Rock Apts	30	-	8	12	10	-	-
The Concord	49	-	-	20	29	-	-
Valley Pines Apts	120	-	42	42	30	6	-
Victory Place	16	-	8	8	-	-	-
West Main Apts	8	-	-	-	8	-	-
Woodrow Pines	10	4	-	6	-	-	-
Total	1,648	20	94	716	508	179	42

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

Exhibit 24. Facilities and Housing Targeted to Households Experiencing Homelessness, Medford/Ashland/Jackson County Continuum of Care Region, 2019

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

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

Manufactured Homes

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

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

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. Exhibit 25 presents the inventory of mobile and manufactured home parks within Medford as of 2020.

Medford has 14 manufactured home parks within its UGB. Within these parks, there are a total of 1,273 spaces (of which 16 spaces were vacant as of November 2020).

Exhibit 25. Inventory of Mobile/Manufactured Home Parks, Medford UGB, 2020

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Comprehensive Plan Designation
Aspens on the Creek	2252 Table Rock Rd	55+	180	0	Urban High Density Residential
El Camino Real Mobile Home Park	1500 Kings Hwy	55+	16	0	Urban High Density Residential
M & J Mobile Home Park LLC	833 W Jackson St	Family	33	0	Commercial
Meadow View Estates	2552 Thorn Oak Drive	Family	108	1	Urban Residential
Myra Lynne Mnf. Housing Community	924 Carol Rae	Family	206	0	Urban Residential
Peachwood Village Mobile Home Park	1570 S Peach St	Family	147	0	Urban Residential
Rogue Valley Meadows	2385 Table Rock Road	55+	132	1	Urban High Density Residential
San George Estates	10 East South Stage Rd	Family	175	7	Urban Residential
Shirleen Trailer Park	602 N Riverside Ave	Family	31	0	Commercial
Springview Estates	2111 Kings Hwy	Family	43	0	Urban Residential
Twelfth Street Mobile Home Park	401 E Twelfth St	Family	37	3	Commercial
Valley Center Mobile Park	3410 N Pacific Hwy	55+	52	4	Commercial
Village Mobile Inn	2335 Table Rock Rd	Family	59	0	Urban High Density Residential
Weldon Mobile Home Park	2704 Stearns Way	55+	54	0	Urban Residential
Total			1,273	16	-

4. Demographic and Other Factors Affecting Residential Development in Medford

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

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

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

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

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

Demographic and Socioeconomic Factors Affecting Housing Choice¹⁶

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

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

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

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

¹⁶ The research in this chapter is based on numerous articles and sources of information about housing, including:

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

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

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave*, Urban Land Institute, 2010.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade*, Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

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

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

National Trends¹⁷

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

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

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

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

¹⁷ These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2021 Emerging Trends in Real Estate," and (3) the US Census.

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

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups; however, new growth in homeownership since the post–Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of \$150,000 or more.
- **Housing affordability.** Despite a recent downward trend, 37.1 million American households spent more than 30% of their income on housing in 2019, which is 5.6 million more households than in 2001. Renter households experienced cost burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019, even as the share of low-income households experiencing cost burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028.¹⁸ Much of the demand will come from baby boomers, millennials, Generation Z,¹⁹ and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while greater demand is for mid-priced single-family houses that are affordable to a larger buyer pool.
- **Growth in rehabilitation market.**²⁰ Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the

¹⁸ The Joint Center for Housing Studies of Harvard University. *The State of the Nation's Housing* 2019.

¹⁹ According to the Pew Research Center, millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 and 2012 (inclusive). Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

²⁰ These findings are copied from the Joint Center for Housing Studies. (2019). *Improving America's Housing*, Harvard University. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

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

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

- **Declining residential mobility.**²¹ Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as baby boomers and millennials age, mobility rates are expected to fall, as people typically move less as they age. Harvard University’s Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of baby boomers, housing demand from millennials and Generation Z, and growth of immigrants.
 - *Baby boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the baby boomer generation will affect the housing market. In particular, baby boomers will influence housing preference and homeownership trends. Preferences (and needs) will vary for boomers moving through their sixties, seventies, and eighties (and beyond). They will require a range of housing opportunities. For example, “aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities.”²² Many seniors are also moving to planned retirement destinations earlier than expected, as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their

²¹ Frost, R. (2020). “Are Americans stuck in place? Declining residential mobility in the US.” Joint Center for Housing Studies of Harvard University’s Research Brief.

²² Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

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

Research shows that “older people in western countries prefer to live in their own familiar environment as long as possible,” but aging in place does not only mean growing old in their own homes.²³ A broader definition exists, which explains that aging in place means “remaining in the current community and living in the residence of one’s choice.”²⁴ Some boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into a dependent-living facility or into a familial home. Moreover, “the aging of the US population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses.”²⁵

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.²⁶ However, as millennials move into their early to mid-thirties, postponement of family formation is ending, and millennials are likely to prefer detached, single-family homes in suburban areas.

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

Millennials’ average wealth may remain far below boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, millennials comprised 38% of home buyers, while Gen Xers comprised 23% and boomers 33%.²⁷ “By the year 2061, it is estimated that \$59 trillion

²³ Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review.

²⁴ *Ibid.*

²⁵ American Planning Association. Making Space for Tiny Houses, Quick Notes.

²⁶ According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).

²⁷ National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: <https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends>

will be passed down from boomers to their beneficiaries,” presenting new opportunities for millennials (as well as Gen Xers).²⁸

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early twenties and the youngest in their early childhood years. By 2040, Generation Z will be between 20 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues, they look very much like millennials. Generation Z was set to inherit a strong economy and record-low unemployment.²⁹ However, because the long-term impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

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

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

²⁸ PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: <https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html>

²⁹ Parker, K. & Igielnik, R. (2020). On the cusp of adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: <https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/>

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

- **Changes in housing characteristics.** The US Census Bureau’s Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:³⁰
 - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft. in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new single-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33% of lots.

Based on national study about home buying preferences that differ by race/ethnicity, African American home buyers wanted a median unit size of 2,664 sq. ft. compared to 2,347 sq. ft. for Hispanic buyers, 2,280 sq. ft. for Asian buyers, and 2,197 sq. ft. for White buyers.³¹ This same study found that minorities were less likely to want large lots.

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

³⁰ US Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>

³¹ Quint, Rose. (April 2014). *What Home Buyers Really Want: Ethnic Preferences*. National Association of Home Builders.

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

- *Shared amenities.* Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs),³² cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.³³

State Trends

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

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

House Bill 2003 (HB2003) envisions reforming Oregon’s housing planning system from a singular focus (on ensuring adequate available land) to a more comprehensive approach that

³² Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: US Department of Housing and Urban Development. (2001). *Understanding SRO*. Retrieved from: <https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf>

³³ Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

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

also achieves these critical goals: (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and required allocating that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt housing production strategies.

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan*, which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that “a growing gap between the number of Oregonians who need affordable housing, and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon.” It identified the following issues that describe housing needs statewide:³⁴

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

³⁴ These conclusions are copied directly from the report, Oregon’s 2016–2020 Consolidated Plan. Retrieved from: <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

- In 2019, minimum wage in Oregon³⁵ was \$11.25, compared to \$12.50 in the Portland metro and \$11.00 for nonurban counties.

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the state over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.³⁶ The following section includes summaries and excerpts from their status report:

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

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

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

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

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

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

³⁵ The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. Retrieved from: <https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx>

³⁶ This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. <https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf>

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

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

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

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

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

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

Regional and Local Demographic Trends May Affect Housing Need in Medford

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

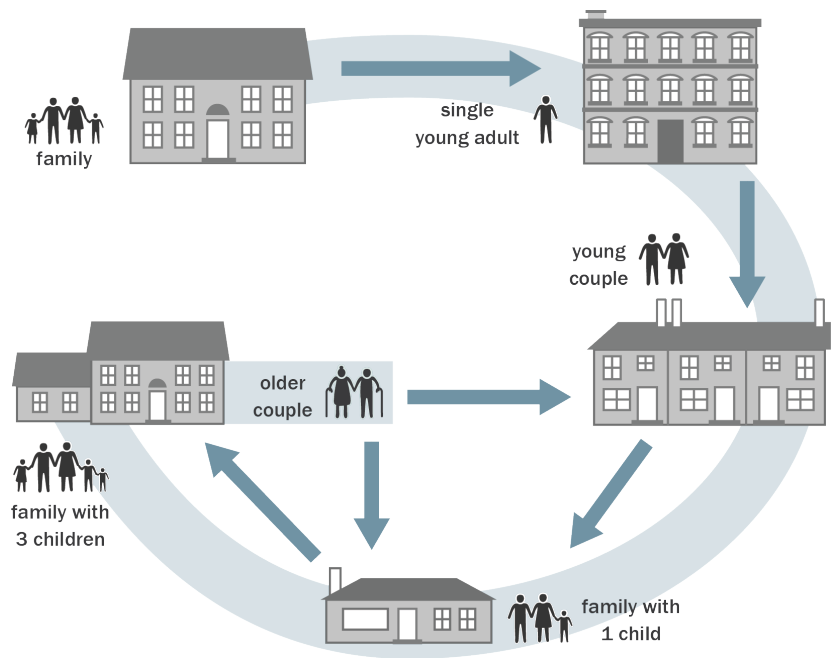
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Medford's population ages, different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

Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 26. Effect of Demographic Changes on Housing Need

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



Growing Population

Medford's population growth will drive future demand for housing in the city over the planning period. The population (within the city limits) forecast in Exhibit 28 is Medford's official population forecast, from the Oregon Population Forecast Program. Medford must use this forecast as the basis for forecasting housing growth over the 2022 to 2042 period.

Exhibit 27 shows that Medford's population grew by 29% between 2000 and 2019. Medford added 18,311 new residents, at an average annual growth rate of 1.3%.

Exhibit 27. Population, Medford (city limits), Jackson County, Oregon, U.S., 2000, 2010, 2019

Source: US Decennial Census 2000 and 2010, and Portland State University, Population Research Center.

	2000	2010	2019	Change 2000 to 2019		
				Number	Percent	AAGR
U.S.	281,421,906	308,745,538	328,239,523	46,817,617	17%	0.8%
Oregon	3,421,399	3,831,074	4,236,400	815,001	24%	1.1%
Jackson County	181,269	203,206	221,290	40,021	22%	1.1%
Medford	63,154	74,907	81,465	18,311	29%	1.3%

Medford's population within its UGB is projected to grow by over 31,000 people between 2022 and 2042, at an average annual growth rate of 1.8%.³⁷

Exhibit 28. Forecast of Population Growth, Medford UGB, 2022 to 2042

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2022.

91,116	122,242	31,125	34% increase
Residents in 2022	Residents in 2042	New Residents 2022 to 2042	1.48% AAGR

³⁷ This forecast of population growth is based on Medford UGB's official population forecast from the Oregon Population Forecast Program. ECONorthwest used the 2022 forecast as the starting point and extrapolated the population forecast for 2040 (to 2042) based on the methodology specified by for the forecasts.

Aging Population

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

- **Seniors.** Medford currently has a smaller share of people over 60 years old than Jackson County. As Medford’s senior population grows, it will have increasing demand for housing that is suitable for elderly residents.

Demand for housing for seniors will grow over the planning period, as baby boomers continue to age and retire. The Jackson County forecast share of residents aged 60 years and older will account for 32% of its population (2040), compared to 29% in the 2014-2018 period.

The impact of growth in seniors in Medford will depend, in part, on whether older people already living in Medford continue to reside there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.³⁸

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. The challenges aging seniors face in continuing to live in their community include changes in health-care needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.³⁹

- **Medford has a slightly larger proportion of younger people than Jackson County and Oregon.** About 26% of Medford’s population is under 20 years old, compared to 23% of Jackson County and 24% of Oregon. The forecast for population growth in Jackson County shows the percent of people under 20 years old decreasing from 23% of the population in 2014-2018 to 21% of the population by 2040.

People roughly aged 20 to 40 are referred to as the millennial generation and account for the largest share of population in Oregon. By 2040, they will be about 40 to 60 years of age and Generation Z will be between 25 and 40 years old. The forecast for Jackson County shows a decrease in millennials and Generation Z as a percent of overall population from about 46% of the population in 2020 to about 41% of the population in 2040.

³⁸ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

³⁹ “Aging in Place: A toolkit for Local Governments” by M. Scott Ball.

Medford's ability to attract people in this age group will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to millennials and Generation Z, as well as jobs that allow younger people to live and work in Medford.

In the near-term, millennials and Generation Z may increase demand for rental units. The long-term housing preference of millennials is uncertain. Research suggests that millennials' housing preferences may be similar to baby boomers, with a preference for smaller, less-costly units. Surveys about housing preference suggest that millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.⁴⁰ Little information is available about the effect that Generation Z will have on the housing market and their future housing preferences.

A survey of people living in the Portland region shows that millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.⁴¹ The survey results suggest millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results to national surveys and studies about housing preference for millennials.

Growth in millennials and Generation Z in Medford will result in increased demand for both affordable single-family detached housing (such as small single-family detached units like cottages), as well as increased demand for affordable town houses and multifamily housing. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. There is potential for attracting new residents to housing in Medford's commercial areas, especially if the housing is relatively affordable and located in proximity to services.

⁴⁰ The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.

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

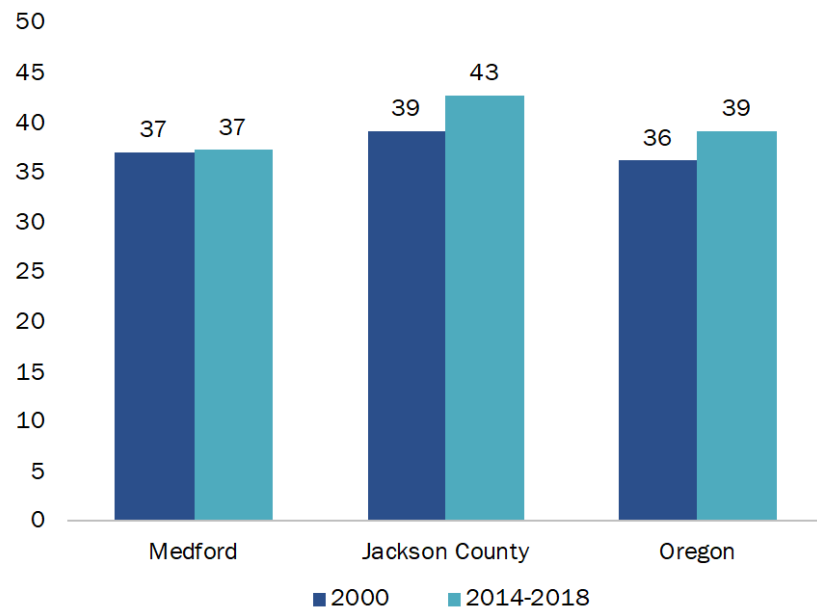
"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

⁴¹ Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2014-2018, Medford's median age remained stable even as the median age for Jackson County and Oregon increased.

Exhibit 29. Median Age, Medford, Jackson County, and Oregon, 2000 to 2014-2018

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



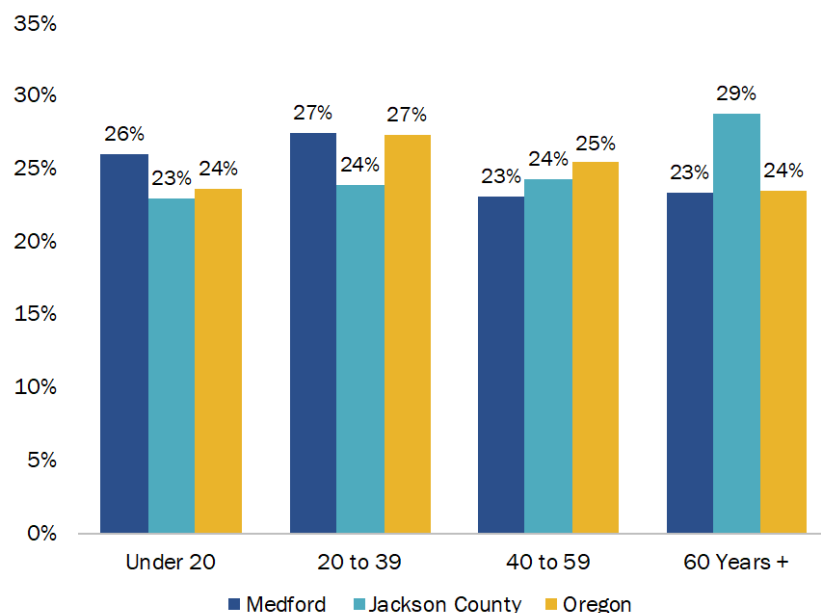
In the 2014-2018 period, about 51% of Medford's residents were between the ages of 20 and 59 years.

Medford had a smaller share of people over the age of 60 than Jackson County.

About a quarter of Medford's population is under 20 years old.

Exhibit 30. Population Distribution by Age, Medford, Jackson County, and Oregon, 2014-2018

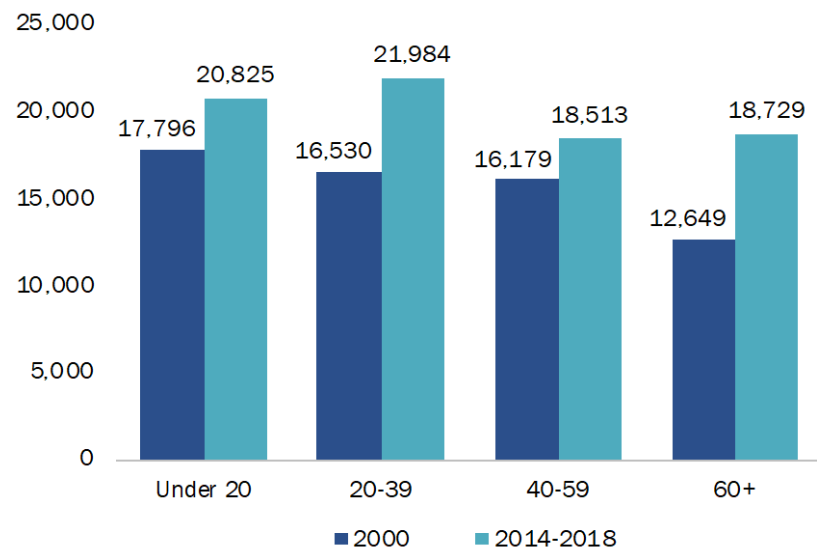
Source: US Census Bureau, 2014-2018 ACS, Table B01001.



Between 2000 and 2014-2018, all age groups in Medford grew in size.

The largest increase in residents were those aged 60 and older (growth of 6,080 people) followed by those aged 20-39 (growth of 5,454 people).

Exhibit 31. Population Growth by Age, Medford, 2000, 2014–2018
Source: US Census Bureau, 2000 Decennial Census Table P012 and 2014–2018 ACS, Table B01001.



By 2040, Jackson County's population over the age of 60 is forecast to grow 27%.

Exhibit 32. Fastest-Growing Age Groups, Jackson County, 2020 to 2040

Source: PSU Population Research Center, Jackson County Forecast, June 2018

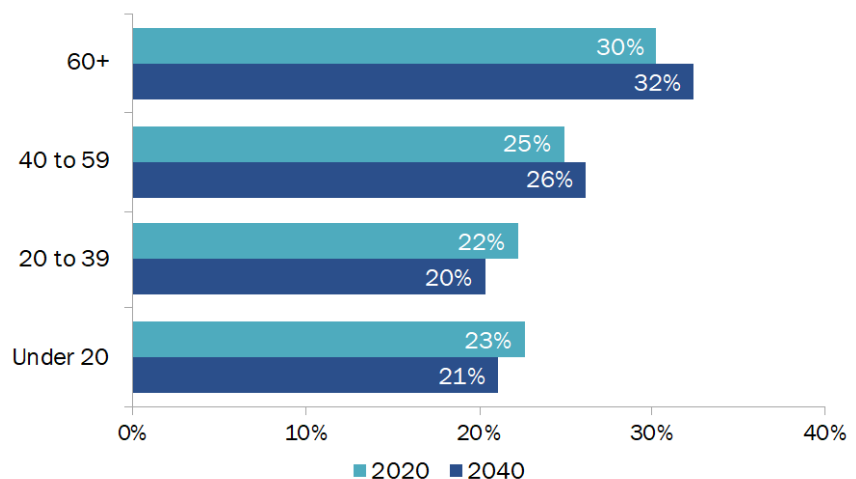
11%	8%	25%	27%
5,363	4,211	13,899	18,456
People	People	People	People
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs

By 2040, it is forecasted that Jackson County residents aged 40 and older will make up 58% of the county's total population.

This accounts for a 3% increase from this age cohort's population estimate for 2020.

Exhibit 33. Population Growth by Age Group, Jackson County, 2020 and 2040

Source: PSU Population Research Center, Jackson County Forecast, June 2018.



Increased Ethnic Diversity

The number of residents that identified as Latino increased in Medford by 7,185 people, from 5,841 people in 2000 to 13,026 people in the 2014-2018 period. The US Census Bureau forecasts that at the national level, the Latino population will continue growing faster than most other non-Latino populations between 2020 and 2040. The Census forecasts that the Latino population will increase 93%, from 2016 to 2060, and foreign-born Latino populations will increase by about 40% in that same time.⁴²

Continued growth in the Latino population will affect Medford's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third-generation Latino immigrants will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latino households are twice likely to include multigenerational households than the general populace.⁴³ As Latino households change over generations, household size typically decreases and housing needs become similar to housing needs for all households.

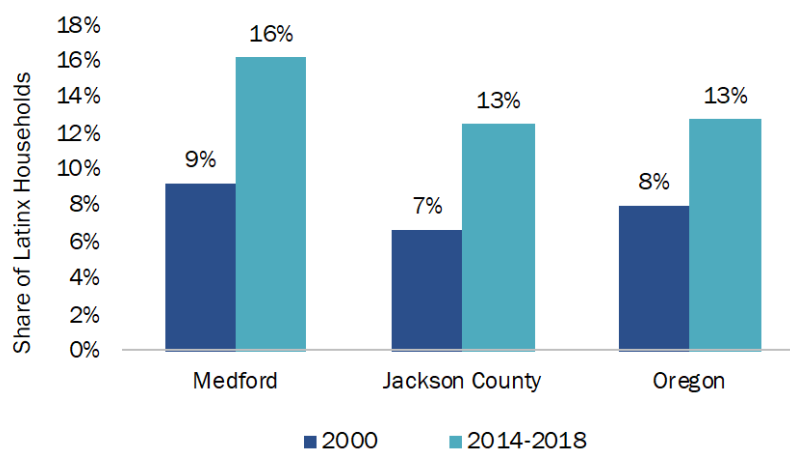
According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,⁴⁴ the Latino population accounted for 31% of the nation's new households in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latino households increased from 45.6% in 2015 to 47.5% in 2019. In that time, Latino households were the only demographic that increased their rate of homeownership.

The share of Medford's households that identified as Latino increased between 2000 and 2014–2018 at a faster rate than both the county and the state.

Medford was more ethnically diverse than both Jackson County and Oregon in the 2014–2018 period.

Exhibit 34. Latino Population as a Percent of the Total Population, Medford, Jackson County, Oregon, 2000 and 2014–2018

Source: US Census Bureau, 2000 Decennial Census Table P008, 2014–2018 ACS Table B03002.



⁴² US Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*.

⁴³ Pew Research Center. (2013). *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*.

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

⁴⁴ National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*.

Racial Diversity

While the majority of Medford’s population is White, Medford has residents of many races, as shown in Exhibit 35, consistent with Jackson County’s population.

In the 2014–2018 period, Medford was more racially diverse than Jackson County and less racially diverse than Oregon.

Exhibit 35. Population by Race as a Percent of Total Population, Medford, Jackson County, Oregon, 2014–2018

Source: US Census Bureau, 2014–2018 ACS Table B02001.

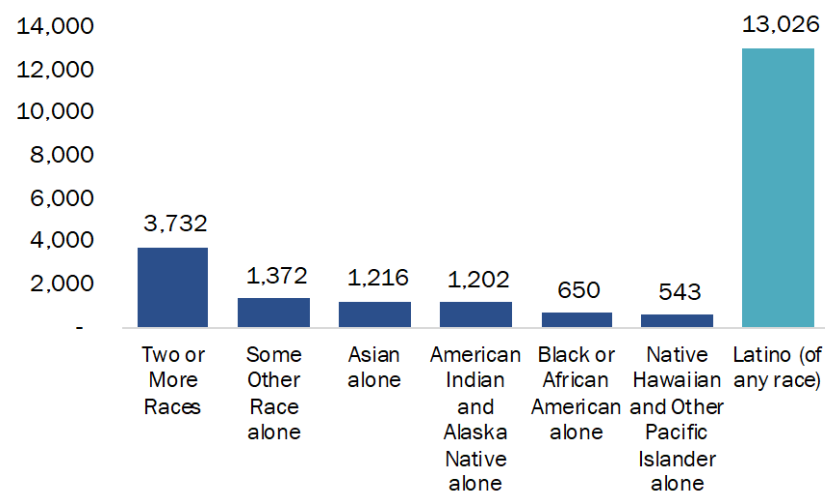
*Note: Categories of race comprising less than one percent of the population are included in Some Other Race Alone.

	Medford	Jackson Co.	Oregon
White Alone	89%	91%	84%
Two or More Races	5%	4%	5%
*Some Other Race Alone	3%	3%	4%
Asian Alone	2%	1%	4%
American Indian and Alaska Native Alone	1%	1%	1%
Black or African American Alone	*	*	2%
Native Hawaiian and Other Pacific Islander Alone	*	*	*

In Medford, about 8,700 people identified as a race other than White Alone and over 13,000 people identified as Latino (of Any Race).

Exhibit 36. Number of People by Race and Ethnicity, Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS, Table B03002.



Household Size and Composition

Medford's household composition shows that Medford had a slightly higher percentage of households with children than Jackson County and the state. On average, Medford's households are slightly larger than Jackson County's households and slightly smaller than Oregon's.

Medford's average household size was slightly larger than Jackson County's and slightly smaller than Oregon's.

Exhibit 37. Average Household Size, Medford, Jackson County, Oregon, 2014-2018

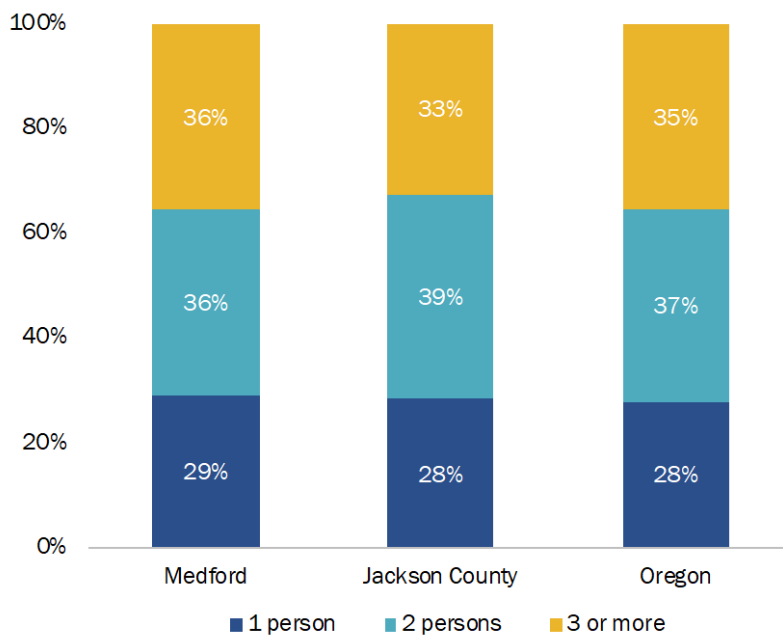
Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B25010.

2.47 Persons	2.41 Persons	2.51 Persons
Medford	Jackson County	Oregon

About 65% of Medford's households were one and two-person households.

Exhibit 38. Household Size, Medford, Jackson County, Oregon, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B25010.

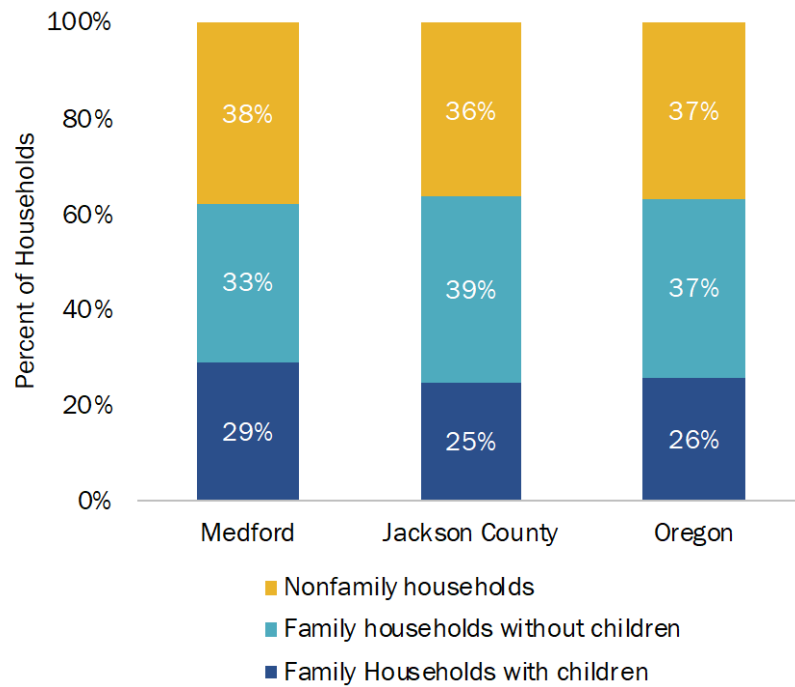


Medford had a slightly larger share of households with children than Jackson County.

About 29% of Medford households have children, compared with 25% of Jackson County households and 26% of Oregon households.

Exhibit 39. Household Composition, Medford, Jackson County, Oregon, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table DP02.



Income of Medford Residents

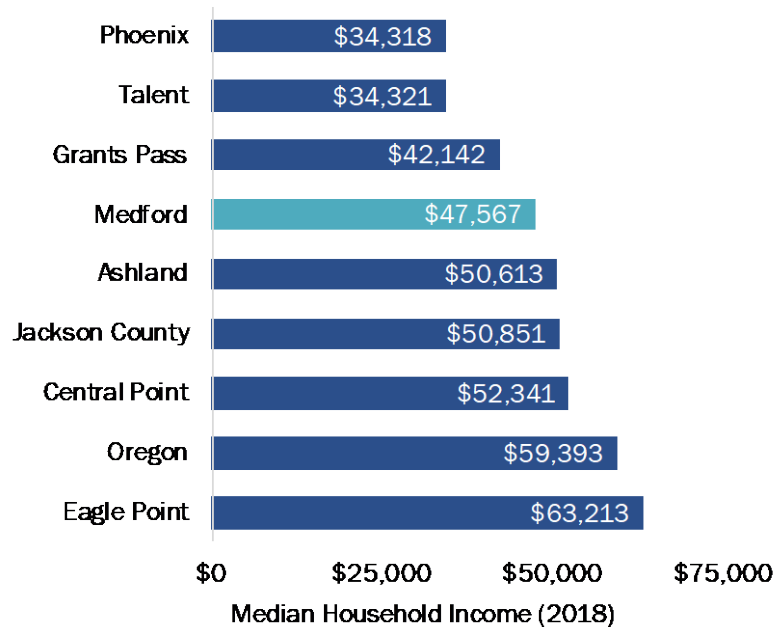
Income is a key determinant in housing choice and households' ability to afford housing. Medford's median household income was a little lower than the County average. Adjusted for inflation, Medford's household income decreased by 13% since 2000, consistent with county and statewide trends. The decrease in household income (adjusted for inflation) occurred at a time when housing prices in Medford (and the whole region) increased substantially.

Over the 2014-2018 period, Medford's median household income was below that of the county and the state.

Over this period, Medford's median household income was \$47,567. Jackson County's median household income was \$50,851 and Oregon's median household income was \$59,393.

Exhibit 40. Median Household Income, Medford, Jackson County, Oregon, Comparison Cities, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B25119.

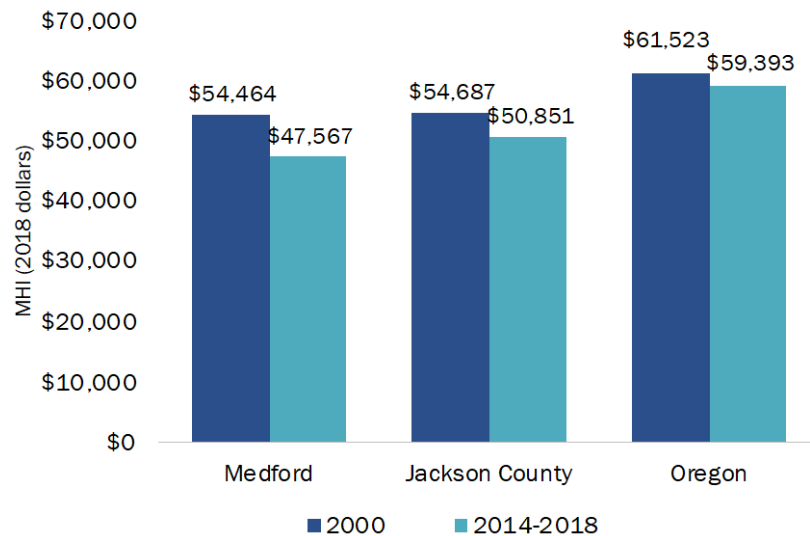


After adjusting for inflation, Medford's median household income decreased by 13% from 2000 to 2014-2018.

Similarly, Jackson County's and Oregon's median household income decreased (by -7% and -3%, respectively).

Exhibit 41. Change in Median Household Income, Medford, Jackson County, Oregon, 2000 to 2014-2018, Inflation-Adjusted

Source: US Census Bureau, 2000 Decennial Census, Table HCT012; 2014-2018 ACS 5-Year Estimate, Table B25119.

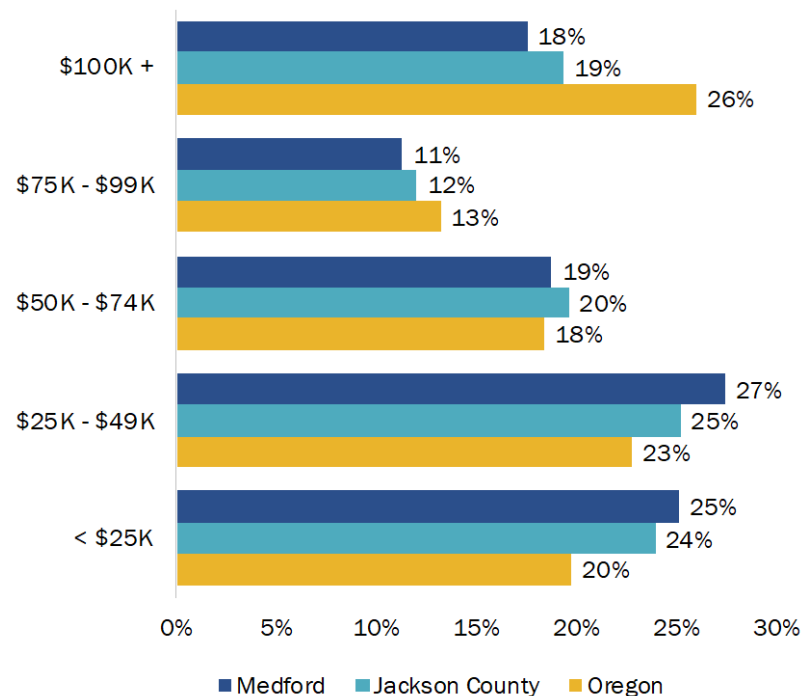


About half of all households in Medford (52%) earned less than \$50,000, compared to 49% of Jackson County households and 43% of Oregon households.

Medford has fewer households earning more than \$75,000 compared to Jackson County and Oregon.

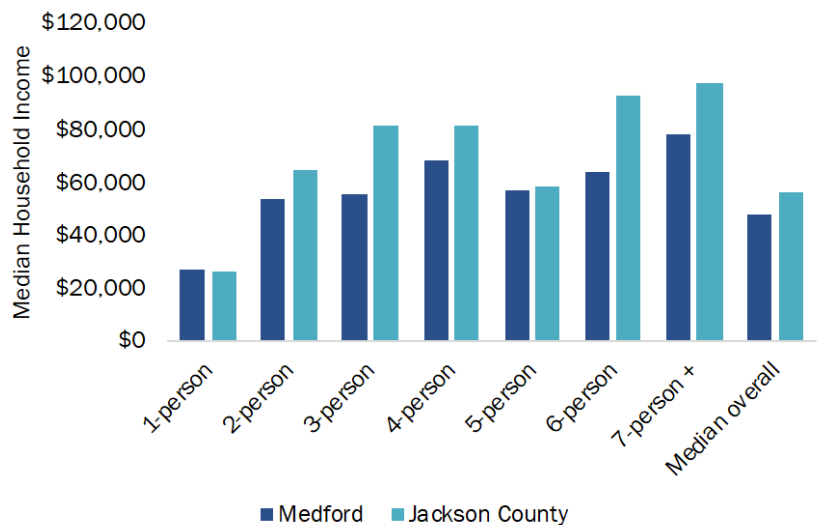
Exhibit 42. Household Income, Medford, Jackson County, Oregon, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B19001.



In general, larger households in Medford have higher household incomes than smaller ones.

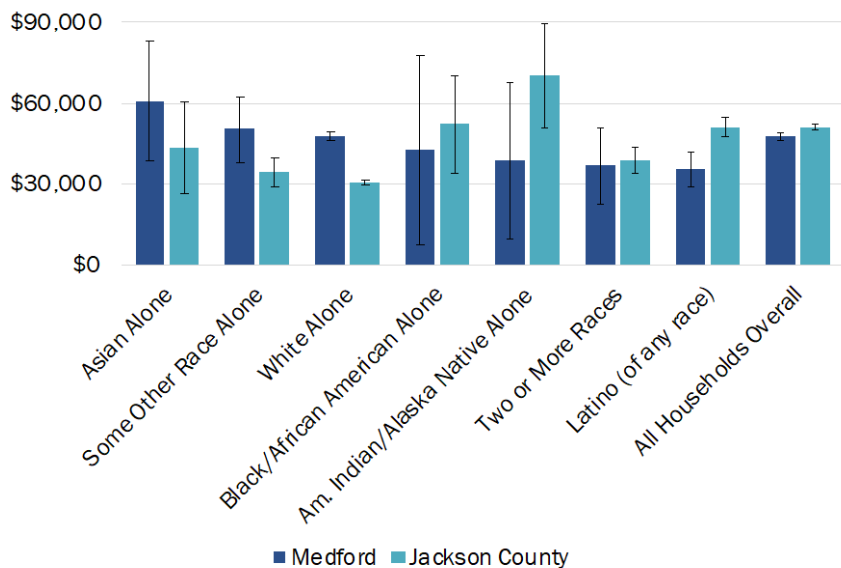
Exhibit 43. Household Income by Household Size, Medford, 2014-2018
Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B19019



Income varies by race, with some communities of color having lower average household incomes than the overall average.

Households that identified as Asian had the highest median household income of all other minority groups. Households that identified as Black, American Indian/Alaska Native, Latino, and people of two or more races had median household incomes below the averages in Medford.

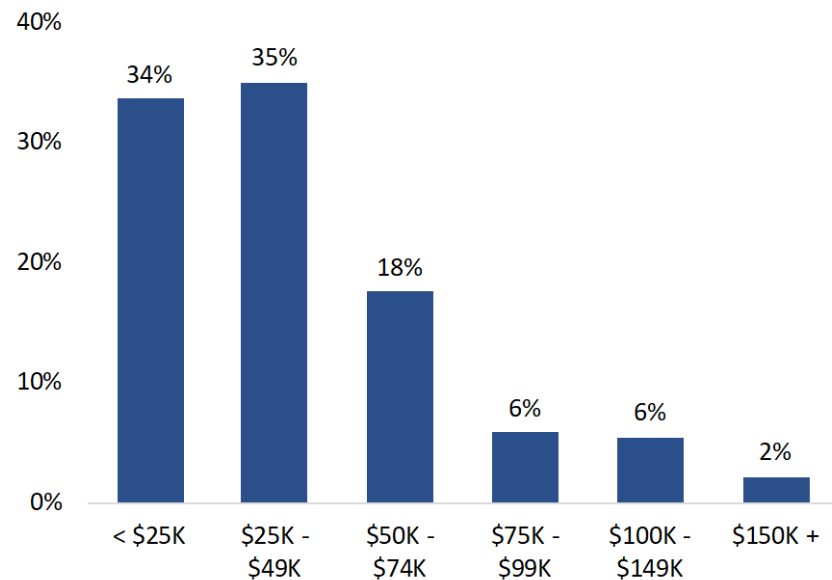
Exhibit 44. Median Household Income by Race/Ethnicity of the Head of Household, Medford, 2014-2018
Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table S1901.



For Latino households, the largest community of color in Medford, 69% of households with a Latino head of household earned less than \$50,000 per year, compared to the citywide average of 52% of households with an income of less than \$50,000.

Exhibit 45. Household Income by Latino Head of Household, Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B19001I.

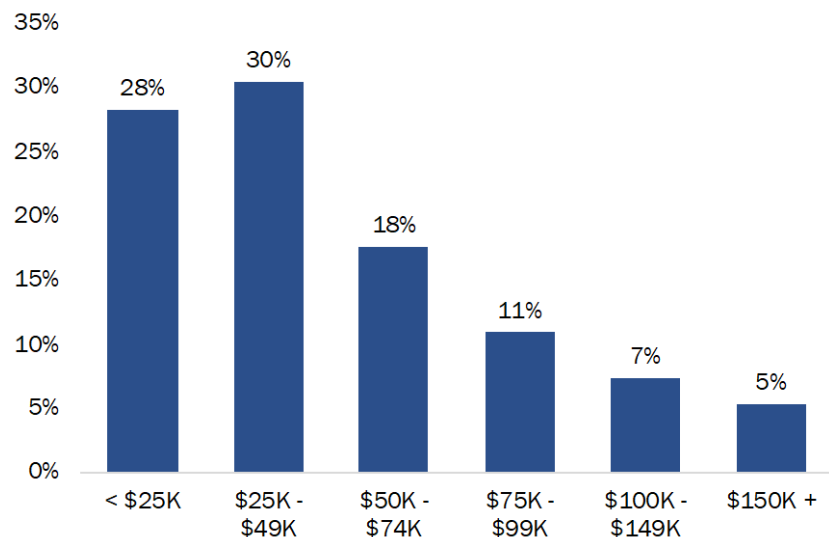


Seniors were also likely to have more households with incomes at or below the average.

Fifty-eight percent of households with a head of household aged 65 or older earned less than \$50,000 per year, compared to the citywide average of 52% of households with an income of less than \$50,000.

Exhibit 46. Household Income by Age of Householder (Aged 65 Years and Older), Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B19037. Note: Median family income for Jackson County was \$65,100 (US Department of Housing and Urban Development).



Commuting Trends

Medford is part of the complex, interconnected economy of Southern Oregon. Of the more than 51,307 people who work in Medford, 63% of workers commute into Medford from other areas, most notably from Central Point, Ashland, Grants Pass, White City, and Eagle Point. More than 15,000 residents of Medford commute out of the city for work, many of them to Ashland, Central Point, and Grants Pass.

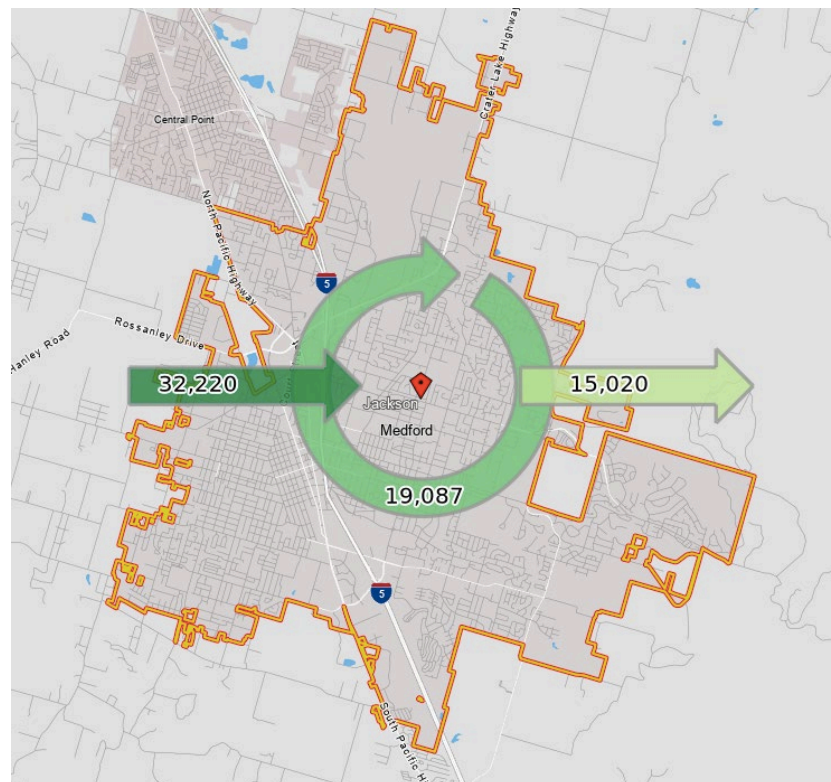
About 51,307 work in Medford. A majority of these people commute into Medford for work.

About 19,000 people live and work in Medford, accounting for about 37% of jobs in Medford.

About 15,000 people live in Medford but commute outside of the city for work.

Exhibit 47. Commuting Flows, Medford, 2017

Source: US Census Bureau, Census on the Map.



About 37% of people who work at businesses located in Medford also live in Medford.

The remainder commute from Central Point and other parts of the Southern Oregon region.

Exhibit 48. Places where Workers at Businesses in Medford Lived, 2017

Source: US Census Bureau, Census on the Map.



About **56%** of Medford residents worked in Medford.

Exhibit 49. Places where Medford Residents Were Employed, 2017

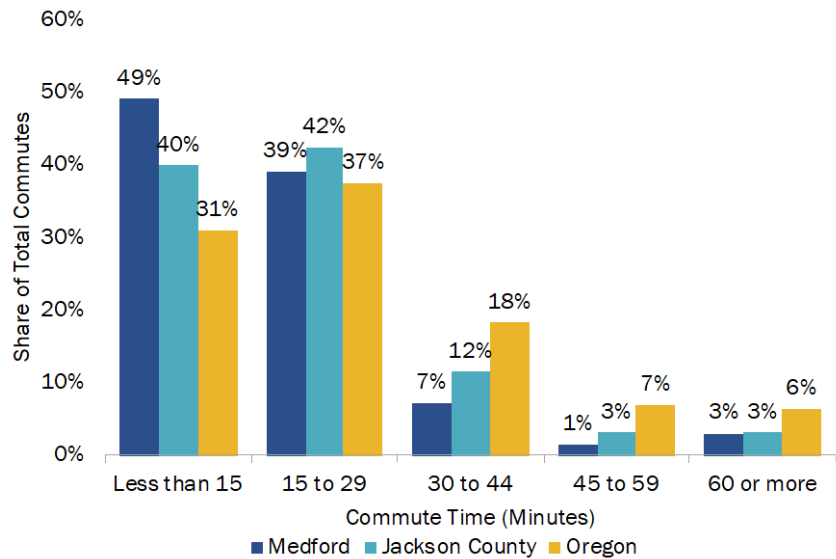
Source: US Census Bureau, Census On the Map.



Almost half of Medford residents (**49%**) had a commute time that took less than **15** minutes.

Exhibit 50. Commute Time by Place of Residence, Medford, Jackson County, Oregon, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B08303.



Populations with Special Needs

People Experiencing Homelessness

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

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

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

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

About 727 people were identified as experiencing homelessness in Jackson County in 2020.

Jackson County's Point-in-Time Homeless count increased by 7% from 2015 to 2020.

Exhibit 51. Number of Persons Homeless, Jackson County, Point-in-Time Count, 2015, 2017, and 2019

Source: Oregon Housing and Community Services.

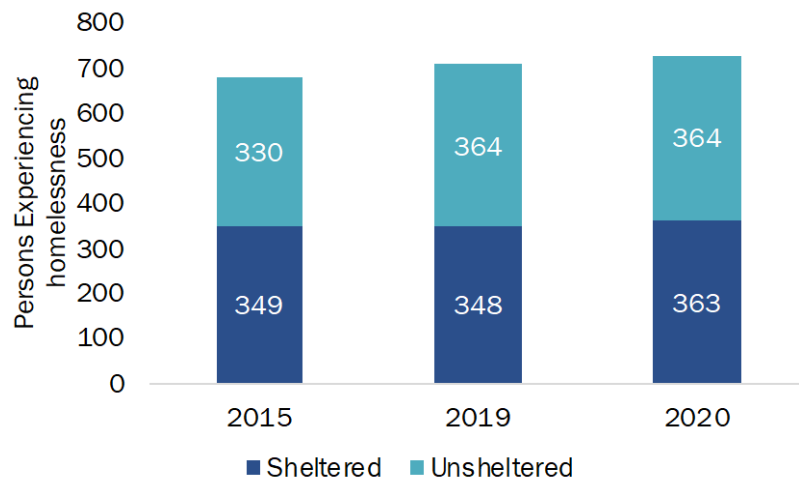
679 Persons
2015

712 Persons
2019

727 Persons
2020

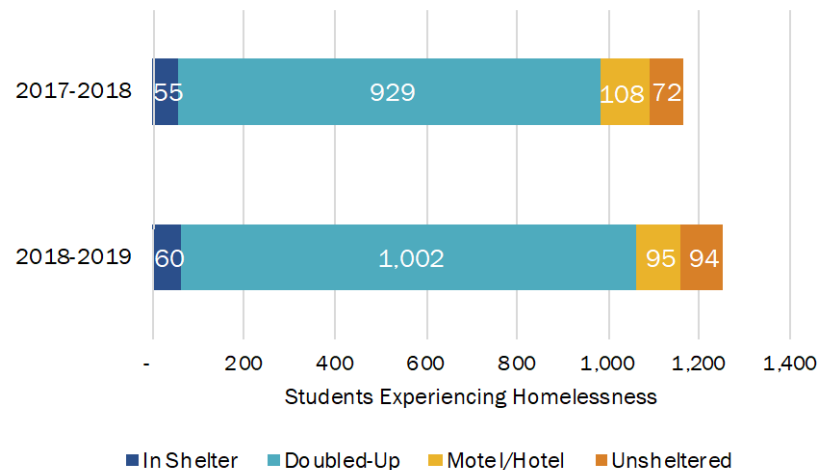
Between 2015 and 2020, the number of persons that experienced sheltered homelessness grew by 4%, and the number of persons that experienced unsheltered homelessness increased by about 10%.

Exhibit 52. Number of Persons Homeless by Living Situation, Jackson County, Point-in-Time Count, 2015, 2017, and 2019
Source: Oregon Housing and Community Services.



From the 2017-18 school year to the 2018-19 school year, student homelessness increased by 7% (87 students), from 1,164 students in 2017-18 to 1,251 students in 2018-19. Of the 1,251 students in 2018-19 experiencing homelessness, 170 were unaccompanied.

Exhibit 53. Students Homeless by Living Situation, Medford School District, 2017-2018 and 2018-2019
Source: McKinney Vento, Homeless Student Data.

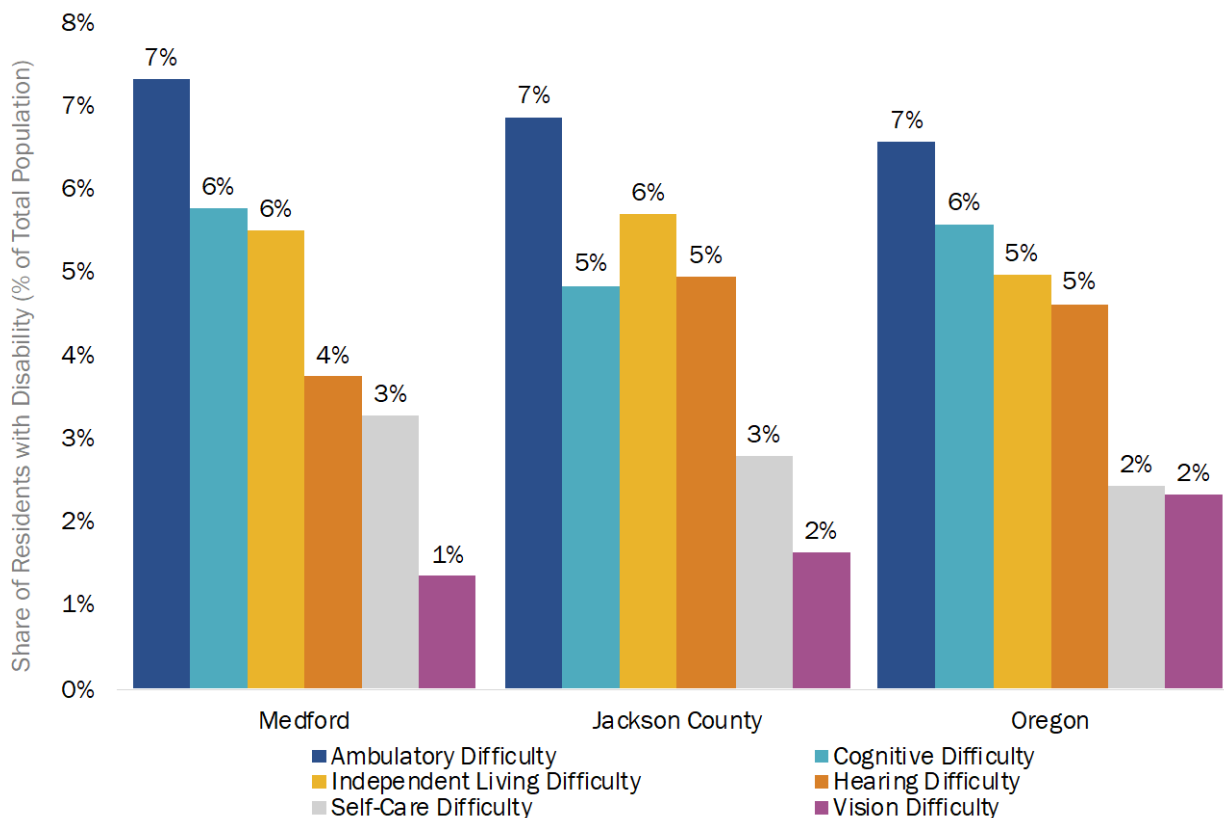


People with Disabilities

Exhibit 54 presents data on the share of residents living with disabilities in Medford, Jackson County, and Oregon. Persons with disabilities often require housing accommodations such as single-story homes or ground floor dwelling units, unit entrances with no steps, wheel-in showers, widened doorways, and other accessibility features. Limited supply of these housing options poses additional barriers to housing access for these groups.

Exhibit 54. Persons Living with a Disability by Type and as a Percent of Total Population Medford, Jackson County, Oregon, 2014-2018

Source: US Census Bureau 2014-2018 ACS, Table K201803.



Regional and Local Trends Affecting Affordability in Medford

This section describes changes in sales prices, rents, and housing affordability in Medford, compared to geographies in the region. Overall, Medford's median home sales price is about \$312,000 (Exhibit 55), ranging from \$245,000 in West Medford to \$350,000 in East Medford (Exhibit 56).

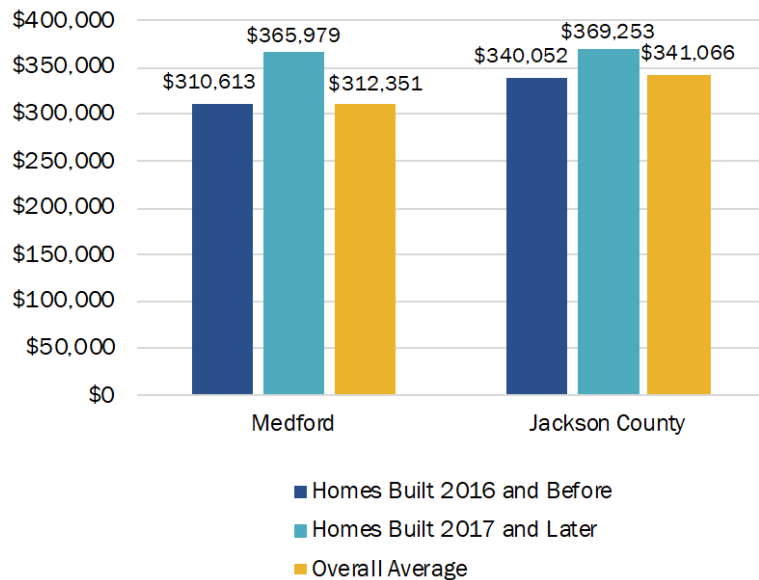
Changes in Housing Costs

Medford's overall median sales price was about \$312,000.

New construction (built 2017 and later) has a price premium of \$55,366 in Medford.

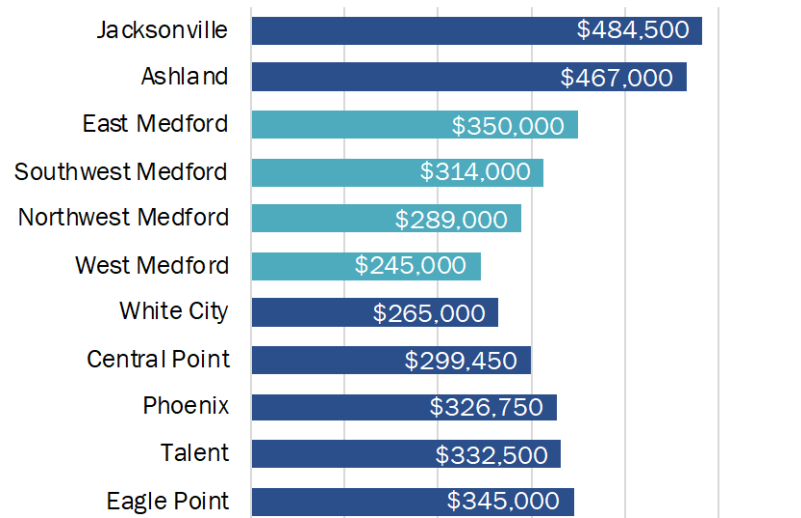
Exhibit 55. New Construction Price Premium, Medford and Jackson County, 2015-2020 average

Source: Property Radar.



Medford's median home sales price varied by subarea, ranging from \$245,000 to \$350,000 in Aug-Oct of 2020.

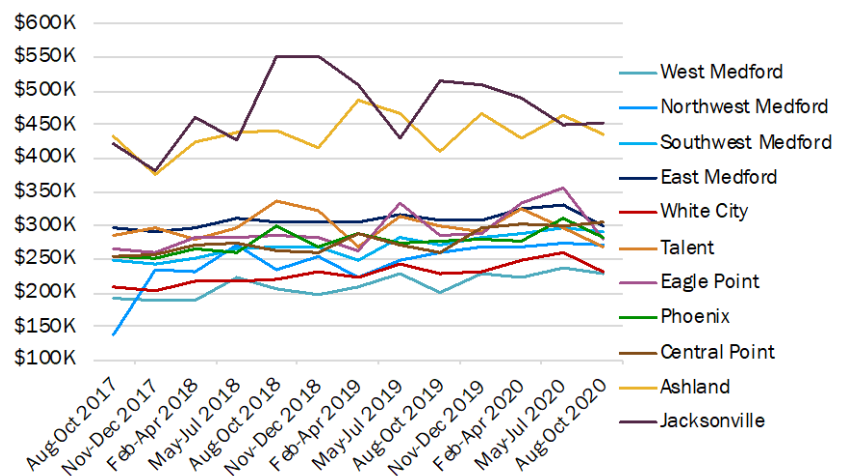
Exhibit 56. Median Home Sales Price, Medford Subareas and Comparison Cities, August-October 2020
Source: Southern Oregon Multiple Listing Service.



Medford's median home sales price was generally in line with other cities in the region.

Between Aug-Oct of 2017 to Aug-Oct of 2020, the median sales price in Northwest Medford increased by \$152,000 (111%). In that same time, the median price increased by \$54,500 (29%) in West Medford, \$66,050 (27%) in Southwest Medford, and \$55,000 (19%) in East Medford.

Exhibit 57. Median Sales Price, Medford Subareas and Comparison Cities, 2017 through 2020
Source: Southern Oregon Multiple Listing Service.



In Jackson County, as of Aug-Oct 2020, the median sales price of a new home was \$37,800 more than existing construction.

In this same time, the median sales price of a new home in East Medford was \$69,900 more than existing construction.

Exhibit 58. Median Sales Price, Existing vs New Urban Homes, Medford Subareas and Jackson County, Aug–Oct 2020
Source: Southern Oregon Multiple Listing Service.

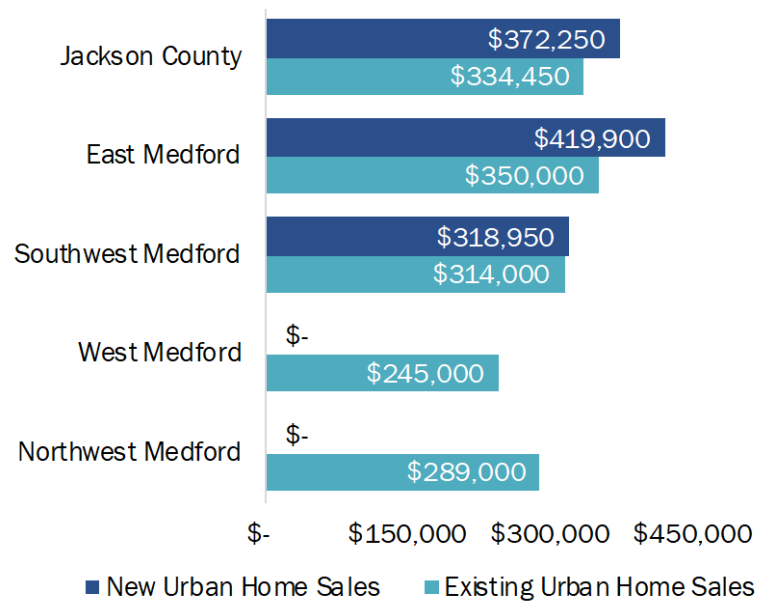
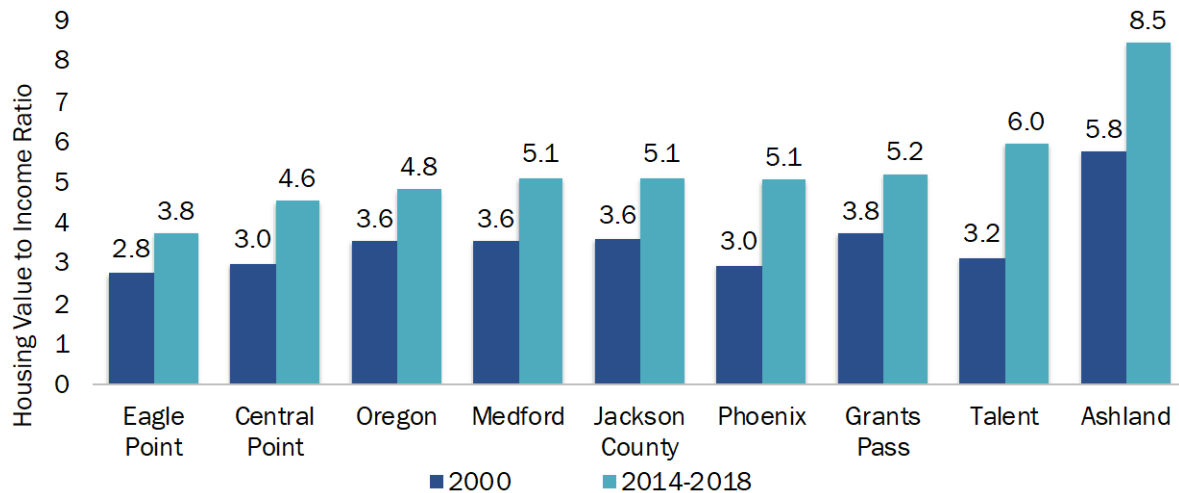


Exhibit 59 shows that, since 2000, housing costs in Medford increased faster than incomes. The household-reported median value of a house in Medford was 3.6 times the median household income in 2000 and 5.1 times the median household income in the 2014-2018 period.

Exhibit 59. Ratio of Median Housing Value to Median Household Income, Medford, Jackson County, Oregon, and Comparison Cities, 2000 to 2014-2018⁴⁵

Source: US Census Bureau, 2000 Decennial Census (Table HCT012, H085); 2014-2018 ACS (Table B19013, B25077).



⁴⁵ This ratio compares the median value of housing in Medford (and other places) to the median household income. Inflation-adjusted median owner values in Medford increased from \$193,681 in 2000 to \$244,700 in 2014-2018. Over the same period, inflation-adjusted median income decreased from \$54,464 to \$47,567.

Rental Costs

Median rental costs in Medford were similar to costs in Jackson County but lower than the statewide median. The charts below show gross rent (which includes the cost of rent plus utilities) based on Census data.

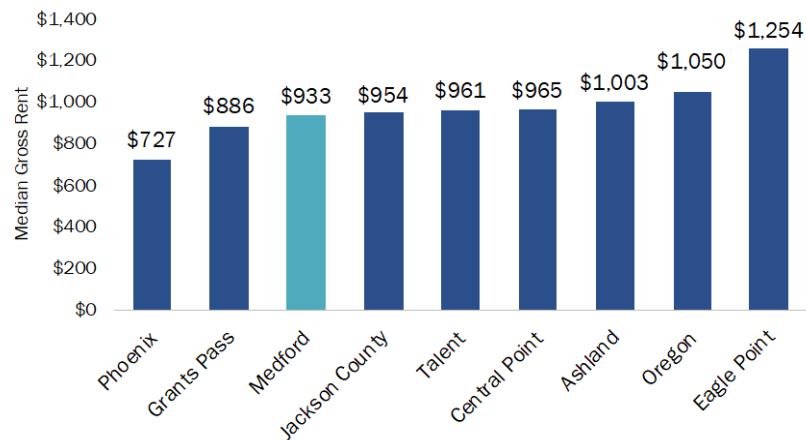
The median gross rent in Medford was \$933 in the 2014-2018 period.

However, based on a survey of *currently available* rental properties in Medford, the typical asking rent for a two-bedroom apartment was about \$1,250 (Apartments.com, 2020).

Furthermore, the asking rent for new, market-rate housing (at Stewart Meadows Village) was about \$1,400 to \$1,800 depending on the unit (Ashland Property Management, 2020).

Exhibit 60. Median Gross Rent, Medford, Jackson County, Oregon, and Comparison Cities, 2014-2018

Source: US Census Bureau, 2014-2018 ACS 5-Year Estimate, Table B25064.

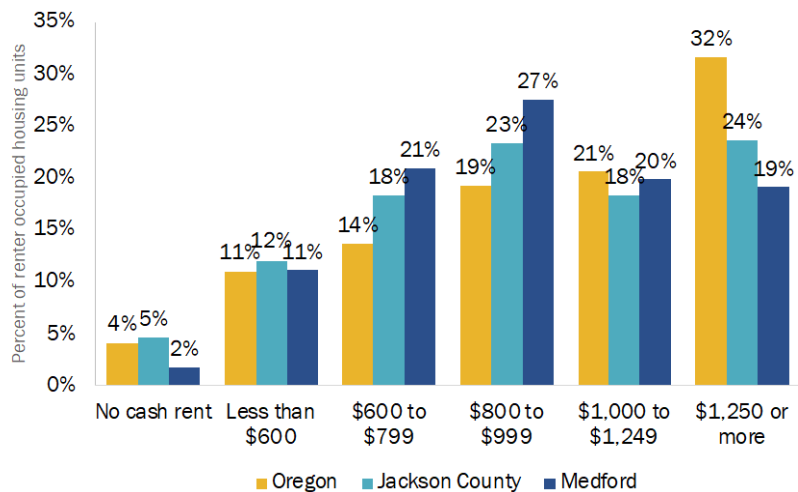


About 61% of renters in Medford pay less than \$1,000 per month, compared to 58% of renters in Jackson County and 48% of renters in Oregon.

About 19% of Medford's renters pay \$1,250 or more in gross rent per month, a smaller share than Jackson County or the state.

Exhibit 61. Gross Rent, Medford, Jackson County, and Oregon, 2014-2018

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

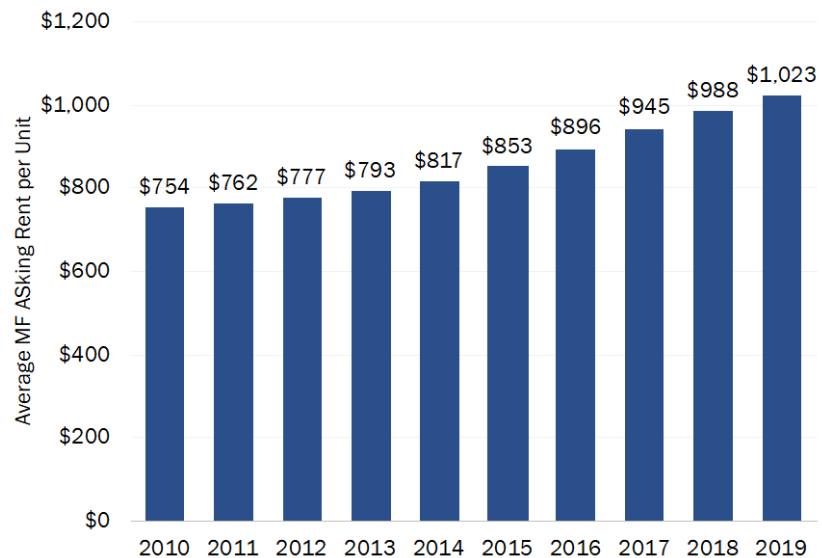


The average asking price per multifamily unit in Medford has increased steadily over the past decade.

Between 2015 and 2019, Medford's average multifamily asking rent increased by about \$170, from \$853 per month to \$1,023 per month.

Exhibit 62. Average Multifamily Asking Rent per Unit, Medford, 2010 through 2019

Source: CoStar.

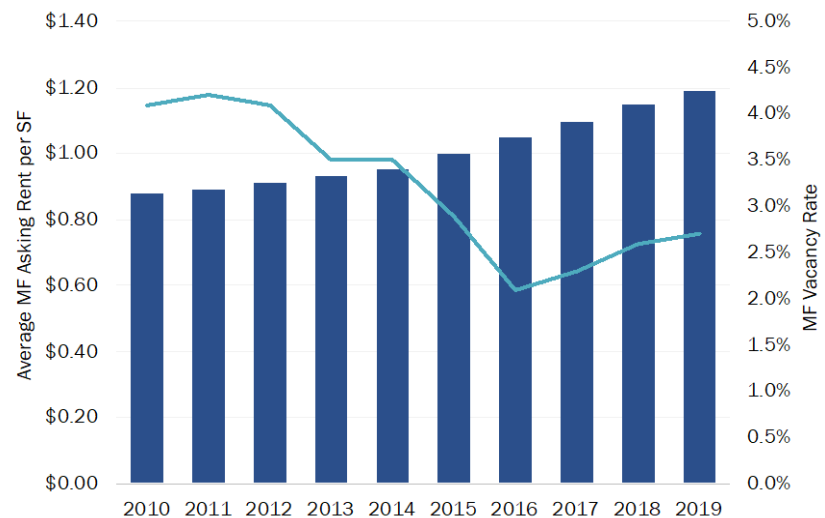


In 2019, Medford's average multifamily asking rent was \$1.19 per square foot, up from \$1.00 per square foot in 2015.

In this time, Medford's multifamily vacancy rate decreased from 2.9% in 2015 to 2.7% in 2019.

Exhibit 63. Average Multifamily Asking Rent per Square Foot and Average Multifamily Vacancy Rate, Medford, 2010 through 2019

Source: CoStar.



Housing Affordability

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

About 43% of Medford's households were cost burdened in the 2014-2018 period and 21% were severely cost burdened. In this period, about 57% of *renter* households were cost burdened or severely cost burdened, compared with 30% of homeowners. Twenty-seven percent of households in Medford are rent-burdened households.⁴⁶ Overall, a larger share of households in Medford experienced cost burden, compared to households in Jackson County and Oregon.

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

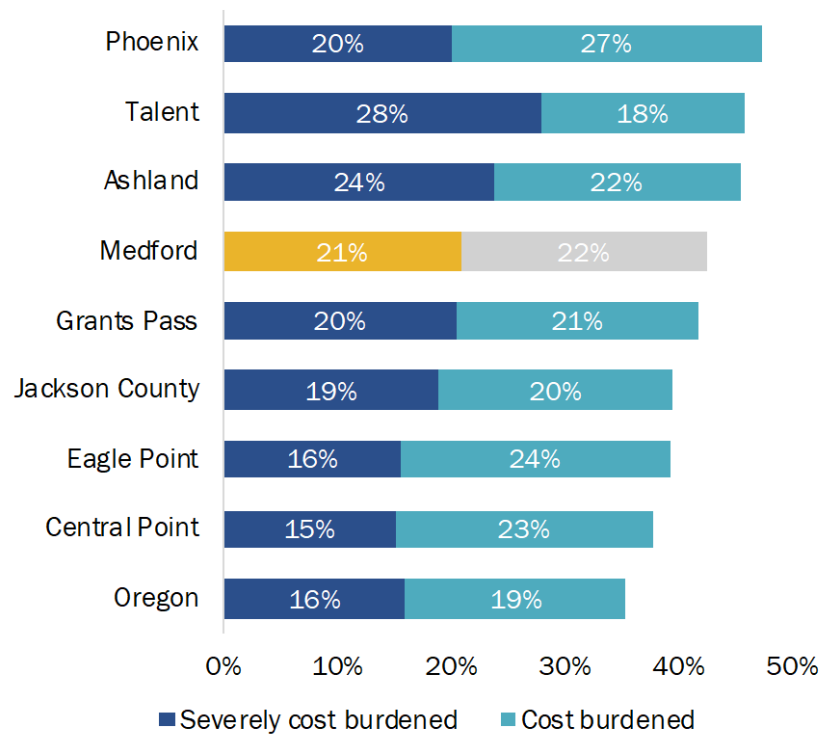
⁴⁶ Cities with populations >10,000 are required, per HB 4006, to assess "rent burden" if more than 50% of renters are cost burdened. In Medford, as of the 2014-2018 period, 57% of total renters were cost burdened.

Overall, about 43% of all households in Medford were cost burdened.

Medford had a higher share of cost-burdened households compared to Jackson County and the state.

Exhibit 64. Housing Cost Burden, Medford, Jackson County, Oregon, Other Comparison Cities, 2014-2018

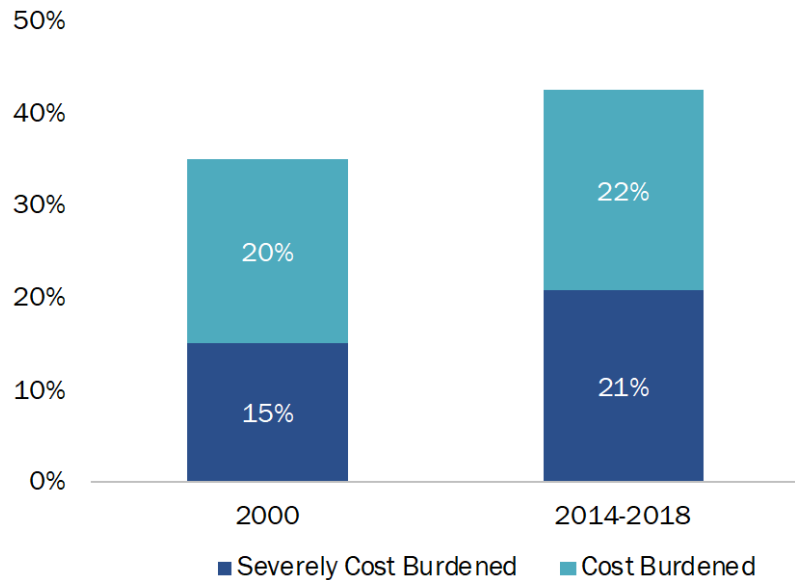
Source: US Census Bureau, 2014-2018 ACS Tables B25091 and B25070.



From 2000 to the 2014-2018 period, the number of cost-burdened and severely cost-burdened households grew by 8% in Medford.

Exhibit 65. Change in Housing Cost Burden, Medford, 2000 to 2014-2018

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



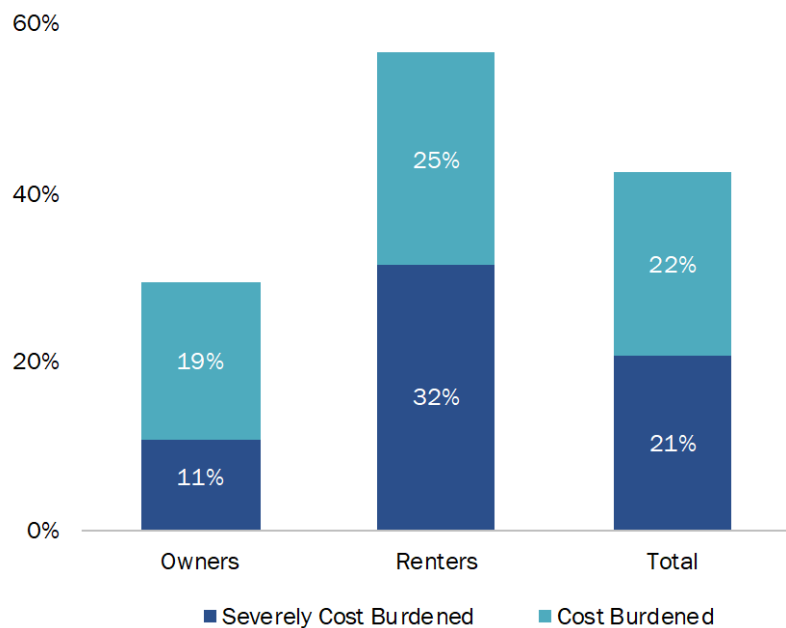
Renters are much more likely to be cost burdened than homeowners.

In the 2014-2018 period, about 57% of Medford's renters were cost burdened or severely cost burdened, compared to 30% of homeowners.

About 32% of Medford's renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Exhibit 66. Housing Cost Burden by Tenure, Medford, 2014-2018

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



Cost burden is highest for the households with the lowest incomes.

Most households earning less than \$20k are cost burdened (84%), compared with 8% of households with an income of \$75k or more.

Exhibit 67. Cost-Burdened Renter Households, by Household Income, Medford, 2014-2018

Source: US Census Bureau, 2014-2018 ACS Table B25074.

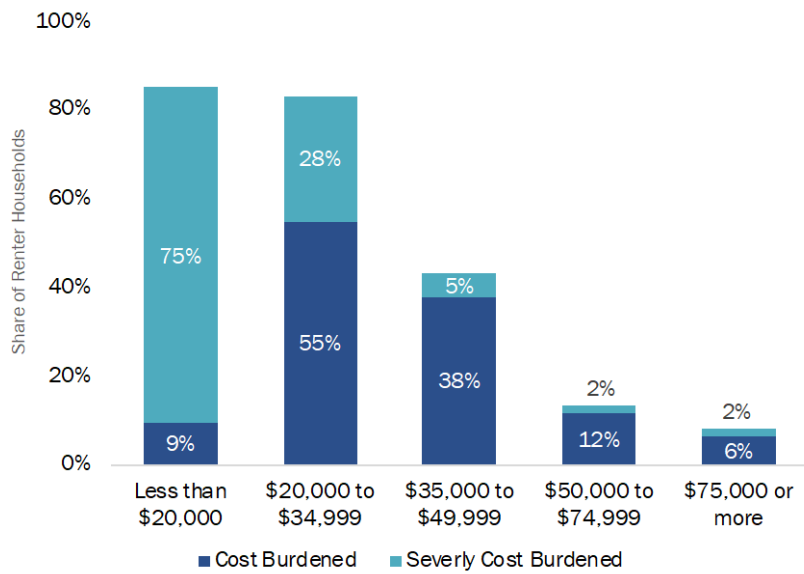


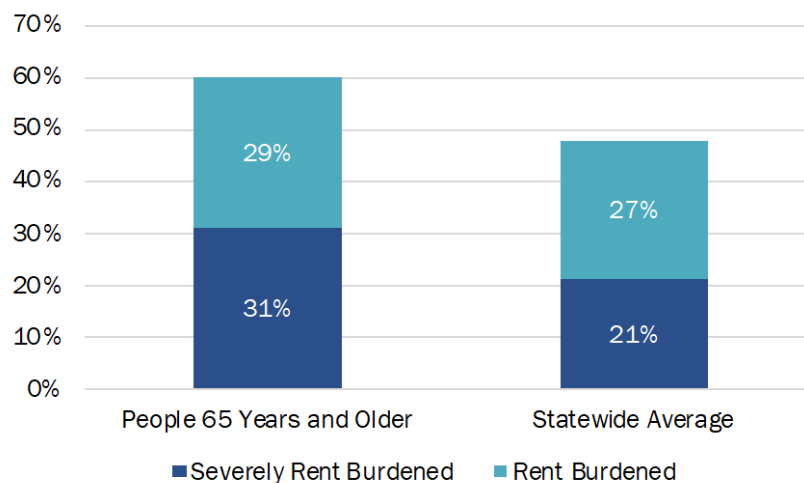
Exhibit 68 through Exhibit 70 show cost burden in Oregon for renter households for seniors, people of color, and people with disabilities.⁴⁷ This information is not readily available for a city with a population as small as Medford, which is why we present statewide information. These exhibits show that these groups experience cost burden at higher rates than the overall statewide average.

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

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

Exhibit 68. Cost-Burdened Renter Households, for People 65 Years of Age and Older, Oregon, 2018

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

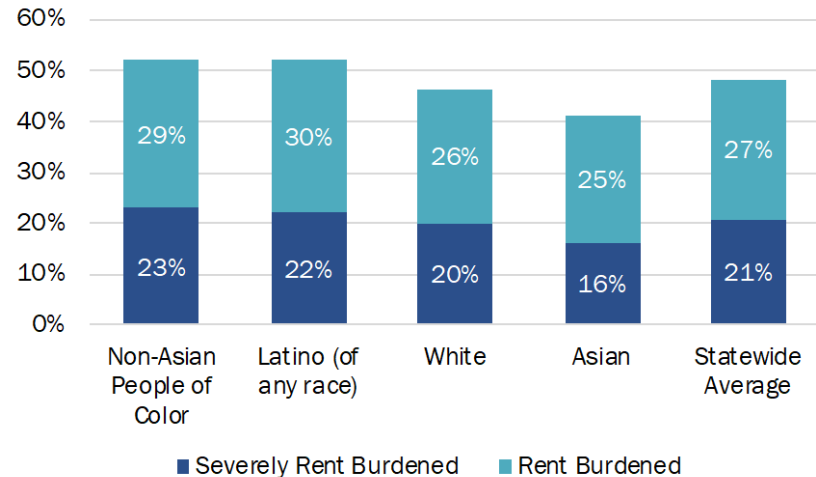


⁴⁷ From the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, prepared for Oregon Housing and Community Services by ECONorthwest, March 2021.

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

Exhibit 69. Cost-Burdened Renter Households, by Race and Ethnicity, Oregon, 2018

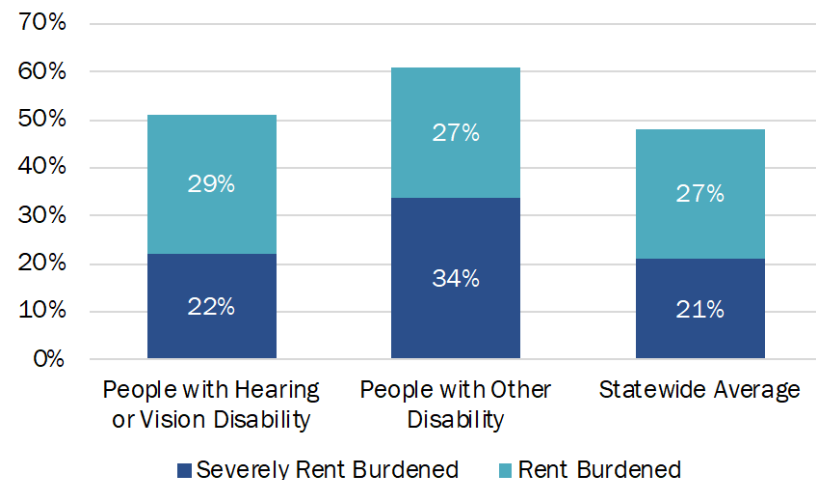
Source: US Census, 2018 ACS 1-Year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



Renters with a disability in Oregon were disproportionately cost burdened.

Exhibit 70. Cost-Burdened Renter Households, for People with Disabilities, Oregon, 2018

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



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

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

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

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

Exhibit 71. HUD Fair Market Rent (FMR) by Unit Type, Jackson County, 2021

Source: US Department of Housing and Urban Development.

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

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

Exhibit 72. Affordable Housing Wage, Jackson County, 2021

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

\$17.98 per hour

Affordable housing wage for two-bedroom unit in Jackson County

A household earning median family income (\$65,100) can afford a monthly rent of about \$1,600 or a home roughly valued between \$228,000 and \$260,000. As Exhibit 74 shows, about 34% of Medford's households have an income less than \$32,500 (50% or less of MFI) and cannot afford a two-bedroom apartment at Jackson County's Fair Market Rent (FMR) of \$1,043.

To afford the average asking rent of \$1,250, a household would need to earn about \$50,000 or 77% of MFI. About 52% of Medford's households earn less than \$50,000 and cannot afford these rents. In addition, about 19% of Medford's households have incomes of less than \$19,500 (30% of MFI) and are at risk of becoming homeless.

To afford the median home sales price of \$312,000, a household would need to earn about \$84,000 or 129% of MFI. About 21% of Medford's households have income sufficient to afford this median home sales price. To afford the median sales price of \$245,000 for housing in West Medford, a household would need to earn about \$73,000 or 112% of MFI. To afford the median sales price of \$350,000 for housing in East Medford, a household would need to earn about \$90,000 or 138% of MFI.

Exhibit 73. Financially Attainable Housing, by Median Family Income (MFI) for Jackson County (\$65,100), Medford, 2020

Source: US Department of Housing and Urban Development, Jackson, 2020. Oregon Employment Department.

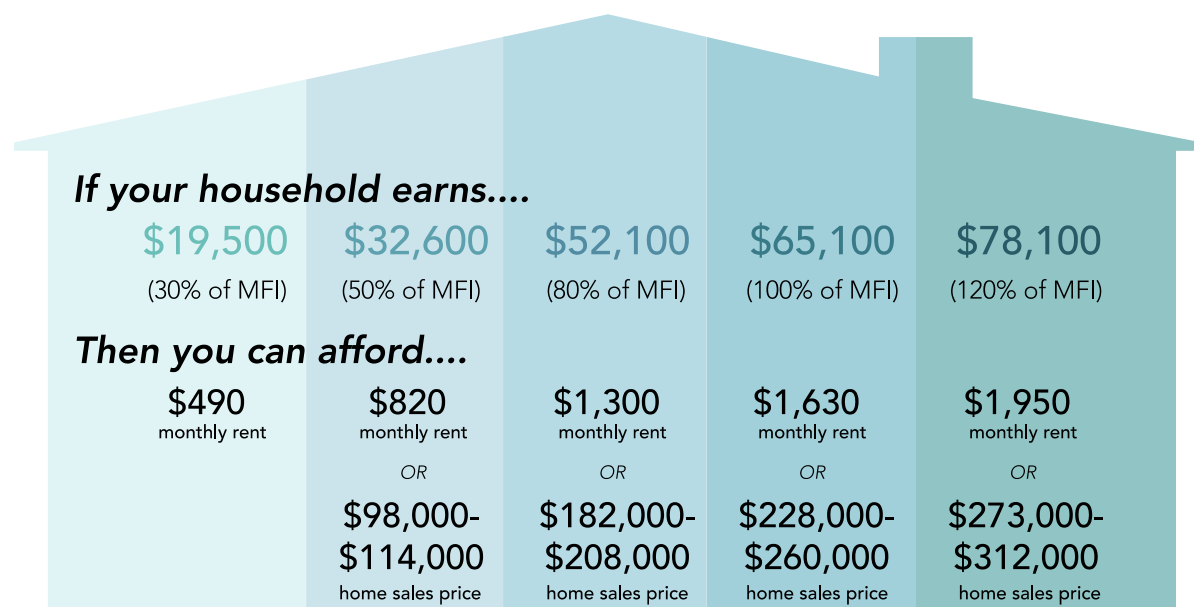


Exhibit 74 shows that 34% of Medford’s households are extremely low or very low-income, with incomes below \$33,000. These households can afford monthly rent of \$820 or less, which is below the HUD Fair Market Rent of \$1,039 and below the market rent of \$1,250. Private housing developers generally cannot build housing affordable to households in these income groups because the rents are too low to pay for the cost of development. Newly built housing for households with these incomes is generally income-restricted affordable housing, built with government subsidy.

About 21% of households in Medford are low income, with incomes between \$33,000 and \$52,000. These households can afford rents of \$820 to \$1,300. The lowest-income households in this group cannot afford market-rate housing (such as HUD Fair Market Rent of \$1,039 or market rent of \$1,250). Other households in this income group can afford these market-rate rents. Private housing developers generally cannot build housing affordable to households in this income group because the rents are too low to pay for the cost of development. Newly built housing for households in this income group is less commonly built and generally has some form of government subsidy to make the development financially feasible.

About 18% of Medford’s households are middle income (with incomes between \$52,000 and \$78,000) and 27% are high income (with incomes above \$78,000). These households can afford rental housing in Medford, and some can afford the cost of homeownership (generally households with incomes above \$78,000). Private housing developers can build most types of housing affordable to these income groups without government subsidy.

Exhibit 74. Share of Households by Median Family Income (MFI) for Jackson County, Medford, 2018
Source: US Department of HUD, Jackson County, 2020. US Census Bureau, 2014-2018 ACS Table 19001.

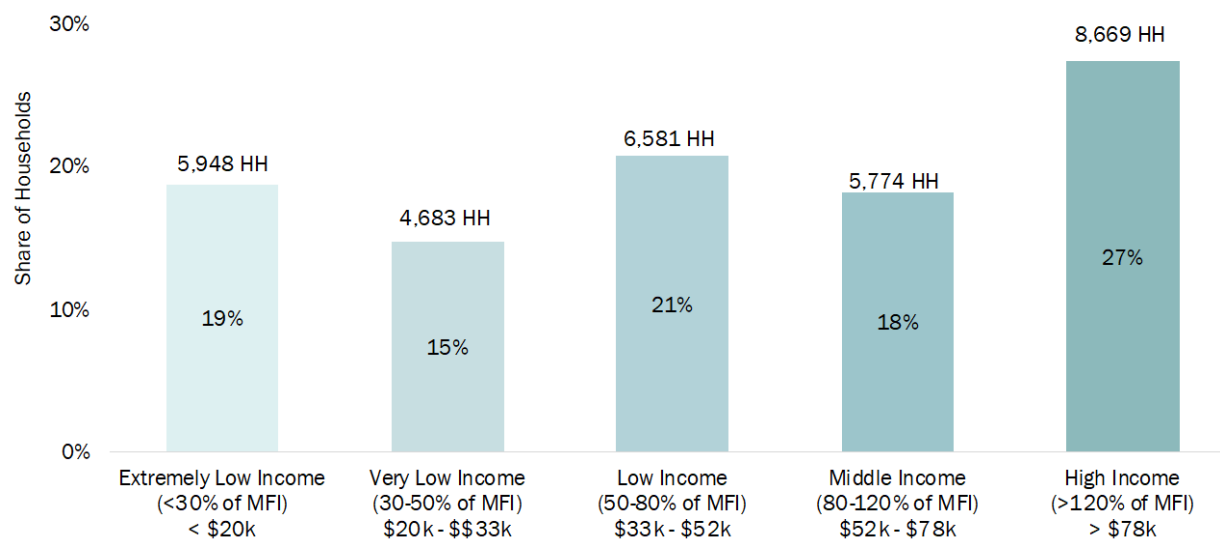


Exhibit 75 illustrates the types of financially attainable housing by income level in Jackson County. Generally speaking, lower-income households will be renters occupying existing housing. The types of housing affordable for the lowest-income households are limited to government-subsidized housing, manufactured housing, and lower-cost and/or lower-amenity single-family and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 75. Types of Financially Attainable Housing by Median Family Income (MFI) for Jackson County (\$65,100), Medford, 2020

Source: US Department of Housing and Urban Development, Medford, 2020. Oregon Employment Department.

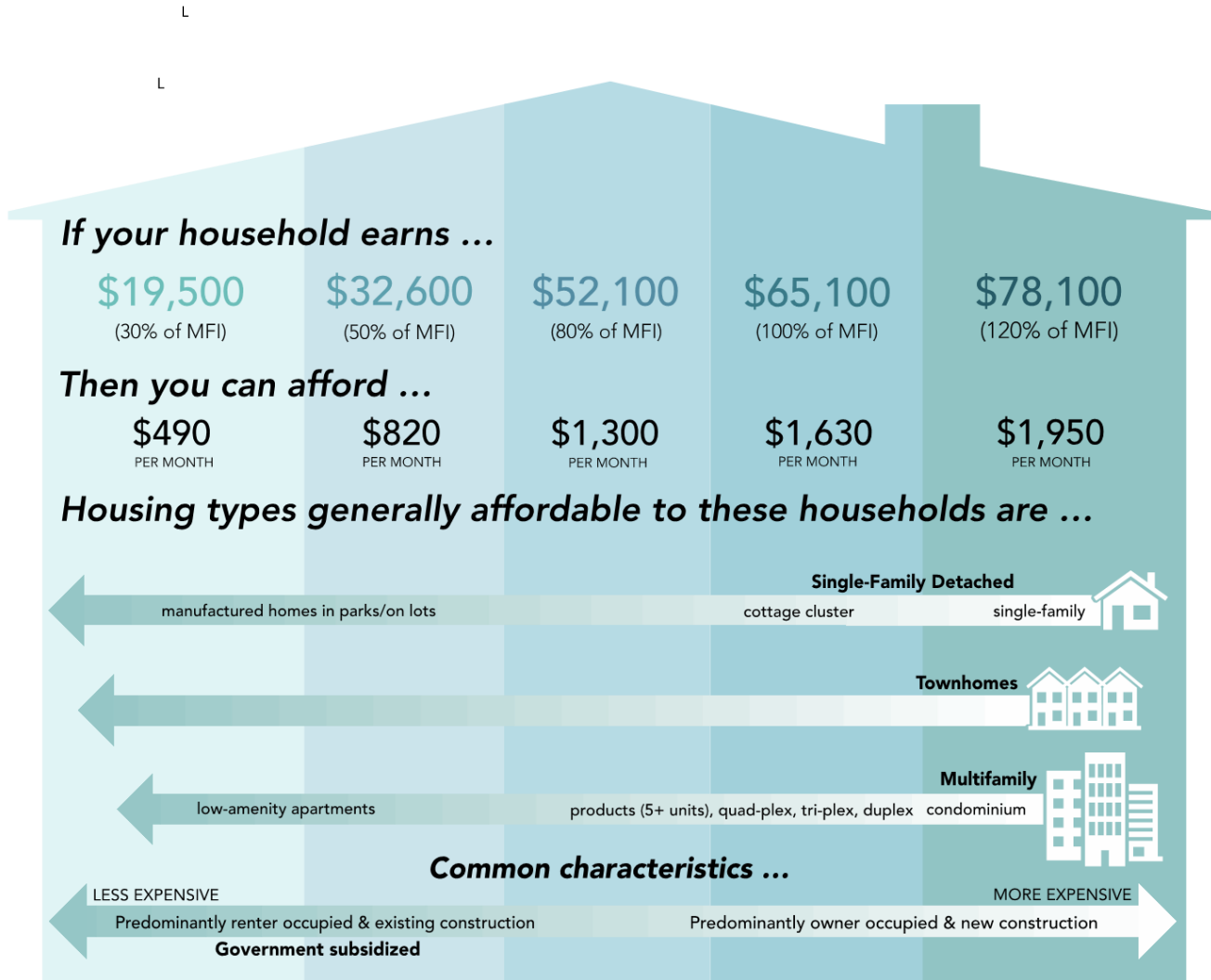


Exhibit 76 compares the number of households by income category with the number of units affordable to those households in Medford. Medford currently has a deficit of housing units for households earning 0-50% of the MFI (less than \$32,600 per year), resulting in cost burden of these households. Similarly, Medford has a deficit of units affordable to households earning 50-80% of the MFI (\$32,600 to \$52,100) who are also cost burdened.

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

Exhibit 76. Unit Affordability by Household Income, Medford, 2013-2017

Source: CHAS, 2013-2017, Table 18.

Unit Affordability	Household Income			
	0-50% MFI \$0 to \$32,600	50-80% MFI \$32,600 to \$52,100	80% MFI \$52,100 +	
0-50%	1,885	795	1,014	*Renting/
50-80%	Cost 3,449	2,214	4,995	Buying Down*
+80%	Burdened 2,180	2,174	12,094	

Summary of the Factors Affecting Medford's Housing Needs

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

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

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

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

- **Growth in housing will be driven by growth in population.** Between 2000 and 2019, Medford's population grew by 18,311 people (29%). The population in Medford's UGB is forecasted to grow from 91,116 to 122,242, an increase of 31,125 people (34%) between 2022 and 2042.⁴⁹
- **Housing affordability is a growing challenge in Medford.** Housing affordability is a challenge in most of the Southern Oregon region in general, and Medford is affected by these regional trends. Housing prices are increasing faster than incomes in Medford and Jackson County, which is consistent with state and national challenges. Medford has a modest supply of multifamily housing (about 28% of the city's housing stock), but over half of renter households are cost burdened (57%). Medford's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing of all types, such as lower-cost single-family housing, town homes, cottage

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

⁴⁹ This forecast is based on Jackson County's certified population estimate and official forecast from the Oregon Population Forecast Program for the 2022 to 2042 period, shown in Exhibit 28.

housing, duplexes, triplexes, quadplexes, market-rate multifamily housing, and government-subsidized affordable housing

- **Damage from the Alameda Fire in 2020 increased demand for housing.** In 2020, more than 2,500 housing units were destroyed by wildfire damage in Jackson County.⁵⁰ A majority of the impacted/destroyed units were located in Phoenix and Talent. Many of these dwelling units were relatively affordable, such as manufactured housing. The loss of this housing decreased the supply of affordable housing and increased the need for it. Some of these households will temporarily or permanently seek housing in Medford.
- **Without substantial changes in housing policy, on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that is important when trying to address demand for new housing.

The City's residential policies can impact the amount of change in Medford's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types (particularly multifamily housing that is affordable to low and moderate-income households), a larger percentage of new housing developed over the next 20 years in Medford may begin to address the city's needs. Examples of policies that the City could adopt to achieve this outcome include increasing resources to provide services and housing for people experiencing homelessness, increasing resources for homelessness prevention and to increase housing stability, supporting development of income-restricted housing affordable to households with incomes below 60% of MFI, preserving existing affordable housing, regulatory changes to support the development of a wider range of housing types (including more multifamily housing), and planning for transportation and public infrastructure to support housing development. These policy changes are the subject of Medford's *Housing Production Strategy* report.

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

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

- *The baby boomer's population is continuing to age.* Household sizes decrease as this population ages. The majority of baby boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause

⁵⁰ Based on information from Jackson County.

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

them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Medford. Given the regional concentration of hospitals and health care, Medford may attract a larger share of regional need for these types of senior housing.

- *Millennials and Generation Z will continue to form households and make a variety of housing choices.* As millennials and Generation Z age, generally speaking, their household sizes will increase and their homeownership rates will peak by about age 55. Between 2022 and 2042, millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract millennials will depend on the City's availability of renter and ownership housing that is large enough to accommodate families while still being relatively affordable. It will also depend on the location of new housing in Medford as many millennials prefer to live in more urban or walkable environments.⁵¹ The decline in homeownership among the millennial generation has more to do with financial barriers rather than the preference to rent.⁵² Housing preferences for Generation Z are not yet known, but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership. Some millennials and Generation Z households will occupy housing that is currently occupied but becomes available over the planning period, such as housing that is currently owned or occupied by baby boomers. The need for housing large enough for families may be partially accommodated by these existing units.
- *Hispanic and Latino population will continue to grow.* Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner and renter-occupied housing. Growth in the Hispanic and Latino population will drive demand for housing for families with children. Given the lower income for Hispanic and Latino households, especially first-generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.

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

⁵¹ Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Storchak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

⁵² Ibid.

5. Housing Need in Medford

Projected New Housing Units Needed in the Next 20 Years

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

Forecast for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in Medford between 2022 and 2042. The key assumptions are based on the best available data.

- **Population.** A 20-year population forecast (in this instance, 2022 to 2042) is the foundation for estimating needed new dwelling units. Medford's UGB will grow from 91,116 persons in 2022 to 122,242 persons in 2042, an increase of 31,125 people.⁵³
- **Persons in Group Quarters.**⁵⁴ Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

The 2015-2019 American Community Survey shows that 2.1% of Medford's population was in group quarters. For the 2022 to 2042 period, we assume that 2.1% of Medford's new population, approximately 667 people, will be in group quarters.

⁵³ This forecast is based on Medford UGB's official forecast from the Oregon Population Forecast Program for the 2022 to 2042 period.

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

- **Household Size.** According to the 2015-2019 American Community Survey, the average household size in Medford was 2.47 people. **Thus, for the 2022 to 2042 period, we assume an average household size of 2.47 persons.**
- **Vacancy Rate.** The Census defines vacancy as "unoccupied housing units [that] are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

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

According to the 2015-2019 American Community Survey, Medford's vacancy rate was 6.2%. **For the 2022 to 2042 period, we assume a vacancy rate of 6.2%.**

Medford will have demand for 13,102 new dwelling units over the 20-year period, with an annual average of 655 dwelling units.

Exhibit 77. Forecast of Demand for New Dwelling Units, Medford UGB, 2022 to 2042

Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2022-2042)
Change in persons	31,125
<i>minus</i> Change in persons in group quarters	667
<i>equals</i> Persons in households	30,458
Average household size	2.47
New occupied DU	12,331
<i>times</i> Vacancy rate	6.2%
<i>equals</i> Vacant dwelling units	770
Total new dwelling units (2022-2042)	13,102
Annual average of new dwelling units	655

Housing Units Needed Over the Next 20 Years

Exhibit 77 presents a forecast of new housing in Medford's UGB for the 2022 to 2042 period. This section determines the needed mix and density for the development of new housing developed over this 20-year period in Medford.

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

- Medford's existing housing mix is predominately single-family detached. In the 2014-2018 period, 66% of Medford's housing was single-family detached, 6% was single-family attached, 13% was multifamily housing (with two to four units per structure), and 15% was multifamily housing (with five or more units per structure). Between 2009 and 2020, Medford issued building permits for 3,773 units, of which 65% were single-family units (both single-family detached and attached), 33% were multifamily of all types, and 2% were accessory dwelling units.
- Demographic changes across Medford suggest increases in demand for single-family attached housing and multifamily housing. The key demographic and socioeconomic trends that will affect Medford's future housing needs are an aging population, increasing housing costs, housing affordability concerns for millennials, Generation Z, and Latino populations. The implications of these trends are increased demand from smaller, older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
- Medford's median household income was \$47,567, about \$3,300 lower than Jackson County's median. Since 2000, housing costs in Medford increased faster than incomes. The median value of a house in Medford was 3.6 times the median household income in 2000 and 5.1 times the median household income in the 2014-2018 period.
- About 43% of Medford's households are cost burdened (paying 30% or more of their household income on housing costs). About 57% of Medford's **renters** are cost burdened and about 30% of Medford's **homeowners** are cost burdened. Cost-burden rates in Medford are similar to those in Jackson County.
- Medford needs more affordable housing types for homeowners. Housing sales prices increased in Medford subareas over the last three years. Between August and October of 2017 to August and October of 2020, the median sales price in Northwest Medford increased by \$152,000 (111%). In that same time, the median price increased by \$54,500 (29%) in West Medford, \$66,050 (27%) in Southwest Medford, and \$55,000 (19%) in East Medford.

A household earning 100% of Medford's median household income (\$47,567) could afford a home valued between about \$228,500 and \$260,000, which is less than West Medford's median home sales price between \$245,000 and \$350,000, with an overall

median sales price of \$312,000. A household can start to afford median home sales prices in West Medford at about 112% of Medford's median household income.

- Medford needs more affordable housing types for renters. To afford the average asking rent of \$1,250, a household would need to earn about \$50,000 or 77% of MFI. About 52% of Medford's households earn less than \$50,000 and cannot afford these rents. In addition, about 19% of Medford's households have incomes of less than \$19,500 (30% of MFI) and are at risk of becoming homeless.

These factors suggest that Medford needs a broader range of housing types with a wider range of price points than are currently available in Medford's housing stock. This includes providing opportunity for the development of housing types across the affordability spectrum, such as single-family detached housing (e.g., small-lot single-family detached units, cottages, accessory dwelling units, and "traditional" single-family homes), town houses, duplexes, triplexes, quadplexes, and multifamily buildings with five or more units.

Exhibit 78 shows the forecast of needed housing in the Medford UGB during the 2022 to 2042 period. The projection is based on the following assumptions:

- Medford's official forecast for population growth shows that the city will add 31,125 people over the 20-year period. Exhibit 77 shows that the new population will result in the need for 13,102 new dwelling units over the 20-year period.
- The assumptions about the mix of housing (based on the discussion above) in Exhibit 78 are as follows. This represents Medford's needed housing mix:
 - **About 55% of new housing will be single-family detached**, a category which includes manufactured housing. About 66% of Medford's housing was single-family detached in the 2014-2018 period.
 - **About 7% of new housing will be single-family attached**. About 6% of Medford's housing was single-family attached in the 2014-2018 period.
 - **About 13% of new housing will be duplexes, triplexes, and quadplexes**. About 13% of Medford's housing was duplex, triplex, and quadplex housing in the 2014-2018 period.
 - **About 25% of new housing will be multifamily housing (with five or more units per structure)**. About 15% of Medford's housing was multifamily housing (with five or more units per structure) in the 2014-2018 period.

Medford will have demand for 13,102 new dwelling units over the 20-year period, 55% of which will be single-family detached housing.

Exhibit 78. Forecast of Demand for New Dwelling Units, Medford UGB, 2022 to 2042

Source: Calculations by ECONorthwest.

Variable	Housing Mix
Needed new dwelling units (2021-2041)	13,102
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
Total new single-family detached DU	7,207
Single-family attached	
Percent single-family attached DU	7%
Total new single-family attached DU	917
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	13%
Total new duplex, triplex, quadplex	1,703
Multifamily (5+ units)	
Percent multifamily (5+ units)	25%
Total new multifamily (5+ units)	3,275
Total new dwelling units (2022-2042)	13,102

Exhibit 79 allocates needed housing to plan designations in Medford. The allocation is based, in part, on the types of housing allowed in the zoning districts of each plan designation. Exhibit 79 shows:

- **Urban Residential (SFR-2, SFR-4, SFR-6, and SFR-10)** land will accommodate single-family detached housing (including manufactured homes on lots), single-family attached housing, accessory dwelling units, cottage cluster housing, duplexes, triplexes, quadplexes, and multifamily housing.
- **Urban Medium Density Residential (MFR-15)** land will accommodate single-family detached housing (including manufactured homes on lots),⁵⁵ single-family attached housing, accessory dwelling units, cottage cluster housing, duplexes, triplexes, quadplexes, and multifamily housing.
- **Urban High Density Residential (MFR-20 and MFR-30)** land will accommodate single-family detached housing (including manufactured homes on lots),⁵⁶ single-family attached housing, accessory dwelling units, cottage cluster housing, duplexes, triplexes, quadplexes, and multifamily housing.
- **Stewart Meadows PUD** based on the PUD, updated in 2022.
- **Commercial** (including the Commercial, Service Commercial, and City Center Plan Designations) land will develop with housing.

These assumptions assume that Medford has complied with the requirements of House Bill 2001 to allow cottage housing, town houses, duplexes, triplexes, and quadplexes in zones where single-family housing is allowed.

⁵⁵ These housing types are permitted with special use standards per the Municipal Code Section 10.314.

⁵⁶ These housing types are permitted with special use standards per the Municipal Code Section 10.314.

Exhibit 79. Allocation of Needed Housing by Housing Type and Plan Designation, Medford UGB, 2022 to 2042

Source: ECONorthwest.

*Note: Commercial, Service Commercial, and City Center Plan Designations

Housing Type	Plan Designations					TOTAL
	Urban Residential	Urban Medium Density Residential	Urban High Density Residential	Stewart Meadows PUD	Commercial *	
Dwelling Units						
Single-family detached	6,421	655	131	-	-	7,207
Single-family attached	262	262	393	-	-	917
Duplex, triplex, quadplex	262	576	575	86	204	1,703
Multifamily (5+ units)	66	262	1,469	210	1,268	3,275
Total	7,011	1,755	2,568	296	1,472	13,102
Percent of Units						
Single-family detached	49%	5%	1%	0%	0%	55%
Single-family attached	2%	2%	3%	0%	0%	7%
Duplex, triplex, quadplex	2%	4%	4%	1%	2%	13%
Multifamily (5+ units)	1%	2%	11%	2%	10%	25%
Total	53%	13%	20%	2%	11%	100%

Exhibit 16 shows net densities for development in Medford for 2009 to 2020. Exhibit 80 shows the following densities, in net and gross acres, starting with the net densities shown in Exhibit 16.⁵⁷ Exhibit 80 converts between net acres and gross acres to account for land needed for rights-of-way based on empirical analysis of existing rights-of-way by plan designation in Medford.

- **Urban Residential:** 15% of land is in rights-of-way in areas with existing development in Urban Residential. The densities in this Plan Designation average 6.1 dwelling units per net acre and 5.2 dwelling units per gross acre.
- **Urban Medium Density Residential:** 26% of land is in rights-of-way in areas with existing development. The densities in this plan designation average 15.1 dwelling units per net acre and 11.1 dwelling units per gross acre.
- **Urban High Density Residential:** 25% of land is in rights-of-way in areas with existing development. The densities in this plan designation average 17.1 dwelling units per net acre and 13.1 per gross acre.
- **Commercial:** 14% of land is in rights-of-way in areas with existing development. Development densities in this designation average 38.2 dwelling units per net acre and 32.6 dwelling units per gross acre.

The densities in Exhibit 80 do not include assumptions about changes in density likely to occur as a result of complying with House Bill 2001. When Medford next conducts an HCA, the City

⁵⁷ OAR 660-024-0010(6) uses the following definition of net buildable acre. Net buildable acre “consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

will be able to measure changes in density based on actual production of the housing types included in House Bill 2001.

In the *Regional Plan*, Medford agreed to an overall development density of 6.6 dwelling units per gross acre for development over the 2010 to 2035 period and 7.6 acres per gross acre from 2036 to 2060. Exhibit 16 shows that Medford's development between 2009 and 2020 was 8.0 per net acre or nearly 6.6 dwelling units per gross acre.

Exhibit 80 shows Medford's needed housing density by plan designation.

Future planned residential densities vary by plan designation. For example, Medford will plan for an average of 5.2 dwelling units per gross acre in Urban Residential and 11.1 dwelling units per gross acre in Urban Medium Density Residential.

Exhibit 80. Future Density for Housing Built in the Medford UGB, 2022 to 2042

Source: ECONorthwest. Note: DU is dwelling unit.

*Note: Commercial, Service Commercial, and City Center Plan Designations

Plan Designation	Avg. Net Density (DU/net acre)	% for Rights-of-Way	Avg. Gross Density (DU/gross acre)
Urban Residential	6.1	15%	5.2
Urban Medium Density Residential	15.1	26%	11.1
Urban High Density Residential	17.4	25%	13.1
Commercial *	38.2	14%	32.6

Needed Housing by Income Level

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

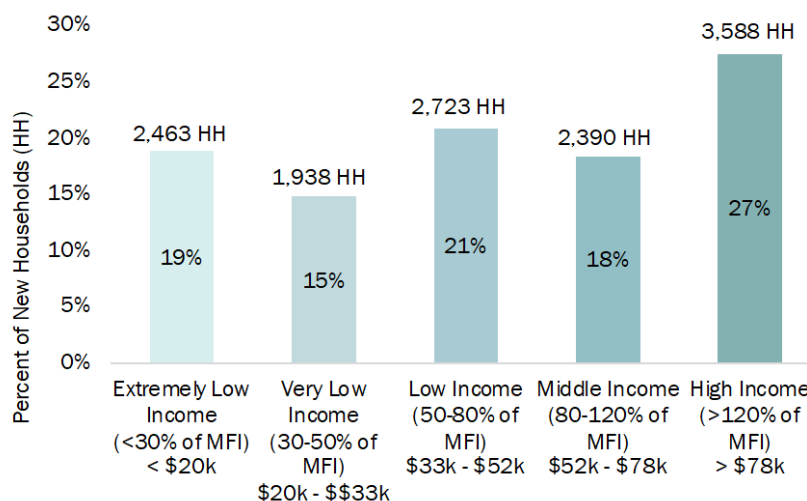
The analysis in Exhibit 81 is based on Census data about household income levels for existing households in Medford (see Exhibit 74). Income is distributed into market segments consistent with HUD income level categories, using Jackson County's 2020 median family income (MFI) of \$65,100. The exhibit assumes that approximately the same percentage of households will be in each market segment in the future.

About 34% of Medford's future households will have income below 50% of Jackson County's median family income (less than \$33,000 in 2018 dollars).

About 39% will have incomes between 50% and 120% of the county's MFI (between \$32,550 and \$78,120).

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

Exhibit 81. Future (New) Households, by Median Family Income (MFI) for Jackson County (\$65,100), Medford, 2022 to 2042
Source: US Department of HUD, Jackson County, 2020. US Census Bureau, 2014-2018 ACS Table 19001.



Other Housing Needs

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

- **Income-restricted and government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single-family detached, apartments, etc.). Medford allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Medford will continue to allow government housing in all of its residential plan designations. Because government-assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types, and the City allows development of farmworker housing in all residential zones, with the same development standards as market-rate housing. This analysis assumes that Medford will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Medford allows manufactured homes in all of its residential plan designations and zoning districts.
- **Manufactured housing in parks.** Medford conditionally allows manufactured homes in parks in the SFR-6, SFR-10 (when over 9 net acres in size), and MFR-15 zones. Manufactured homes parks in the SFR-10 that are 9 net acres or less are reviewed as a Planning Director's decision (Type II Review). OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,⁵⁸ Medford has 14 manufactured home parks within the city, with 1,273 spaces.
 - ORS 197.480(2) requires Medford to project need for mobile home or manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development.

⁵⁸ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- Exhibit 77 shows that Medford will grow by 13,102 dwelling units over the 2022 to 2042 period.
- Analysis of housing affordability shows that about 31% of Medford's new households will be considered very low or extremely low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing accounts for about 5% (about 1,665 dwelling units) of Medford's current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
- The households most likely to live in manufactured homes in parks are those with incomes between \$19,530 and \$32,550 (30% to 50% of MFI), which includes 13% of Medford's households. However, households in other income categories may live in manufactured homes in parks.
- National and state trends for manufactured home park closures, and the fact that no new manufactured home parks have opened in Oregon in the last 15 years, demonstrate that the development of new manufactured home parks in Medford is unlikely. However, manufactured home parks provide an important opportunity for affordable housing for homeownership. Preserving existing manufactured home parks and allowing smaller manufactured units in manufactured home parks are important ways to provide opportunities for affordable, lower-cost homeownership opportunities.
- If the City had the need for a new manufactured home park over the 2022 to 2042 period, it would be for 655 new units (5% of new units) on 82 to 109 acres of land, with 6 to 8 dwelling units per acre. If a new manufactured home park were developed in Medford, the City would have sufficient capacity to accommodate it in zones where manufactured housing is allowed. The housing forecast includes new manufactured homes on lots and in parks in the category of single-family detached housing.
- Over the next 20 years (or longer), one or more manufactured home parks may close in Medford. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership. The closure of manufactured home parks may be

especially difficult in terms of availability of affordable housing in light of the number of manufactured home units lost in the region from the Alameda fire.

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

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

- **Housing for People with Disabilities.** Housing for people with disabilities can apply to all housing types, with the same development standards as market-rate housing. It can also apply to other residential/group living uses (such as nursing homes, residential care homes or facilities, or room and boarding facilities) as well as government-subsidized housing (including units that are population restricted). Broadly, housing options for people with disabilities include (1) living in housing independently (alone or with roommates/family), (2) living in housing with supportive services (e.g., with help from a live-in or visiting caregiver), or (3) living in housing in a supervised residential setting. Meeting the housing needs for people with disabilities will require addressing affordability issues, 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.
- **Housing for People Experiencing Homelessness.** Meeting the housing needs of people experiencing homelessness ranges from emergency shelter, transitional housing, and permanent supportive housing (including supportive housing with services) and improved access to an affordable unit (including rent and utility assistance). Persons experiencing homelessness or those at risk of becoming homeless will require assistance with addressing individual, complex barriers to improve long-term housing stability.

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

6. Residential Land Sufficiency in Medford

This chapter presents an evaluation of the sufficiency of vacant residential land in Medford to accommodate expected residential growth over the 2022 to 2042 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Medford's ability to accommodate needed new housing units for the 2022 to 2042 period, based on the analysis in the Housing Capacity Analysis. The chapter ends with a discussion of the conclusions of the Housing Capacity Analysis.

Capacity Analysis

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

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”⁶⁰ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

⁶⁰ There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

Medford Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 80.

Exhibit 82 shows that **Medford has 2,680 acres of vacant or partially vacant land to accommodate dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in plan designations that allow residential uses outright, as shown in Exhibit 8.
 - Exhibit 82 assumes that the commercial plan designations will be able to accommodate 1,441 dwelling units on about 7.1% of buildable commercial land, consistent with housing development that occurred in commercial areas over the 2009 to 2020 period in Exhibit 16.
- **Needed densities.** The capacity analysis assumes development will occur at needed densities. Those densities were derived from the needed densities shown in Exhibit 80.
 - Exhibit 16 shows an average net density of 8.0 dwelling units per net acre for development over the 2009 to 2020 period.
 - The estimate of capacity on buildable land in Exhibit 82 uses the same average densities by plan designation in Exhibit 16. Based on these assumptions, Medford's development capacity is at 8.3 dwelling units per net acre or 6.8 dwelling units per gross acre (which accounts for land in rights-of-way).⁶¹
 - Capacity for the Stewart Meadow's Planned Unit Development (PUD) is based on the estimate of housing in the approved master plan, which was revised in 2022.

⁶¹ Exhibit 82 shows that 18,346 new dwelling units can be accommodated on Medford's 2,680 unconstrained buildable acres, which is 6.8 dwelling units per gross acre.

The estimate of 8.3 dwelling units per net acre is based on the same land base (2,680 acres) but assumes that there is no land needed for rights-of-way, which makes the density assumptions net acres.

Exhibit 82. Estimate of Capacity on Buildable Land, Medford UGB, 2022 to 2042

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

*Note: ECONorthwest reduced the “total unconstrained buildable acres” in the Commercial plan designations on the assumption that not all vacant land in commercial areas will develop with housing, based on historical development in these plan designations.

Plan Designation	Total Unconstrained Buildable Acres	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
Urban Residential	2,236	5.2	11,626
Urban Medium Density Residential	128	11.1	1,422
Urban High Density Residential	272	13.1	3,561
Stewart Meadows PUD	n/a	n/a	296
Commercial *	44	32.6	1,441
Total	2,680	6.8	18,346

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Medford is to compare the demand for housing by plan designation (Exhibit 79) with the capacity of land by plan designation (Exhibit 82).

Exhibit 83 shows that Medford **has** sufficient land to accommodate housing development in each of its residential plan designations, except for Urban Medium Density Residential. Medford has capacity for 18,346 dwelling units and demand for 13,102 dwelling units. The result is that Medford has a surplus of capacity for housing, beyond the forecast of housing growth over the next 20 years, in each plan designation except for Urban Medium Density Residential. The largest surpluses are in the Urban Residential and Urban High Density Residential plan designations.

Medford has a deficit of about 333 dwelling units (about 30 acres of land at 11.1 dwelling units per gross acre) in the Urban Medium Density Residential plan designation.

Exhibit 83. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Medford UGB, 2022 to 2042

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

*Note: ECONorthwest reduced the "total unconstrained buildable acres" in the Commercial plan designations on the assumption that not all vacant land in commercial areas will develop with housing, based on historical development in these plan designations.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Urban Residential	11,626	7,011	4,615	888
Urban Medium Density Residential	1,422	1,755	(333)	(30)
Urban High Density Residential	3,561	2,568	993	76
Stewart Meadows PUD	296	296	0	0
Commercial *	1,441	1,472	- 31	- 1
Total	18,346	13,102		

For the 2022 to 2042 planning period, 667 group quarter units were deducted from the housing forecast (see Exhibit 77). The analysis still must account for their land need. For the purposes of this analysis, new group quarters were assumed to develop in Urban High Density Residential plan designation (at 13.1 dwelling units per gross acre) and Commercial plan designation (at 32.6 dwelling units per gross acre).

Exhibit 84 shows that group quarters will need about 25 gross acres in the Urban High Density Residential Plan designation and 10 gross acres in the Commercial plan designation.

Exhibit 84. Land Needed for Group Quarters, Medford UGB, 2022 to 2042

Source: Calculations by ECONorthwest. *Note: group quarters assumes one person per dwelling unit.

Plan Designations	New Population in Group Quarters (GQs)	Density Assumption (GQ/Gross Acre)	Gross Acres to Accommodate GQs
Urban Residential			
Urban Medium Density Residential			
Urban High Density Residential	333	13.1	25
Stewart Meadows PUD			
Commercial *	334	32.6	10

For clarity, Exhibit 85 presents a revised version of Exhibit 83 to account for land needed for new dwelling units as well as group quarters. In summary:

- Medford has a surplus of 4,910 dwelling units of capacity (excluding the deficit in Urban Medium Density Residential), resulting in a surplus of 927 acres, most of which is in the Urban Residential designation.
- Medford's surplus of Urban Residential capacity (4,615 dwelling units) means that the City has a surplus of 888 gross acres of Urban Residential land (at 5.2 dwelling units per gross acre).
- Medford has a deficit of 333 dwelling units or 30 acres in the Urban Medium Density Residential designation (at 11.1 dwelling units per gross acre).
- Medford's surplus of Urban High Density Residential capacity (993 dwelling units) means that the City has an approximate surplus of 76 gross acres of Urban High Density Residential land (at 13.1 dwelling units per gross acre).
- Medford's Stewart Meadow's Planned Unit Development (PUD) area is assumed to be built out according to its approved master plan, updated in 2022.
- Medford's Commercial plan designation has more buildable acres than is assumed to be needed to accommodate dwelling units and group quarters. This analysis assumes that Medford has capacity such that nearly 1,472 new housing units could locate in commercial areas, consistent with historical development over the 2009 to 2020 period. Medford could accommodate additional housing development in commercial areas beyond the assumptions in Exhibit 85.

Exhibit 85. Final Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Medford UGB, 2022 to 2042

Source: Calculations by ECONorthwest.

*Note: ECONorthwest reduced the “total unconstrained buildable acres” in the Commercial plan designations on the assumption that not all vacant land in commercial areas will develop with housing, based on historical development in these plan designations.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Urban Residential	11,626	7,011	-	4,615	888
Urban Medium Density Residential	1,422	1,755	-	(333)	(30)
Urban High Density Residential	3,561	2,568	333	660	50
Stewart Meadows PUD	296	296	-	0	0
Commercial *	1,441	1,472	334	365	11
Total	18,346	13,102	667		

Conclusions

The key findings and conclusions of the Medford’s Housing Capacity Analysis are that:

- **Medford’s population is forecast to grow slightly faster than in the past.** Medford UGB is forecast to grow from 91,116 people in 2022 to 122,242 people in 2042, an increase of 31,125 people. This population growth will occur at an average annual growth rate of 1.48%.⁶²
- **Medford is planning for 13,102 new dwelling units.** The growth of 31,125 people will result in the demand for 13,102 new dwelling units over the 20-year planning period, averaging 655 new dwelling units annually.
- **Medford’s needed housing mix is for an increase in housing affordable to renters and homeowners, with more attached and multifamily housing types.** Historically, about 65% of Medford’s housing was single-family detached. While 55% of new housing in Medford is forecast to be single-family detached, the City will need to provide opportunities for the development of new single-family attached housing (7% of new housing), duplexes, triplexes, quadplexes (13% of new housing), and multifamily structures with 5 or more units (25% of new housing). Medford is able to meet its needed housing mix based on these assumptions.
 - The factors driving the shift in types of housing needed in Medford include changes in demographics and decreases in housing affordability. The aging of baby boomers and the household formation of millennials and Generation Z will drive demand for renter and owner-occupied housing, such as single-family detached housing, accessory dwelling units, town houses, cottage housing, duplexes, triplexes, quadplexes, and multifamily structures. These groups may prefer housing in walkable neighborhoods, with access to services.

⁶² This population forecast was developed and adopted in June 2022.

- Medford is complying with the requirements of House Bill 2001 to allow cottage housing, town houses, duplexes, triplexes, and quadplexes in zones where single-family housing is allowed. Allowing this wider range of housing in more areas will likely result in a change in mix of housing developed over the next 20 years, especially in areas with large areas of vacant buildable land.
- Without diversification of housing types and the development of housing affordable to households with incomes below 80% of MFI (\$52,000), lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. About 43% of Medford's households are cost burdened (paying more than 30% of their income on housing), including a cost burden rate of 57% for renter households.

Under the current conditions, 4,401 new households will have incomes of \$32,550 (in 2020 dollars) or less. These households often cannot afford market-rate housing, and for newly built housing to be affordable, it will need to be income-restricted government-subsidized housing. About 5,113 new households will have incomes between \$32,550 and \$78,120. These households will all need access to housing that is affordable to them, which will predominantly be existing housing or newly built smaller units, such as cottage housing, duplexes, or multifamily housing.

- **Medford has a need for additional housing affordable to lower and middle-income households.** Medford has a need for additional housing affordable to households with extremely low incomes and very low incomes, people experiencing homelessness, and households with low and middle incomes. These needs include existing unmet housing needs and likely housing needs for new households over the 20-year planning period.
 - About 34% of Medford's households have extremely low incomes or very low incomes, with household incomes below \$32,600. At most, these households can afford \$820 in monthly housing costs. Median gross rent in Medford was \$933 in the 2014-2018 period and has increased since, but rents were generally closer to \$1,250 (or more) for currently available rental properties. Development of housing affordable to these households (either rentals or homes for sale) rarely occurs without government subsidy or other assistance. Meeting the housing needs of extremely low-income and very low-income households will be a significant challenge to Medford.
 - About 39% of Medford's households have low or middle incomes, with household incomes between \$32,600 and \$78,100. These households can afford between \$820 to \$1,950 in monthly housing costs. Households at the lower end of this income category may struggle to find affordable rental housing, especially with growing costs of rental housing across Southern Oregon. Some of the households in this group are likely part of the 43% of all households that are cost burdened. Development of rental housing affordable to households in this income category (especially those with middle incomes) can occur without government subsidy, but the City's zoning code will need to provide opportunities for the development of a

wider range of housing types in more places to accommodate more of this type of housing (as shown in Exhibit 75).

Middle-income households may be able to purchase owner-occupied housing at Medford's median home sales price of \$245,000 in West Medford neighborhood.⁶³ Homeownership opportunities for households in this income category may be limited to existing housing, unless there are opportunities to build new housing at lower costs.

- The *Medford Housing Production Strategy* includes actions to address these housing needs in Policy 1 (i.e., provide support and safe housing options for people experiencing homelessness and improve housing stability to reduce risk of homelessness for very low-income residents), Policy 2 (i.e., expand affordable housing options for low-income renters), Policy 3 (i.e., preserve and maintain existing housing and newly developed affordable to low and moderate-income households), Policy 4 (i.e., support opportunities to achieve and maintain homeownership by moderate-income households), and other policies.
- **Medford has enough land within its UGB to accommodate the forecast for growth between 2022 and 2042 but a deficit of land for the Urban Medium Density Residential Plan Designation.** Medford has a surplus of capacity in most of its plan designations that can accommodate housing outright. The largest surplus of capacity is in Urban Residential, which has capacity for about 7,000 units beyond the forecast for the 20-year period. Medford has a surplus in Urban High Density Residential designations. In addition, Medford's Commercial plan designation can accommodate more development than is included in the forecast, adding more multifamily development capacity, if necessary.

Medford has a deficit for about 333 dwelling units in the Urban Medium Density Residential Plan Designation. Medford may be able to address that deficit by re-Designating land to the Urban Medium Density Residential Plan Designation, given the large surplus of land in other Plan Designations.

Given the surplus of land in Medford, there may be little market pressure to redevelop existing residential areas. Redevelopment is most likely to occur in areas where the City is planning for redevelopment, such as the Liberty Park Neighborhood or in downtown.

- **Medford's development occurred at an average of eight dwelling units per net acre over the 2009 to 2020 period.** Over the 2022 to 2042 period, if new housing develops at the same densities as over the 2009 to 2020 period, Medford's housing will develop at an average of 8.3 dwelling units per net acres of 6.8 dwelling units per gross acre. Based on this assumption, Medford is able to achieve its needed development density.

The *Regional Plan* shows that Medford's committed residential density is 6.6 dwelling

⁶³ Southern Oregon Multiple Listing Service in August to October 2020.

units per gross acre through 2035. Beyond 2036, Medford's committed residential density is 7.6 dwelling units per gross acre. Achieving this higher density for development beyond 2036 will require Medford to adopt land use efficiency measures, such as those discussed the *Medford Housing Production Strategy*, under Policy 6.

The *Medford Housing Production Strategy* includes recommendations for a wide range of policies to support the development of housing for people experiencing homelessness and housing for extremely low to middle-income households. The *Housing Production Strategy* also includes recommendations that are intended to improve equitable outcomes for housing development, as well as strategies to support the development of all types of housing.

Appendix A: Residential Buildable Lands Inventory

The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008. This appendix describes the methodology that ECONorthwest used for this report, based on 2020 data. The results of the buildable lands inventory in Chapter 2 was updated in August 2022 to account for development that occurred since completion of the original BLI in this report, covering development through August 2022. This update is based on building permits and review of the latest aerial photography by Medford staff.

The results of the BLI are discussed in Chapter 2.

Overview of the Methodology

Following are the statutes and administrative rules that provide guidance on residential BLIs:

OAR 660-008-0005(2):

“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
- (c) Has slopes of 25 percent or greater;*
- (d) Is within the 100-year flood plain; or*
- (e) Cannot be provided with public facilities.*

Inventory Steps

The BLI consists of several steps:

1. Generating UGB “land base”
2. Classifying land by development status
3. Identify constraints

4. Verify inventory results
5. Tabulate and map results

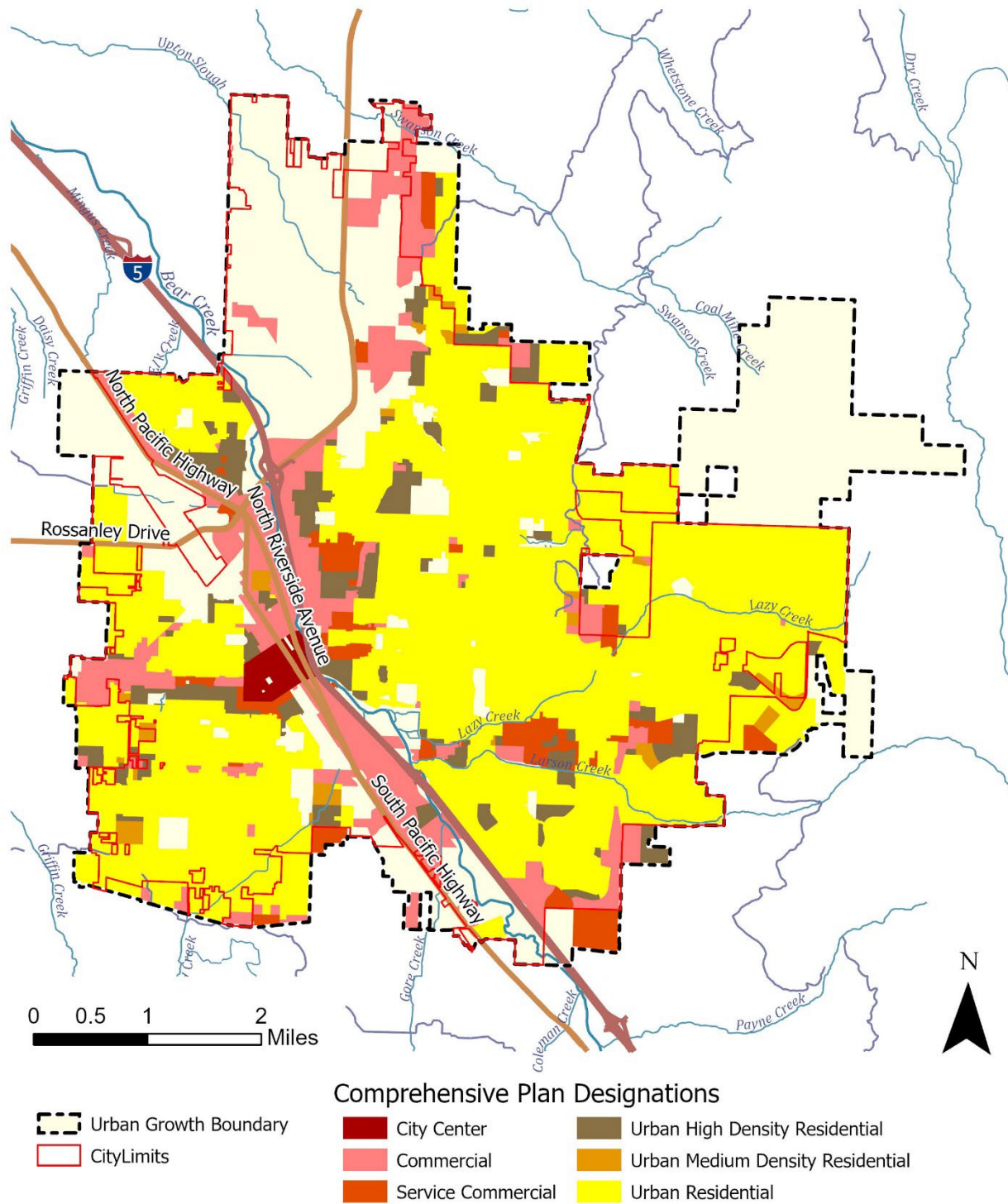
Step 1: Generate “land base”

Per Goal 10 this involves selecting all of the tax lots in the Medford UGB with residential and other nonemployment plan designations. Plan designations included in the residential inventory include:

- Urban Residential
- Urban Medium Density Residential
- Urban High Density Residential
- City Center
- Commercial
- Service Commercial

Exhibit 86 shows the residential plan designations included in the BLI.

Exhibit 86. Residential Land Base by Plan Designation, Medford UGB, 2020



Step 2: Classify lands

In this step, ECONorthwest classified each tax lot with a plan designation that allows residential uses into one of five mutually exclusive categories based on development status:

- Vacant land
- Partially vacant land
- Undevelopable land
- Public land
- Developed land

ECONorthwest initially identified buildable land and classified development status using a rule-based methodology consistent with the DLCD Residential Lands Workbook and applicable administrative rules. The rules are described below in Exhibit 87.

Exhibit 87. Rules for Development Status Classification

Development Status	Definition	Basis for the Assumption
Vacant Land	Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, lands with improvement values of less than \$10,000 were considered vacant (not including lands that are identified as having mobile homes).	OAR 660-008-0006(2) (2) "Buildable land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
Partially Vacant Land	Partially vacant land was evaluated in a multistep process. <ol style="list-style-type: none"> 1. Lots with existing development where additional development could occur within existing zoning were identified as partially vacant. This is based on OAR 660-024-0050 (2)(a), which says: "The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land." 2. Partially vacant lots smaller than 1 acre, where the value of the existing structure was greater than \$200,001, were identified as developed. 3. Staff review of partially vacant lots (focusing on lots larger than 1 acre) to determine the approximate amount of land occupied by existing development. Where existing 	These assumptions are based on: <ol style="list-style-type: none"> 1. OAR 660-024-0050 (2)(a) provides the guidance for this assumption. Medford is ineligible to use this assumption as a safe harbor because the city has more than 25,000 people. 2. This is based on an assumption that is similar to one used in buildable lands inventories in the metro area, where lots that are less than 2.5 times larger than the minimum lot size and have a building value of more than \$300,000 are considered developed. We used a building value of greater than \$200,001 based on the median sales prices in Medford, which range between \$245,000 and \$350,000. Some of the lots where the development status was changed from partially vacant to developed based on this review were on hill sides, with slopes of

Development Status	Definition	Basis for the Assumption
	development occupied area larger than 0.25 acres, the larger (occupied) area was considered unavailable for development and the remainder of the lot was considered partially vacant. On some lots, the developed area was so large or in a location on the lot such that further development of the lot was unlikely, thus the lot was considered developed rather than partially vacant.	15% or more, which may make subdivision of these small lots (smaller than 1 acre) more difficult. 3. Staff review of many of the partially vacant lots on a lot-by-lot basis.
Undevelopable Land	Vacant tax lots less than 3,750 square feet in size were considered undevelopable.	No statutory definition
Public Land	Lands in public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership. Public lands are identified using the Assessor's property tax exemption codes in combination with ownership information. In addition, cemeteries were also considered unavailable for development and included in this category. ⁶⁴	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed Land	Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially vacant, undevelopable, or public or exempt are considered developed.	No statutory definition

⁶⁴ An earlier version of the buildable lands inventory assumed that, along with public land, vacant semipublic land (such as lands owned by churches or fraternal organizations) was committed. Given the changes in Oregon's law that allows housing development on these types of semipublic land, we changed this assumption. We continued to assume that cemeteries are a committed use and land in cemeteries is unavailable for development over the 20-year planning period.

Step 3: Identify constraints

Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from the BLI. We used the following constraints, as listed in Exhibit 88.

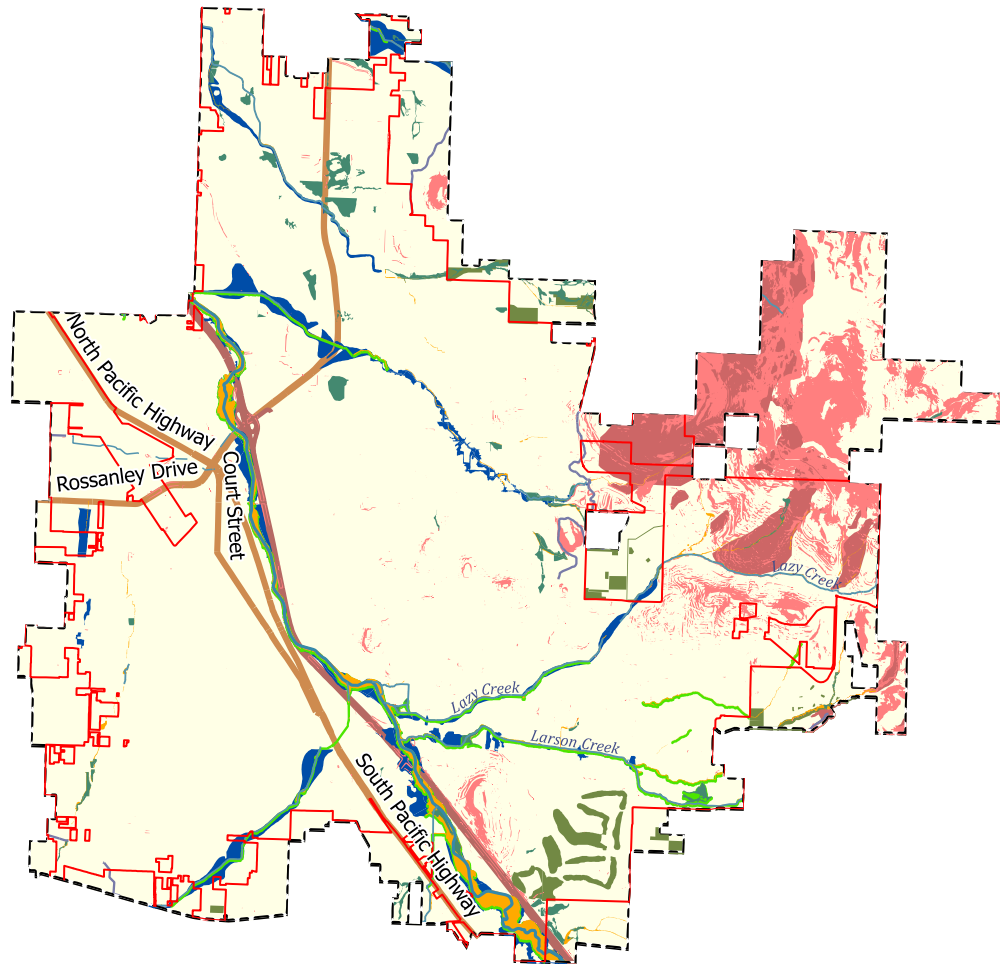
Exhibit 88. Constraints to be included in BLI

Constraint	Statutory Authority	Threshold	File name	Source
Goal 5 Natural Resource Constraints				
Regulated Wetlands	OAR 660-008-0005(2)	Medford LWI, Locally significant wetlands are identified as unsuitable for development	LocalWetlandInventory	City of Medford
Riparian Corridors	OAR 660-015-0000(5)	Per Medford Riparian Corridor Ordinance	RiparianCorridor	City of Medford
Natural Hazard Constraints				
Floodways	OAR 660-008-0005(2)	Lands within FEMA FIRM identified floodway	FloodHazard	FEMA via National Map
100-Year Floodplain	OAR 660-008-0005(2)	Lands within FEMA FIRM 100-year floodplain	FloodHazard	FEMA via National Map
Steep Slopes	OAR 660-008-0005(2)	Slopes greater than 25%	Slope_25p	Oregon Department of Geology and Mining Industries
Landslide Hazards	OAR 660-008-0005(2a)	Very High Hazard	StatewideLandslideSusceptibility	Oregon Department of Geology and Mining Industries

We treated these areas as prohibitive constraints (unbuildable) as shown in Exhibit 89. All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. Mapped open space requirements in urbanizing areas (discussed with Exhibit 90) were also included as prohibitive constraints. All prohibitive constraints were deducted from lands that are identified as vacant or partially vacant.

Lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserved could potentially become serviced over the 20-year planning period.

Exhibit 89. Residential Development Constraints, Medford UGB, 2020



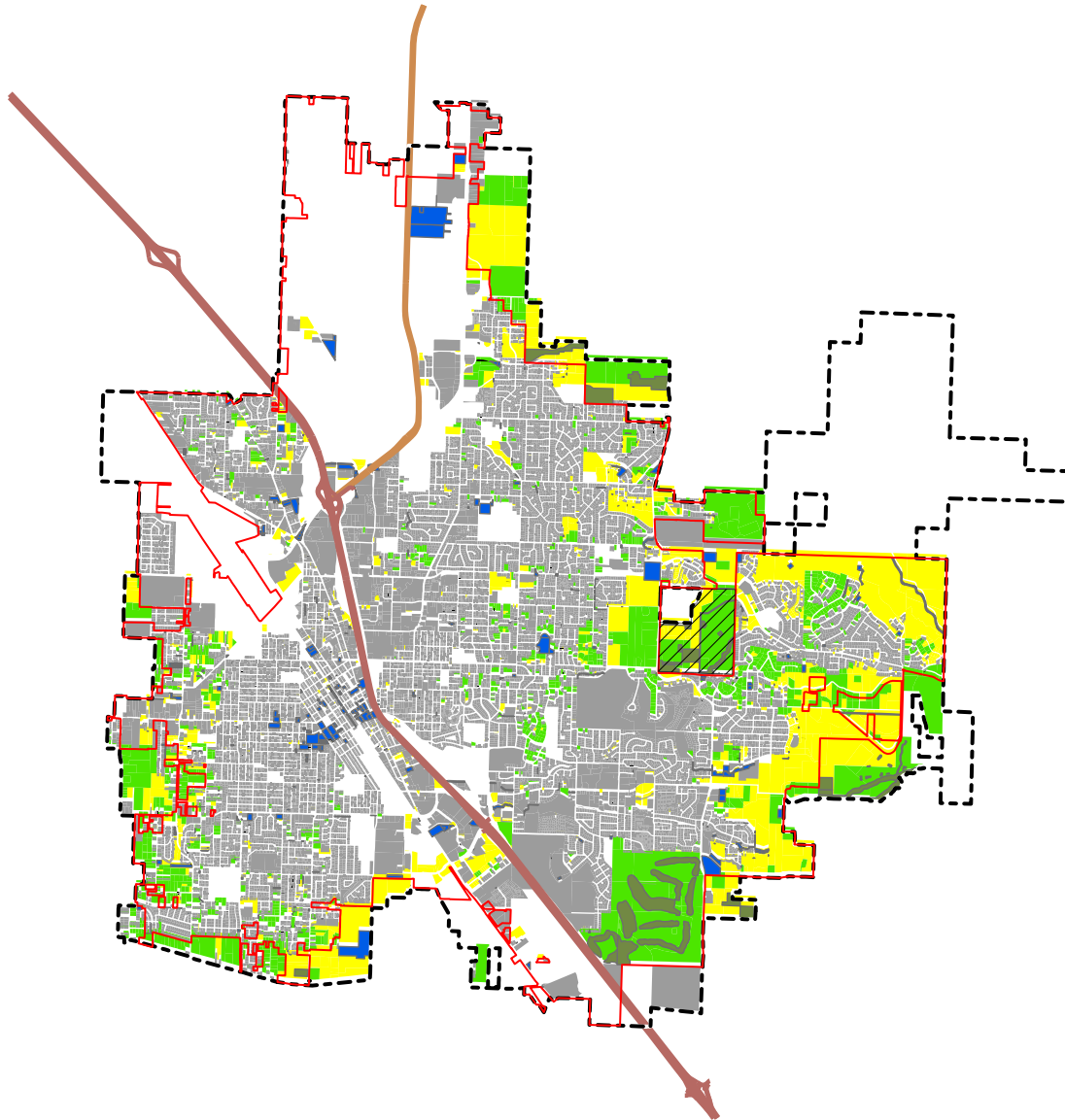
Medford requires a certain amount of open space.⁶⁵ In some urbanizing areas, the location of required open space has been mapped (in an open space overlay), and in some areas, the percentages of open space have been identified but not mapped. Exhibit 90 identifies areas where open space is mapped with the areas shown as covered by the “overlay” symbol and areas where an open space ratio is used but the location of the open space not known by the “ratio” symbol.

Areas where the open space was mapped were treated the same way constraints were treated and removed from the specific lots with open space requirements. Buildable land in areas where the open space requirement was not mapped but a ratio of open space was known was decreased by the ratio, assuming that land with constraints (such as floodplain or wetlands) and vacant or partially vacant land could meet the need for open space. These areas with a ratio for open space include the following areas: MD-2b (11% open space required), MD-5a (19%), MD-7b (22%), MD-8 (29%), MD-9c (18%), MD-9b (18%), and MD-9a (18%).

⁶⁵ Regional Plan Element, Ordinance 2012-127 and Neighborhood Element (Urbanization Planning Chapter) – Ordinance 2018-131

Exhibit 90. Open Space Deductions, Medford UGB, 2020

Note: Urbanizing Areas are areas that were brought into the UGB through the 2018 UGB expansion.



Urban Growth Boundary

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Step 4: Verification

ECONorthwest used a multistep verification process. The first verification step involved a “rapid visual assessment” of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the rapid visual assessment methodology.

City staff and ECONorthwest performed multiple additional rounds of verification, such as the verification about partially vacant land described in Exhibit 87, which involved verifying the development status determination and the results of the rapid visual assessment.

ECONorthwest amended the BLI based on City staff review and a discussion of the City’s comments.

The buildable lands inventory in this chapter was updated in August 2022 to account for development that occurred since completion of the original BLI in this report, covering development through August 2022. This update is based on building permits and review of the latest aerial photography by Medford staff.

Step 5: Tabulation and mapping

The results are presented in tabular and map format. We included a comprehensive plan map, the land base by classification, vacant and partially vacant lands by plan designation, and vacant and partially vacant lands by plan designation with constraints showing.