



CITY OF PHOENIX

Comprehensive Land Use Plan

HOUSING ELEMENT

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As Amended

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Introduction and Purpose

The Housing Element of the Comprehensive Plan provides the basis for making public policy decisions relating to housing. Most housing decisions made in the City are not made by the public sector or, more specifically, by the City of Phoenix. Most decisions are made by families and individuals; 1) where they live, 2) how much they pay for rent or purchase housing, 3) the size of the house or apartment they select, 4) the architectural style of the building, or 5) the neighborhood they choose to live in. These choices are made each year by 10's and 100's of people and families. Taken as a whole, however, these decisions are directly influenced by public policy choices.

The Housing Element is not about limiting choices. Rather the Element is designed to ensure individuals have unlimited choices in housing and thus that the housing needs of the community, taken as a whole, are satisfied. That does require that the public establish policies; which may constrain individual housing choices. For instance, the City's decision to allow a certain type of housing in one area may preclude that type of housing from being constructed elsewhere. Additionally, the total land available for construction of housing is limited to the "needs" of the City. Consequently, the public housing need, as it is defined and described within this element, establishes certain limits and constrains the choices that individuals may make at a property by property level.

Planning and zoning has historically justified the separation of housing by type, i.e. single family, duplex, and multi-family because of concerns about compatibility. The differences in parking requirements, yards, and building height may create the potential conflict. But these are relatively minor compared to the similarities that these uses have; purpose, needs of occupants, affordability, quality, and function.

The result of isolating one residential type from the other serves to separate people by economic or income levels. This fact is borne in newer subdivisions which typically have a rather narrow range the cost of available housing. Consequently, the single family residential subdivisions not only have similar housing type (as well as design) but also homogeneity of residents. This outcome is not intended purpose of public policy, in fact it should be the purpose public policy to ensure that all incomes, races, ethnic minorities, household sizes, and ages are represented in the City's neighborhoods. Promoting and honoring diversity is a principal function of communities.

"When we look at the most beautiful towns and cities of the past, we are always impressed by a feeling that they are somehow organic... Each of the towns grew as a whole, under its own laws of wholeness ... and we can feel this wholeness, not only at the largest scale, but in every detail: in restaurants, in the sidewalks, in the houses,, shops, markets, roads, parks, gardens and walls. Even in the balconies and ornaments." [Christopher Alexander, A New Theory of Urban Design (New Your: Oxford University Press, 1987 p.2). This wholeness goes well beyond the physical features but to the building blocks of a community - its citizens and the neighborhoods that they live in.

The Role of the Neighborhood

It is almost impossible to imagine a well-functioning city of any size that is not composed of neighborhoods with a sense of identity, a structure and a wholeness of their-own (The Good City and the Good Life (Renewing the Sense of Community, Daniel Kemmins). Satisfying the community's housing needs should be not only be about shelter but also about building neighborhoods.

Neighborhoods, like children, are birthed, mature, and grow old. At each stage a unique set of needs emerge. The degree to which these needs are met determines the ability of the neighborhood to survive and with them the health and function of the City. The housing element does not address the needs of specific neighborhoods. Rather, the element focuses on the overall community-wide housing needs. Other elements will attempt to address how individual neighborhood might be improved or their function enhanced. It is recognized, however, that the planning process, individual land use actions, and even the City's budgeting process affect and are affected by neighborhoods.

Historical Perspective

Phoenix, with a population about 350, incorporated a five block area in 1909. In 1920s Phoenix was described as "well lighted, has a good pure water system, two stores, blacksmith shop, two churches ... and an important fruit-shipping point in the valley. During the great depression, population dropped from 439 in 1930 to 432 by1940. The population "soared, however, during the 1940s when World War II and the opening of Camp White brought an influx of construction workers and military families into the valley. It was during the labor shortage of World War II that Mexican workers were recruited to harvest valley crops. Phoenix, in the heart of the orchard land, became a major center for the Hispanic population. Beginning in the 1960s, orchard land west and north of the original

five block-square town was annexed and subdivided." (Land In Common, page 147). The land east of Interstate 5 was annexed to the City in late 1970s but the construction of residences, in significant numbers, did not occur until the early 1990s.

State Law

The Oregon Legislature in 1973 adopted laws that set in motion a statewide planning process. The single greatest feature of these laws established 19 Statewide Planning Goals and the requirement that Oregon cities and counties adopt plans in compliance with these goals. The Land Conservation and Development Commission has adopted administrative rules that interpret and refine the State goals. This body of laws and administrative rules forms the basis of the Housing Element.

Goal 10, Housing requires that comprehensive plans "provide for the housing needs of the citizens of the State." The purpose of the Goal and associated Oregon Administrative Rule (OAR 660-08) is "to assure opportunity for the provision of adequate number of needed housing units, the efficient use of buildable land within the urban growth boundaries, and to provide greater certainty in the development process so as to reduce housing costs" (OAR 660-08-000). The State requirements provide a framework for the City to meet its basic responsibility, "to know, understand, and provide for the needs of its citizens." In this case it is the need for safe, decent, sanitary, and affordable housing.

The Housing Element describes the facts, assumptions, and logic used in determining housing needs for existing and future residents of the City. Additionally, the element includes policies which will be used to evaluate land use decisions related to housing.

**Housing
Characteristics**

Households, as that term is used by the U.S. Census Bureau, are the occupants of the City's housing units. Households are families, unrelated individuals living in the same dwelling, and one person households. Table 1 profiles Phoenix households by type. Two thirds of all households are families (related individuals). Roughly a third of all households are composed of single persons, with just under half of these persons 65 years of age or older.

Table 1

Household Characteristics		
<i>Household Types</i>	<i>1990</i>	<i>Percent of Total</i>
Family Households	912	66.3%
Married Couples	723	52.6%
Male Householder	31	2.3%
Female Householder	158	11.5%
Non-Family Households	463	33.7%
Householder Living Alone	378	27.5%
Living Alone and 65 plus	217	15.8%
Source: 1990 U.S. Census		

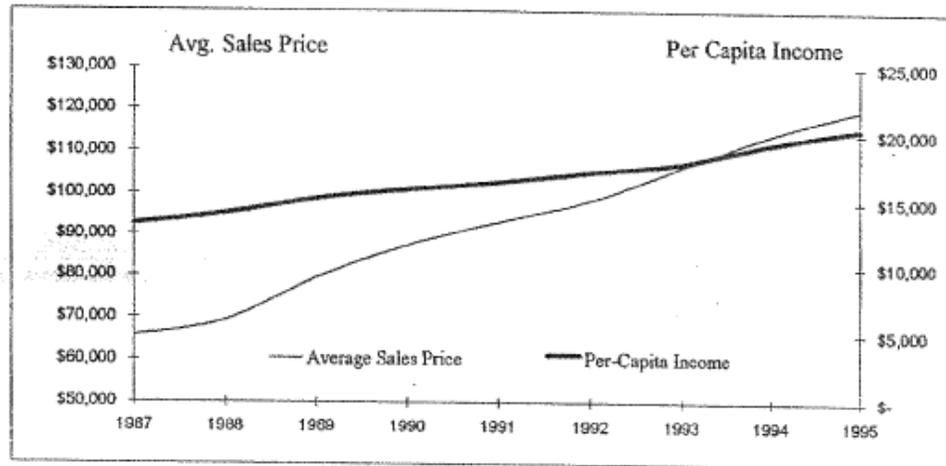
Persons living in group quarters numbered just 44, or just under 1.5 percent.

Household Income

One of the most significant factors in determining housing needs is households' ability to afford housing. Graph 1 illustrates that households' incomes have not kept pace with the increasing cost of housing. In fact, per-capita income has grown at 5.5 percent per year compared to almost 8 percent per year for the average sales price of urban single family dwellings in Jackson County. Consequently, the ability of residents to afford housing has worsened relative to the 1980's. It should be noted that the figures take into account all persons regardless of how long they've lived in the County.

Census Bureau statistics provide insights on household income. The median household income in 1990 has jumped from \$14,375 in 1980 to \$21,573. But are the community's households really better off? Graph 1 and Table 2 help to answer that question by comparing 1980 and 1990 income distributions and various communities' median incomes.

Graph 1



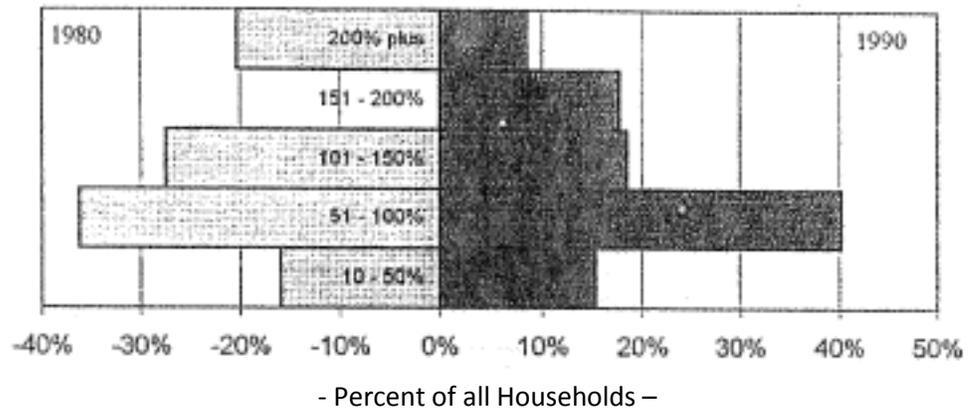
Source: Multiple Listing Services
 Roy Wright Appraisal Service

The Graph 2 illustrates the distribution of income among Phoenix households based upon the median household income for 1979 and 1989, the years for which incomes were reported in the Census. The focus of the Graph is on how incomes are distributed around the median. In that way the relative shift in incomes (better off or not so well off) can be gleaned. Based upon the data, fewer very high income households, those more than twice the median, lived in the City in 1990 compared to 1980. The relative proportion of households with incomes below 50 percent of the median (\$10,786.50 per year in 1989) remained virtually unchanged but their numbers have increased by 60% to 217 households.

The implications of this growth in the number of low income households on housing needs is clear. As rents and housing prices have grown relative to incomes (see Graph 2), the number of households spending a greater percentage of their income on housing has grown. That can often mean precluding purchases for health care, clothing, utilities, transportation, and food. Subsidized housing can help alleviate some but not all of the implications of low household incomes.

Graph 2

**Income Distribution
By Percentage of Median Income**



Source: 1990 U.S. Census
1983 Phoenix Comprehensive Plan

Phoenix median household income falls in the middle of Jackson County cities. Year 1989 household income in the City roughly matches those within the communities of Eagle Point, White City, and Grants Pass in Josephine County. Table 2 includes a listing of communities in Jackson County and their median incomes. Median income for 1979 is also included where available.

Table 2

Median Household Income		
City	1979	1989
Ashland		\$23,579
Central Point	\$18,638	\$29,380
Eagle Point		\$21,329
Gold Hill		\$20,134
Jacksonville		\$25,820
Medford		\$25,667
Phoenix	\$14,375	\$21,573
Rogue River		\$15,937
Shady Cove		\$18,831
Talent		\$19,205
White City		\$21,554
Jackson County	\$17,799	\$25,069
Oregon	\$16,781	\$27,250

Special Populations The Northwest Regional Primary Care Association identified 6,953 farmworkers in Jackson County in 1989. This figure included children. No dwelling units for use by migrant workers were identified in Phoenix although hotel rooms in town often serve this purpose.

The 1990 Census reported only 44 people living in group quarters within the City.

Existing Housing Characteristics

One of the chief objectives of the Housing Element is to ensure that housing in the City meets the needs of existing and future residents. Evaluating the changes to the housing stock over time provides some insights into how well the City is meeting these needs. As noted earlier, during the past decade per-capita and, presumably, household incomes have not kept up with the average price of single family dwellings sold in Jackson County. It is not surprising then to see a greater proportion of the City's housing needs being met through non-owner occupied housing (rentals) and owner-occupied mobile homes. Renter occupied units gained approximately percent while mobile homes added more than 17 percent to their share of the Housing stock during the past decade. These housing types tend to require relatively lower net worth and monthly income. Both housing types are likely to gain shares in the future without new community initiatives to modify these trends.

Table 3

Dwelling Unit Distribution By Type and Tenure (Year Round Units)						
<i>Units in Structure</i>	<i>Total Occupied</i>	<i>% of Total</i>	<i>Owner Occupied</i>	<i>% Owner</i>	<i>Renter Occupied</i>	<i>% Renter</i>
1980						
1 Unit	530	61.8	420	79.2	110	20.8
2 Units	51	5.9	1	1.0	50	99.0
3 & 4 Units	88	10.2	12	13.6	76	86.4
5 or more	70	8.2	15	21.4	55	78.6
Mobile Home	119	13.9	115	96.6	4	3.4
Total	858	100.0	563	65.6	295	34.4
<i>Units in Structure</i>	<i>Total Occupied</i>	<i>% of Total</i>	<i>Owner Occupied</i>	<i>% Owner</i>	<i>Renter Occupied</i>	<i>% Renter</i>
1990						
1 Unit	592	43.1	452	76.4	140	23.6
2 Units	80	5.8	6	7.5	74	92.5
3 & 4 Units	144	10.5	10	6.9	134	93.1
5 or more	173	12.6	2	1.2	171	98.8
Mobile Home	378	27.5	351	92.9	27	7.1
Other	5	0.8	1	12.5	7	87.5
Total	1,375	100.0	822	59.8	553	40.2

Source: U.S. Census

Owner occupied housing represented 62.1 percent of all housing units in 1990. That compares well to the Statewide average of 63% home ownership. The City experienced dramatic growth of mobile homes, at least relative to other housing types, during the 1980's. Additionally, the number of apartments with three or more units jumped by 133, more than double the increase in single family dwellings.

Since 1990 single family dwellings have dominated new residential construction within the City. Table 4 details Phoenix building permits by year and structure type.

Table 4

Annual Building Permits 1990 - 1995							
<i>Dwelling Type</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>Total</i>
Single Family	5	3	0	1	64	56	129
Multi-Family	0	0	4	0	0	0	4

*Includes mobile homes

Source: Center for Population and research, Portland State Univ.
Phoenix Planning Department

These additions are reflected in Table 5 which also includes a profile of the City's housing stock in the preceding decade. Note the table includes all dwellings both occupied and vacant.

Table 5

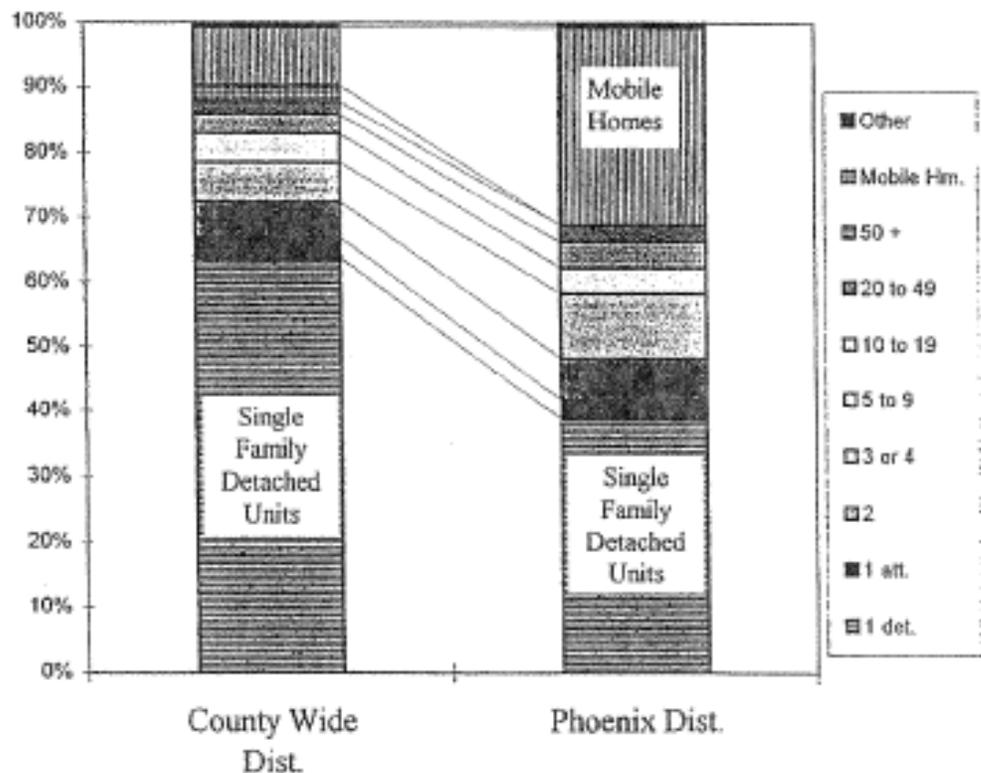
Inventory of All Housing By Type of Dwelling						
<i>Year</i>	<i>Single Family</i>	<i>Percent of Total Units</i>	<i>Multi-Family</i>	<i>Percent of Total Units</i>	<i>Mobile Home</i>	<i>Percent of Total Units</i>
1980	530	61.8%	209	24.3%	119	13.9%
1990	601	42.5%	415	29.3%	399	28.2%
1995	740	46.8%	440	27.9%	399	25.3%

Source: U.S. Census
Center for Population Research, Portland State University

The existing distribution of housing is unusual. Most cities with affordable housing goals would be envious. Typically, single family dwellings account for 60 percent or more of the housing stock and mobile homes represent less than ten percent of the total. The distribution makes housing within the City more affordable than other cities. But the distribution, from a regional perspective, is distorted. Mobile homes account for 30 percent of the total housing stock within the City compared with only nine percent county-wide. As can be seen from Graph 3, the relatively low proportion of detached and attached dwellings offset the abundance of mobile homes. Thirty-eight percent of the City's housing stock is single family detached units compared to 64 percent county-wide. Clearly, the City has historically absorbed a disproportionate share of mobile home dwellings.

Graph 3

**Distribution of Housing
By Type**



Source: 1990 Census

Mobile homes in several Jackson County communities represent less than ten percent of all housing. Phoenix cannot and should not absorb more than its regional share of any particular housing type. The City will need special initiatives to bring its housing stock into reasonable balance with the region's, while at the same time, maintaining housing affordability.

Occupancy

The number of persons per household is closely related to the type of dwelling. Table 6 compares occupancy rates for 1980 and 1990. The figures make it clear that larger apartment complexes and mobile homes house fewer people per unit. The overall occupancy rate for single family dwelling increased (2.7 persons per household in 1980 compared to 3.0 in 1990). In contrast, occupancy in mobile homes declined from 1.8 to 1.5 persons between 1980 and 1990.

Table 6

Persons per Household By Number of units in Structure				
<i>Units in Structure</i>	<i>1980 Persons per Household</i>	<i>Percent of Total Population</i>	<i>1990 Persons per Household</i>	<i>Percent of Total Population</i>
1	2.7	67.2%	3.0	54.6%
2	2.8	6.7%	2.3	15.5%
3 & 4	2.4	9.8%	*	*
5 or more	1.8	5.8%	1.9	9.2%
Mobile Home	1.8	10.5%	1.5	20.6%
*Combined with duplexes				
Source: U.S. Census				

Household size directly affects the size of housing and the number of rooms or bedrooms within the structure. Table 7 profiles the changes, during the preceding decade, in the number of units by bedrooms. The addition of 133 triplexes, four-plexes and larger units in the 1980's contributed directly to the number of one and two bedroom units added to the City's housing stocks. The most common configuration of single family dwelling contains three bedrooms, explaining the increase in the number of units with that number of bedrooms. (Note: The Census reported odd numbers such

as the number of units with no or 5 bedrooms declining during the decade. It is possible that some of these larger dwellings were demolished and replaced - possibly with multi-family dwellings).

Table 7

Year-round Housing By Number of Bedrooms				
<i>Number of Bedrooms</i>	<i>1980</i>	<i>Percent of Total</i>	<i>1990</i>	<i>Percent of Total</i>
No Bedrooms	13	1.4%	8	0.5%
1	82	8.7%	202	13.8%
2	518	55.0%	728	49.6%
3	277	29.4%	495	33.8%
4	48	5.1%	33	2.3%
5 plus	4	0.4%	0	0%

Source: U.S. Census

Rental units in 1990 had slightly fewer people per dwelling unit than owner occupied, 2.00 compared to 2.28, respectively. In 1980 households were larger; 2.6 and 2.5 persons per household for renter and owner occupied, respectively. Only 31 units, in 1990, had more than one person per room (not bedroom but room). This statistic indicates that there are few "over-crowded" units in the City. This statistic will be an important one to monitor in order to gauge the degree to which decreasing real incomes and increasing rents (or mortgages) force more people to live in tighter quarters.

Phoenix housing stock is, like the rest of us, growing older. The construction of new dwellings, in enough numbers, can keep the age from increasing rapidly. That is exactly what has happened in Phoenix throughout the 1970's and 1980's. In 1980 more than half the housing stock had been constructed during the previous ten years. In 1990 just under that amount, 44.4 percent, were newly constructed. It is likely that new construction will not account for that high of proportion of the housing stock in the future. Consequently, the median age of dwellings in Phoenix, will become older. These older dwelling, especially single family dwellings, are crucial to providing housing for persons that may not otherwise be able to afford a newer dwelling. That is especially true for young families with children desiring a private yard. Table 8 illustrates the changes to the housing stock.

The 1990 data shows that during the 1980's the City lost 127 units built prior to 1979. Most of the loss came in dwellings constructed between 1970 and 1979. Clearly, stick built (i.e. conventional) dwellings built during this period were not demolished. Some older dwellings were demolished but a loss of that magnitude, roughly 13 per year, is far greater than local knowledge bears out. This statistic probably reflects, in part, the changing age of mobile homes located in parks. Similarly, the number of dwellings built in 1950 to 1959 is unfounded; the number of dwellings cannot increase. The Census information was reported by homeowners who may have misstated the age of their home and the data is based upon a sample not a 100% inventory. Either of these factors could have contributed to the peculiarities.

A large portion of the older housing is located in the neighborhood between First and Fifth Streets west of Main. This will be an excellent target area for housing rehabilitation or weatherization programs.

Table 8

Housing Age 1980 and 1990				
<i>Year Structure Built</i>	<i>1980</i>	<i>Percent of Total</i>	<i>1990</i>	<i>Percent of Total</i>
1989-3/1990	N.A.		194	13.2%
1985-1988	N.A.		224	15.3%
1980-1984	N.A.		233	15.9%
1970-1979*	506	53.7%	411	28.0%
1960-1969	165	17.5%	104	7.1%
1950-1959	48	5.1%	106	7.2%
1940-1949	108	11.5%	89	6.1%
1939 or earlier	115	12.2%	105	7.2%

*1980 data includes dwelling construction through 3/80

Source: U.S. Census

Housing Condition

The most recent housing condition assessment is contained within the 1983 Comprehensive Plan (page 20). An update of that inventory should be undertaken at the earliest opportunity.

Housing Vacancy

The 1990 U.S. Census found that just 50 housing units in Phoenix were vacant. The owner vacancy rate was just 1.8 percent with the rental rate standing at 3.8 percent. The owner occupied rate was somewhat low considering the need to provide for some mobility and choice within the housing market. A preferable level would be in the 2 percent range. Rental vacancy rates in the 5 percent range provide the needed market choice to ensure adequate mobility of rental households as well as to ensure rents are kept competitive.

Currently (winter 1996) vacancy rates in rental units are in the neighborhood of 5 percent. Newer apartments, in contrast, have a vacancy rate of around 2 percent. "The relatively low vacancy rate in new units indicates that the increased construction [of apartments] over the past several years [in the Rogue Valley as a whole] has drawn tenants out of older, inferior apartments and single family residences, into newer, better quality apartment units. Another reason for the decline in vacancies, was an overall decline in rent levels in new units. For example, the average rent for a new two bedroom, one and one-half bath units in June of 1994 was approximately \$625 per month. The average rent for the same units in December 1995 was \$575 per month." (1996 Real Estate Forecast Breakfast, January 1996)

There are three privately owned low income, senior, subsidized apartments in Phoenix. They contain a total of 88 units. Additionally, the Jackson County Housing Authority provides rent subsidies (through HUD Section 8) to another 49 households. Subsidized rental housing represents almost 25 percent of the total rental housing market in the City. The Housing Authority does not currently own any subsidized housing in the City but is exploring the possibility (a decision to proceed, siting, and construction could take several years). The vacancy rate for subsidized units is zero. Waiting lists for subsidized housing, regardless of location throughout the County, are quite large.

Housing Costs

The cost of housing both to purchase and to rent has grown as a portion of total household income. Today, most financial institutions allow housing to account for as much as 30 percent of total family income in consideration for qualification of mortgage loans. In the mid-1970's and early 80's that threshold was just 25%. The slow increase came about due to ever increasing relative cost of housing compared to household incomes. Without the change, the demand for new single family dwellings would have stagnated. Similarly, the deduction of mortgage interest for income tax

purposes has helped to sustain the demand for owner occupied units. These federal policies have had a subtle but significant impact on housing needs and community development. From a national perspective, these policies along with federal transportation subsidies have helped spawn and perpetuate suburban sprawl throughout the past half century.

The cost of housing in Phoenix compares favorably with the cost of housing in other Rogue Valley Communities. Table 9 compares the median value and rent of Phoenix households to those of other Jackson County communities.

Table 9

1990 Median Value And Gross Rents		
<i>City</i>	<i>Median Value Owner Occupied Housing</i>	<i>Gross Median Rent</i>
Ashland	\$109,000	\$40
Central Point	\$65,100	\$429
Eagle Point	\$55,400	\$381
Gold Hill	\$58,300	\$425
Jacksonville	\$88,600	\$421
Medford	\$70,900	\$431
Phoenix	\$65,000	\$401
Rogue River	\$64,900	\$351
Shady Cove	\$75,900	\$347
Talent	\$55,100	\$334
White City	\$49,100	\$416
Source: U.S. Census		

Phoenix median owner occupied home values and rents fall roughly in the middle of the range. In fact, both are ranked sixth of the eleven communities listed. Astute readers will recall that the City's 1990 median income, as well, rested comfortably in the middle.

It might be expected that the value of owner occupied housing and rents would be roughly correlated. In Jackson County that it is not the case. Ashland's high cost owner occupied housing is in sharp contrast to rental costs within the City. White City which is dead last for owner occupied housing value ranks fifth among the communities listed for rent levels. The market price of owner

occupied and rental housing are driven by different factors; quality of schools, access to jobs, quality of housing, building age, cost of Land, among a few of the factors, which may account for the variance between the rank within the two categories. Additionally, the role of public agencies (in the case of Ashland - Southern Oregon State College) can also influence rental costs.

Rental units in Phoenix are, according to the 1990 Census, clustered around the \$300 - \$499 price range. Few units are available in the very high or very low rent levels. Table 10 summarizes the number of units by gross monthly rent.

Table 10

Gross Rent City of Phoenix		
<i>Rent Range</i>	<i>Number of Rentals</i>	<i>Percent of Total</i>
Less than \$200	26	4.9%
\$200 - \$299	61	11.6%
\$300 - \$499	363	68.8%
\$500 - \$749	78	14.8%
\$750 or more	0	0.0%
Source: U.S. Census		

Owner occupied housing is similarly clustered around a single price range, \$50,000 to \$99,999. Almost three-quarters of all owner occupied housing were valued at this level. Table 11 summarizes 1990 Census statistics for the value of owner occupied housing.

Table 11

Distribution of Owner Occupied Housing By Value		
<i>Value of Owner Occupied</i>	<i>Number of Units</i>	<i>Percent of Total</i>
Less than \$50,000	90	21.1%
\$50,000 - \$99,000	316	74.2%
\$100,000 - \$149,000	13	3.1%
\$150,000 - \$199,000	6	1.4%
\$200,000 - \$299,000	1	0.0%
Source: U.S. Census		

**Housing
Affordability**

The median value of owner occupied housing in 1990 was \$64,100. To calculate the percentage of existing households who could purchase such home a number of assumptions must be made. The first is that one percent of the value of the dwelling can be used to estimate monthly mortgage payments including taxes, insurance, and utilities. With that assumption, to purchase the median home in Phoenix would require a monthly mortgage payment of \$641. Total annual payments would equal \$7,692.

The U.S. Department of Housing and Urban Development (HUD) defined, like most mortgage lenders, that in order for a home to be affordable, housing costs should not exceed 30 percent of family income. Using that standard, an income of \$25,640 would be needed to afford the median priced home. Fifty-five and 43 percent of all Phoenix families and households, respectively, could afford to purchase this priced home.

Based upon the HUD standard and 1990 U.S. Census data, 21 percent of all Phoenix home owners were living in homes they could not afford. The statistic reflects actual mortgage, utility, and insurance costs compared to reported incomes. These households are likely making numerous sacrifices to achieve home.

A whopping 260 households, 48 percent of all households renting, were paying in excess of 30 percent of their incomes for housing. This statistic demonstrates the enormity of the housing problem. Even though 25 percent of the rental housing stock is subsidized, 48 percent of the households in the City are paying an excessive amount (relative to their income) for housing. Table 12 details rents by number of bedrooms.

Table 12

Rent Levels By Number of Bedrooms					
<i>Rent Level</i>	<i>0 – 1 Bdrm</i>	<i>2 Bdrms</i>	<i>3 + Bdrms</i>	<i>Total Units</i>	<i>Percent of Total</i>
Less than \$200	26	0	0	26	3.2%
\$200 - \$299	32	23	6	61	7.6%
\$300 - \$499	74	259	30	636	79.4%
\$500 - \$749	0	59	19	78	9.7%
Over \$750	0	0	0	0	0.0%
Source: U.S. Census					

Forecast Housing Needs

General Assumptions: Household size will continue to decline throughout the planning period. In the 80's, owner and renter occupied household sizes shrank, falling by 10 and 8.5 percent respectively. The notable exceptions to the decline were in single family dwellings, and households occupying mutli-family structures with five or more units which grew in size. Occupancy within single family dwellings is forecast to remain unchanged for both owner and renter occupied. It is assumed that household sizes in all other dwelling types, including mobile homes, will shrink by an additional 5 percent from 1990 levels. Table 13 compares 1980 and 1990 household sizes by tenure.

Table 13

Occupancy & Household Size 1980 & 1990						
<i>Units in Structure</i>	<i>Total Persons</i>	<i>Persons per Household</i>				
		<i>PPH</i>	<i>Owners</i>	<i>PPH</i>	<i>Renters</i>	<i>PPH</i>
1980 Census Statistics						
1	1,256	2.7	1,131	2.7	325	3.0
2	145	2.8	2	2.0	143	2.9
3-4	213	2.4	16	1.3	197	2.6
5 or more	125	1.8	24	1.6	101	1.8
Mobile Homes	227	1.9	220	1.9	7	1.8
Total	2166	2.5	1,393	2.5	773	2.6
1990 Census Statistics						
1	1,738	2.9	1,309	2.9	429	3.1
2	180	2.3	13	2.2	167	2.3
3-4	314	2.2	14	1.4	300	2.2
5 or more	294	1.9	5	2.5	289	1.9
Mobile Homes	656	1.7	611	1.7	45	1.7
Total	3,182	2.3	1,952	2.4	1,230	2.3
PPH – Persons per Household						
Source: 1980 & 1990 U.S. Census (excludes “other” housing)						

Income distributions, relative to the median, will remain unchanged throughout the period. The relationship between incomes, and mortgage and rent levels will remain constant for convenience of the forecast. This assumption makes the need for lower income housing less pronounced than what is actually anticipated given the past trend (see Graph 1).

The desired vacancy rate among rental units is 5% with owner occupied units at 2%.

It is assumed that the City will implement policies which will reverse the increasing number of rental housing units relative to the total housing stock. During the 1980's, rental units increased their it& share of total occupied housing units from 34.4% to 37.9% (see Table 3). If the trend continued, the percentage of occupied rental units would grow during the planning period by roughly 3.5 percent per decade, That would mean that rental units would account for 44.9 percent of all occupied housing in 2016. The City's policy is to reverse this trend. It is assumed that owner occupied housing will represent 65 percent of all housing in 2016. This assumption is consistent with the Oregon Progress Board's 2015 target rate of home ownership statewide (Oregon Benchmarks, page 49, 1994).

Rental Housing Need It is assumed that rent levels relative to income will remain constant. That assumption is inconsistent with the facts. Rents have tended to grow faster than income. Consequently, the number of households needing subsidized housing will be higher than those projected below. An alternative for households not receiving rent subsidizes, but needing them, will be to live in "over-crowded" conditions.

Table 14 lists the 2016 rental housing need and 1995 supply by monthly rent. The forecast reflects a fairly even distribution of need among units renting for less than \$250, \$250 - \$499, and \$500 – \$874.

Table 14

2016 Rental Dwelling Unit Shortage By Monthly Rent (1990 rents)			
<i>Rent Level</i>	<i>2016 Need</i>	<i>1995 Units</i>	<i>Unit <Deficit> Balance</i>
Less than \$250	211	58	<153>
\$250 - \$499	525	403	151
\$500 - \$874	261	80	<181>
\$875 - \$1,249	102	0	<102>
\$1,250 plus	25	0	<25>

The need for new units will be greatest at the very low and moderate income ranges. There is and will continue to be an abundance of rentals in the \$250 to \$499 per month category. Even in 2016 there will be roughly 150 more units than are "needed." The units will not be vacant; they will be either; 1) occupied by households who might otherwise rent more or less expensive units, or 2) their rents will be adjusted to coincide with the demand for lower (or less likely, more expensive) units.

The City should concentrate its efforts to bring more diversity to the rental housing market. The most difficult need to meet will be in households only able to afford less than \$250 per month for rent. All of these units will require some form of public or private rent subsidies.

Table 15 shows the approximate rent levels associated with various income groups. The rent levels take into account the U.S. Department of Housing and Urban Development's (HUD) income and housing guidelines which set thirty percent as the maximum income which should be dedicated to housing.

Table 15

Income and Associated Monthly Rental Guidelines	
<i>Income Group</i>	<i>Rent Level</i>
Less than \$10,000	Less than \$250
\$10,000 - \$19,999	\$250 up to \$499
\$20,000 - \$34,999	\$500 up to \$875
\$35,000 plus	\$875 or more

Based upon the population forecast for 2016 and the assumptions listed above, the City will need to add 273 units to its inventory of rental housing over the next 20 years. This figure also includes sufficient units to maintain a 5 percent vacancy rate.

The 2016 need would be satisfied through the mix of housing units shown in Table 16. The allocation by unit type is based upon the existing distribution of rental housing.

Table 16

Distribution of Rental Housing By Unit Type			
<i>Unit Type</i>	<i>1995 Units *</i>	<i>Number of Units 2016</i>	<i>Net Number of Units Needed</i>
Total Units	579	852	273
Single Family Dwellings	145	234	89
Two – Four Units	145	234	89
Five or more Units	178	265	87
Mobile Homes	28	31	3
*Includes vacant			

The majority of the new rental units will be multi-family dwellings (accounting for approximately 66% of the growth of rental housing). These units lend themselves to public or private subsidy. Single family dwellings will make up almost all the rental housing need. Small growth in mobile homes in parks is also included in the rental housing forecast.

Existing owner occupied mobile homes will be the source of some rental units. The forecast makes no attempt to account for this change. Similarly, new rental detached single family dwelling units will also be "recycled" owner occupied units; with the owner occupying new housing and adding the aging single family dwellings to the pool of rental units. Unfortunately, these units are often owned by absentee landlords who maintain their cash flow at the expense of maintaining the unit.

**Owner Occupied
Housing Need**

Owner occupied housing as used in this section includes both modular homes located on individual lots and conventional housing owned by the occupant. It is forecast that almost 88 percent of needed owner occupied housing will be composed of these two types of housing. Mobile homes in parks are forecast to grow but only to the extent that existing approved spaces allow. At present there are 38 mobile homes spaces approved but not occupied in Creekside Estates. An additional 21 spaces are planned in the Whispering Pines Mobile Home Park just north of the City. The later were not considered as a part of the available supply.

Sixty one percent of all households owning their own home in 1990 had incomes of less than \$20,000. That amount would cover a monthly mortgage, based upon HUD standards, of only \$500 which would purchase a \$50,000 home. While there are conventional homes that sell for that amount they are very rare. In 1990 only 20 percent of households owning their own home reported that their home was valued at less than \$50,000. Mobile homes in parks have traditionally served as a relatively inexpensive way to gain access to home ownership for lower income people. Establishing a cap on mobile homes in parks, exacerbates the problem of housing affordability for existing and future residents. In recognition of this fact, policies were included in the Element which are designed to increase the potential for the construction of low and moderate owner occupied housing.

Based upon the assumptions listed earlier in this section, Table 17 describes the City's housing need for owner occupied housing by type.

Table 17

Owner Occupied Housing Needs			
<i>Owner Occupied Housing</i>	<i>2016 Units</i>	<i>1995 Units</i>	<i>Unit <Deficit></i>
Forecast 2016 Need	1,415	969	
Conventional Housing *	982	589	<393>
Duplex Units	36	18	<18>
Mobile Homes	397	362	<35>
*Includes modular homes and built in place housing			

The City will need to provide for the addition of 446 owner occupied housing units during the planning period.

Summary

Based upon the foregoing assumptions the City will need to provide for the addition of 719 units to the existing housing stock in order to meet the housing need. Table 20 illustrates the distribution. The addition added to the existing inventory will bring the total number of units, including vacant, to 2,267. That’s a 842 unit increase over the 1990 total of 1,425.

Table 18

1995 – 2016 Forecast Housing Need By Housing Type		
<i>Housing Type</i>	<i>Total Housing Units</i>	<i>Percent of Total</i>
Forecast 2016 Need	719	100%
Conventional Housing	481	67%
Duplex – Fourplex Units	112	16%
Five or more units	87	12%
Mobile Homes	38	5%

Sixty seven percent of new dwellings will be single family dwellings on individual lots; conventional and modular homes in subdivisions. The 1980’s saw only a 13 percent growth in single family dwellings. Table 19 compares 1995 and 2016 housing inventories.

Table 19

Distribution of Housing 2016 Compared to 1995				
<i>Housing Type</i>	<i>2016 Housing</i>	<i>Percent of Total</i>	<i>1995 Housing</i>	<i>Percent of Total</i>
Total Units	2267	100.0%	1548	100.0%
Conventional Housing	1216	53.6%	734	47.4%
Duplex – Four Units Structures	358	15.8%	246	15.9%
Multi-Family (5 plus)	265	11.7%	178	11.5%
Mobile Homes	428	18.9%	390	25.2%

Placing a cap on the creation of new mobile spaces will help to balance the City’s housing inventory to better reflect the

region's makeup. However, based upon the nature and extent of existing distortions in regional housing allocation, parity will not be achieved by 2016. The City may want to maintain its policy for two or more successive planning periods to achieve the desired result.

- Goal 1 To provide, promote, and facilitate as appropriate the provision of housing consistent with the needs and financial capabilities of the City's residents.
- Policy 1.1 The City shall ensure that the City's housing stock meets the needs of residents through participation in targeted housing assistance programs.
- Policy 1.1.a The City's participation is likely to be limited to endorsement of initiatives undertaken by other public and private agencies.
- Policy 1.1.b City owned land planned and developed for residential use should include the full spectrum of housing costs (inclusionary housing)\
- Policy 1.2 The City shall promote home ownership by emphasizing housing types and densities within the plan which are conducive to home ownership.
- Policy 1.2.a The Plan shall provide for an increasing incidence of home ownership through designation of sufficient lands and at appropriate plan/zone designations, to provide for 65% home ownership by 2016.
- Policy 1.2.b The City shall provide an overall minimum lot size of 6,000 square feet per dwelling within the R-1 zone but allow lots to be as small as 4,500 square feet within Planned Unit Developments containing public and private open space and when consistent with the residential design standards (see Policy 3.2).
- Policy 1.2.c Maximum lot sizes and minimum densities shall be established for all residential zoning districts. Such standards shall be applied to all new lots created within areas planned for residential use. Lots in the R-1 zone shall not exceed 9,000 square feet except when lots are proposed adjacent to the permanent portion of the urban growth boundary. Lots adjacent to the permanent portion of the urban growth boundary shall not exceed 16,000 square feet. In the R-2 and R-3 zones lots shall not exceed 15 percent of the minimum.
- Policy 1.2.d The City shall consider the use of incentives to promote innovation in the design, layout and construction of residential developments.
- Policy 1.2.e Evaluate innovative affordable housing programs, such as self-help housing, cooperative housing, co-housing, density bonuses and land banking, etc., and consider support when consistent with City policy and objectives.

- Policy 1.3 Prepare an amendment to the development code to provide for accessory dwellings in single family areas for the City Council consideration.
- Policy 1.3.a The amendment should exclude the historic district between First and Fifth Streets west of Main.
- Goal 2: To ensure the City accommodates its share of regional housing needs considering housing types, densities, and prices.**
- Policy 2.1 Review the housing element (in particular the allocation of housing by cost, type and density) on a periodic basis.
- Policy 2.2 Periodically update and revise, as necessary, the housing need projection
- Policy 2.3 Update the buildable land inventory to coincide with the review and update of the housing need projection (Policy 2.2).
- Policy 2.4 Initiate comprehensive plan amendments following the review of the housing need projection and buildable land inventory when necessary to ensure a 10 year supply of residential land considering housing types and densities.
- Goal 3: Promote the efficient use and esthetic design of urban residential uses.**
- Policy 3.1 Prohibit detached single family dwelling in areas planned for medium and high density residential except when such dwellings are a part of a planned unit development and that development conforms to the density standard.
- Policy 3.2 Residential site design standards shall be developed for consideration by the City Council.
- Policy 3.2.a Street width, standards related to shade trees, building orientation, alleyways, on-street and off-street parking, site distances, lot size variety, and buffering should be addressed. These would be a refinement of existing City-wide standards and focused more particularly on residential neighborhoods.
- Policy 3.2.b The City may permit reduced yard setbacks or zero lot lines in the R-1 zone when: A) the reductions are associated with reduces lot-sizes (policy 1.2(b)), B) the development is targeted for owner occupied low and moderate income households in PUD's in new residential development, and C) the reduction and subsequent building meet City fire safety standards.

- Policy 3.3 Residential uses within the City Center shall be an integral part of the overall land use design within this corridor and should emphasize their spatial, esthetic and economic relationship to the City's downtown core. Distinct site design standards for this area and the other commercial areas should be developed for consideration by the City Council.
- Policy 3.4 Evaluate methods, design, and development strategies to promote a mix of dwelling types in new residential areas. Prepare an amendment to the development code reflecting this strategy for consideration by the City Council.
- Goal 4:** **The City shall strive to provide safe, sanitary, and affordable housing for all citizens of the City of Phoenix, regardless of race, religion, creed, color, marital or family status, mental or physical disability, national origin, age, sex or sexual orientation in conformance with the federal Fair Housing Act of 1988 and the Americans with Disabilities Act.**
- Policy 4.1 The City shall actively promote diversity within the City and its neighborhoods.
- Policy 4.2 Efforts within the City's neighborhoods to create a sense of identity, a structure, and a wholeness of their own shall be supported and honored.
- Policy 4.3 The City's approval standards, special conditions, and procedures regulating development of needed housing shall be clear and objective, and shall not have the effect of discouraging needed housing through unreasonable cost or delay.

APPENDIX APROJECTION ASSUMPTIONS

2016 POPULATION	4630
PROPORTION OF HOUSING UNITS OWNER OCCUPIED	65%
MOBILE HOMES SPACES ADDED 1995 TO 2016	38
PERSONS PER HOUSEHOLD	
OWNERS (SFR'S)	2.9
OWNERS OTHER	1.6
RENTERS (SFR)	3.1
RENTER (2 – 4 UNITS STRUCTURES)	2.1
RENTERS (5 PLUS UNITS PER STRUCTURE)	1.9
MOBILE HOME OCCUPANCY	1.7
ESTIMATED 1995 OWNER UNITS	959
ESTIMATED 1995 RENTER UNITS	579

2016 PROJECTION

UNITS NEEDED TO SATISFY NEED (INCLUDING VACANT)	
OWNER OCCUPIED	1,269
RENTER OCCUPIED HOUSING	703
NET NEED (2016 LESS 1995)	
OWNER OCCUPIED	310
RENTER UNITS	124
TOTAL	434