



**TALENT CITY COUNCIL
STUDY SESSION AGENDA
August 19, 2020
6:00 – 7:30 PM**

This meeting will be held electronically via Zoom. There are two ways join the meeting:

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The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the study session and/or meeting.

- 1. Call to Order/Roll Call**
- 2. Discussion of Future Growth and Affordable Housing Tools**
- 3. Adjournment**



City Council Agenda Report

Meeting Date: August 19, 2020 Primary Staff Contact: Zac Moody
Department: Community Development E-Mail: zmoody@cityoftalent.org
Staff Recommendation: None (Study Session) Estimated Time: 1.5 hours

ISSUE BEFORE THE COUNCIL

Urban Land Expansion and Future Growth Plans (update and next steps)

BACKGROUND

For several years the Council has been discussing the status of the Urban Reserve (UR) lands that are outside its Urban Growth Boundary (UGB), and what action, if any, should be taken to bring those lands inside the UGB. During this time, the Council has been concerned about moving forward with a UGB amendment until certain policy thresholds were met. These thresholds included the development of affordable housing policies such as construction excise tax implementation, the adoption of inclusionary zoning, and specific zoning code amendments that encouraged the development of affordable housing. Specifically, the Council has expressed interest in exploring an inclusionary zoning policy that would require all multi-family developments over 20 units to dedicate a percentage of development as affordable units.

Originally the staff intended the main focus of this study session to be evaluation of options for inclusionary zoning. In undertaking that research, staff concluded that a thorough evaluation of the effectiveness of inclusionary zoning as a mandatory policy cannot happen without a broader discussion of future growth areas and areas available for infill. During the first part of this study session, staff will outline what has been accomplished to date as it pertains to the development goals of the Council and to provide the necessary steps for the expansion of the City's Urban Growth Boundary. We will then look at the development of other policies related to residential development, particularly affordable housing, including the possible adoption of either mandatory or voluntary inclusionary zoning policies.

TIMELINE

July 27, 2016

Contract awarded to ECONorthwest to assist the city in the revision of the Housing Element of the Talent Comprehensive Plan. City begins work on the Housing Element Comprehensive Plan update and Housing Needs Analysis (HNA).

May 17, 2017

Revised Housing Element and Housing Needs Analysis adopted

July 13, 2017

Contract awarded to ECONorthwest to assist the city in the development of an Alternatives Analysis and Efficiency Measures required by OAR 660-024 prior to expanding the City's UGB.



June 20, 2018

City adopts a revised Zoning Code allowing the development of multiple accessory dwelling units (ADUs) on residentially zoned land and providing clear and objective review standards.

October 3, 2018

The Council discussed of options for promoting increased development of affordable housing in the city. Among the options were both direct and indirect methods of promoting affordable housing. The indirect options included amending the Talent Zoning and Subdivision Codes to provide more clear and objective standards and to remove any zoning barriers that negatively impacted the development of affordable housing. The City received an Oregon Housing Needs Planning Project grant from the Department of Land Conservation and Development to assist in the Code update.

December 11, 2018

City begins process of amending the Talent Zoning and Subdivision Codes to provide clear and objective standards for housing in all residential zones based on the Housing Element, Housing Needs Analysis, efficiency measures and HB 2001.

December 27, 2018

Planning Commission recommends approval of the efficiency measures developed by the UGB Citizen's Advisory Committee to the City Council.

January 30, 2019

Council holds study session to discuss affordable housing policy options for the City of Talent.

February 27, 2019

Land uses challenges and opportunities in Talent discussed with City Council.

April 3, 2019

City adopts revised zoning code establishing minimum densities and removes single-family uses in high-density zones.

April 17, 2019

City adopts short-term rental ordinance to prevent unregulated short-term residential dwelling uses that negatively impact the City's affordable housing stock.

November 20, 2019

City adopts Construction Excise Tax to create a reliable funding source for programs that address affordable housing issues, financial incentives for builders and developers and home buyer assistance programs.

June 9, 2020

Planning Commission held a final public hearing on the Talent Zoning Code amendments and began to deliberate and prepare a recommendation for the City Council. The next Planning Commission meeting will be held August 25, 2020. Staff's goal at this meeting is to secure a recommendation from the Planning Commission.



NEXT STEPS

Complete Housing Code Amendments

The Talent Housing Code Update Project recommends amendments that support further housing development in line with the City's needs and goals, by expanding residential development opportunities and removing barriers to development. Recommended update specifics are drawn from the UGB efficiency measures, the 2017 Housing Needs Analysis, and statewide housing requirements including HB 2001 provisions that expand missing middle housing options in single-family neighborhoods, informed by feedback from previous Planning Commission/Advisory Committee meetings and the public open house.

The City's 2017 Housing Needs Analysis (HNA) identified a need for more housing to serve all income levels, with greater variety of options beyond traditional single-family detached homes, including townhouses and apartments. Dimensional standards and new minimum and maximum density limits have been proposed that would also meet the requirements of the Regional Problem Solving (RPS) plan's committed density requirements, and that would promote future infill. Expanded residential uses in the Zoning Code update include many types of "missing middle" housing, such as townhouses, duplexes, triplexes, quadplexes, ADUs, and cluster housing.

The goal for the amendments in the residential zones and uses is to provide greater variety of residential types that can be developed in a greater number of zones, with corresponding dimensional standards that provide adequate space for each type of residential development while using land efficiently.

Appropriate review procedures (permitted or conditional uses, and Type II or III Site Review) for each type of residential use in each zone are also recommended to meet the goals of a simplified, clear and objective review process as well as opportunity for appropriate public input on proposed development.

As proposed, the code amendments implement many of the HNA and Comprehensive Plan goals related to housing and are consistent with state law that requires a "clear and objective" review path for all types of housing that does not cause "unreasonable cost or delay" to increase the feasibility and certainty surrounding residential development. (ORS 197.307)

Further state requirements to permit middle housing in all single-family neighborhoods were adopted by the State Legislature in 2019, during the time these code amendments were being developed. HB 2001, as adopted, requires cities with over 10,000 residents to permit duplexes on all lots where single-family detached houses are permitted subject only to reasonable siting and design standards, and for cities over 25,000 to additionally permit townhouses, triplexes, quadplexes and cottage housing. DLCD and LCDC are currently working to develop implementing rules and minimum compliance standards for cities subject to HB 2001, which begins to take effect June 30, 2021. While the population of the City of Talent does not trigger compliance with HB 2001 and implementing rules, the proposed code amendments were developed in the spirit of HB 2001 implementation based on policy direction from Talent's City Council.

The proposed changes to Title 18 of the Talent Municipal Code are summarized as follows:



- Amend dimensional and density standards for existing RS-5 (proposed low-density RLD zone) and RS-7 (proposed medium-density RMD zone) to enable more efficient use of land for future development.
- Revise the RS-MH zone (proposed RMH zone) to focus on developed manufactured home park uses.
- Revise the high-density residential RM-HD zone (proposed RHD zone) to expand diversity of housing types, amend dimensional and density standards.
- Expand missing middle housing types in all residential zones and provide clear and objective review path to develop them, including townhouses, common-wall single-family, duplexes, triplexes, quadplexes, and cluster housing.
- Develop clear and objective site design standards for duplexes, triplexes, quadplexes, and multifamily development.
- Develop cluster housing standards to permit higher-density but smaller-scale residential development around a central green courtyard in all residential zones.
- Create opportunities for higher-density residential uses mixed with commercial uses by allowing horizontal mixed use at specified minimum ratios of commercial and residential uses.
- Develop clear and objective landscaping buffer requirements by use or zone, tied to adjacent use or zone.
- Reduce off-street parking requirements for residential uses for greater site flexibility when developing missing middle housing.
- Amend the Site Development Plan Review regulations to provide a clear and objective approval path for residential projects, including a viable Type II Site Review option rather than defaulting all projects to a Type III review.
- Revise standards for manufactured home parks for consistency with state law and to support future modifications to existing parks.

Regional Plan Amendment

TA-4 and TA-5 are the two Urban Reserve areas that have the greatest potential for significant new development. Currently TA4 is designated for employment/industrial use and TA-5 is slated for both commercial and residential development. In order for TA-4 to be used for residential development, an amendment to the RPS plan would be necessary. TA-5 does not have that same restriction, although Council would likely want to review its current conceptual plan to determine if it is still viable.

Amendments to the RPS Plan and to the Urban Reserve Performance Indicators can only be achieved through a major amendment to the RPS Plan. Unless this is completed, and lands are successfully brought into the UGB, there is little likelihood that the City will have enough buildable land to implement a mandatory Inclusionary Zoning (IZ policy).

The RPS process is extensive and requires an approval recommendation from other RPS jurisdictions and from the RVMPO Policy Committee prior to Jackson County accepting the amendment application. However, staff has, for the past four years, been working with regional planners and stakeholders to educate them on the need for this change, and has a high level of confidence that a recommendation for approval from the policy committee would be made to the Jackson County Board of Commissioners.



Evaluate Inclusionary Zoning

To re-cap the state inclusionary zoning law, mandatory IZ can only be applied to multi-family developments that are 20 units or larger. If affordable units are mandated for a development, the city would be required to provide monetary compensation to the developer as set forth in the statute. Cities and counties can also adopt voluntary measures to increase the supply of affordable units, which would be available to developers on a participatory basis depending on the size and type of incentives the jurisdiction could provide. Policies enacted under state law can only apply to new developments that have not already submitted a permit application, and can only be adopted if “clear and objective standards” regulating affordable housing units have been included in the city or county’s zoning code.

The goal of an IZ policy is to leverage new market-rate development to provide affordable housing units. Because IZ depends on market-rate development, IZ (voluntary or mandatory) only works when new, market-rate development is occurring. For that reason, a jurisdiction must have sufficient land availability and developer interest to allow for market-rate development. Without that component, stand-alone affordable housing development is not feasible in the absence of significant state and federal subsidization in the form of tax credits and other programs, as well as the involvement of a non-profit developer.

Whether an adopted IZ policy is voluntary or mandatory, a major policy consideration is how to pay for the developer incentives that will be required or expected. For larger jurisdictions that have the ability to amass substantial affordable housing funds, cash incentives are possible. For smaller jurisdictions such as Talent, the most likely approach would be fee waivers or subsidies. The danger with that approach is the City’s operational and infrastructure plans are carefully calibrated to rely on planned revenues such as permit fees and system development charges. A significant loss of those planned revenues will create deficits in our capital improvement plans and operational funds, and would likely cause a greater burden to be placed on existing residents for the creation of new development, including affordable housing.

An optimal approach to funding affordable housing for smaller jurisdiction is to develop a cooperative approach with landowners and potential developers that provides flexibility to developers while also serving the community’s larger goals.

RECOMMENDATION

None

RELATED COUNCIL POLICIES

None

POTENTIAL MOTIONS

None

ATTACHMENTS

None