



City of Talent

Planning Commission

Public Meeting

Thursday, October 27, 2016 – 6:30 PM

Talent Town Hall, 206 East Main Street

AGENDA

The Planning Commission of the City of Talent will meet on Thursday, October 27, 2016 at 6:30 P.M. in the Talent Town Hall, 206 E. Main Street.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the City Recorder at 541-535-1566, ext. 1012.

The Planning Commission 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.

I. Call to Order/Roll Call;

II. Brief Announcements by Staff;

III. Consideration of minutes from the September 22, 2016 Planning Commission meeting;

IV. Public Comments on Non-Agenda Items;

V. Public Hearings;

*Public Hearing (Quasi-Judicial) Conditional Use Permit – Consideration of a Conditional Use Permit allowing the operation of a recreational cannabis retail business located at 630 S. Pacific Hwy. and described as Township 38 South, Range 1 West, Section 25B, Tax Lot 2801. **File: CUP 2016-004.** Decisions are based on the approval criteria found in Zoning Ordinance 8-3D.4 and 8-3L.2. **Applicant: Brent Kenyon, Grateful Meds, LLC.***

VI. Action Items;

Planning Commission Interviews

Joi Riley

Allison French

VII. Discussion Items;

- a. Study Session – Housing Needs Analysis & Draft Housing Policies
- b. Planning Commission Enacting Ordinance

Note: This agenda and the entire agenda packet, including staff reports, referenced documents, resolutions and ordinances are posted on the City of Talent website (www.cityoftalent.org) in advance of each meeting. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact TTY phone number 1-800-735-2900 for English and for Spanish please contact TTY phone number 1-800-735-3896.

The City of Talent is an Equal Opportunity Provider

- VIII. **Subcommittee Reports;**
- IX. **Propositions and Remarks from the Commission;**
- X. **Adjournment – Next Meeting November 17, 2016 (special meeting date)**

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**DRAFT TALENT PLANNING COMMISSION
REGULAR MEETING
MINUTES
TALENT TOWN HALL
SEPTEMBER 22, 2016**

Study Session and Regular Commission meetings are being digitally recorded and will be available on the City website: www.cityoftalent.org

The Planning Commission of the City of Talent will meet on Thursday, September 22, 2016 in a regular session at 6:30 P.M. in the Talent Town Hall, 206 E. Main Street. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the City Recorder at 541-535-1566, ext. 1012. The Planning Commission 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.

REGULAR COMMISSION MEETING- 6:30 PM

Anyone wishing to speak on an agenda item should complete a Public Comment Form and give it to the Minute Taker. Public Comment Forms are located at the entrance to the meeting place. Anyone commenting on a subject not on the agenda will be called upon during the "Citizens Heard on Non-agenda Items" section of the agenda. Comments pertaining to specific agenda items will be taken at the time the matter is discussed by the Planning Commission.

I. Call to Order/Roll Call 6:30 P.M.

Members Present:

Commissioner French
Commissioner Hazel
Commissioner Milan
Commissioner Riley
Commissioner Schweitzer

Members Absent

Commissioner Pastizzo

Also Present:

Zac Moody, Community Development Director
Jeff Wilcox, Minute-Taker

II. Brief Announcements

Moody announced that Mayor Stricker has requested this Planning Commission agenda include an interview for the Planning Commissioner applicant during the meeting and to make a recommendation. The applicant is Commissioner Riley.

Hazel informally agreed to add the agenda item per Mayor Stricker's request.

After a brief silence, Moody explained that it is at the Planning Commission's discretion to change the agenda. He added that soon he will bring to the Planning Commission a new ordinance that would change the structure of the Planning Commission so that there were seven voting members and no alternates, instead of five members and three alternates. Moody said that he has not had an opportunity to write up these changes, but that there is a pretty good chance the ordinance would be introduced to the Planning Commission during the October meeting for review. Then the City Council will review the ordinance and possibly adopt it by emergency because there is currently no Planning Commission Vice Chair.

Moody explained that the Planning Commission could move forward with adding the agenda item, or they could opt to direct staff to draft the new ordinance that changes the structure of the planning commission as previously discussed. He continued, saying City Council probably won't have an issue with going back to a seven-member Planning Commission because quorum requirements would change. Moody said that if both alternates are willing to wait, city staff and the mayor discussed having a seven-member planning commission and doing away with alternates.

Hazel asked if they needed to vote to make the Planning Commission have seven voting members.

Moody explained an ordinance would have to be prepared, then the Planning Commission would make a recommendation, then council would review and adopt the ordinance.

Motion: *Riley moved to recommend staff draft an ordinance and take it directly to City Council. Milan seconded. A rollcall vote was conducted. All ayes except for Commissioner Schweitzer. The motion carries. Riley withdrew the motion pending discussion.*

Discussion of the motion. Schweitzer explained that she was concerned about why things were reversed, attendance issues, other potential Planning Commission applicants, etc.

Moody clarified, stating that the motion was to have staff draft the ordinance to take it to a seven-member commission and include whatever subsequent changes need to be made. Council would either adopt or not adopt. No appointments would automatically be made to voting member, alternates would still need to submit applications to become voting members, including new applicants. He explained that he has had a difficult time identifying potential applicants.

Hazel explained that her feeling is that a seven-member is better than five because it will encourage attendance and participation. It would give the commission more strength and ability to deliberate. Overall this would be better for the group.

Schweitzer asked if two people were absent would the commission still have a quorum.

Moody said if the Planning Commission was changed to seven voting members, three could be absent and maintain a quorum. Moody explained that the discussion should have ideally

happened before the vote and requested the Planning Commission conduct another vote regarding the ordinance.

Hazel requested another rollcall vote.

Motion: *A rollcall vote was conducted and the motion carried unanimously.*

Moody explained that based on the previous discussion and vote, the planning commission ordinance draft will include: removing the alternate section, and modifications to the quorum and member count language. He added City Council may request additional changes in order to homogenize city commissions for simplicity.

III. **Consideration of Minutes for August 25, 2016**

Hazel pointed out that in the minutes from August 25 2016, a bright blue building was identified as a minute market but should be identified as a liquor store.

Motion: *Commissioner Riley moved to approve the Minutes of August 25, 2016 with corrections. Commissioner Milan seconded and the motion carried.*

IV. **Public Comment on Non-Agenda Items**

There was none.

V. **Discussion Items**

Draft Policies and Strategies Document for Housing Needs Analysis (HNA)

Moody explained that the existing housing policies were reviewed to see what was still applicable at first Citizens Advisory Committee meeting. At the second meeting, new policies were then drafted based on numbers from Buildable Lands Inventory (BLI). This draft Policies and Strategies document will be preliminarily reviewed and discussed, but decision making would come later, likely during the November Planning Commission meeting.

Policy 1: Land Availability – This policy takes into consideration the BLI, which categorized city land as vacant, partially vacant and developed. The BLI explains how much land is available, then the projected growth can be calculated and from there, it can be determined if the city has a surplus or deficit of land. Goodman, (ECONorthwest Land Use Consultant) determined that approximately 1200 new dwelling units are needed to accommodate population growth between 2016-2036.

Objectives include:

- Providing an increase of residential use within Central Business District (CBD) zone in a way that promotes business as described in Policy 3.
- Implement Talent Railroad District Master Plan,
- Work with Regional Problem Solving (RPS) policy committee when making decisions about making changes to comprehensive plan and zoning maps.
- Work with RPS policy committee to examine distribution of residential, commercial, and industrial land in the city

Policy 2: Opportunities for development of a range of housing types. Housing available for income types of all levels. Including: SFR, accessory dwelling units, townhouses, duplexes and

apartments. This policy, and its associated objectives and strategies will address housing across the board.

Policy 3: Efficient Development patterns – the City will support and encourage residential development, infill and redevelopment especially in downtown as a way to use land and existing infrastructure more efficiently and promote pedestrian oriented traffic in the downtown.

This policy will help prove to Department of Land Conservation and Development (DLCD) that the City has maximized efficiencies of land use in the City Limits before requesting to expand into Urban Growth Boundary (UGB) and Urban Reserves (UR).

Moody explained that the consultant will be available for the Planning Commission and City Council public hearings.

Objectives include:

- The city will adopt policies and programs to encourage residential and mixed use development strategies in the downtown.

Moody explained that this includes providing some flexibility with allowing residential uses on the ground floor of commercial lots, until commercial viability became more practical.

Policy 4: Zoning Flexibility – The City will support residential development through adopting zoning code that provides planning staff flexibility to balances needs of housing development consistent with density targets in RPS plan while protecting scenic and natural resources.

Moody explained this policy includes “shadow platting” which involves educating members of the public who are developing homes on larger-than-standard lots to plan for future partitions/access potential instead of requesting variances later on. The flexibility policy would also extend to reducing parking requirements based on size of residence; a single family residence has different parking needs than an apartment complex for instance.

Moody concluded the policy review and asked the commission for questions and comments.

Riley asked if this topic would be discussed again in October because she is hoping to see a more complete document.

Moody said the Housing Needs Analysis will include all the information that drove these policies, however Goodman will not likely have a final draft until November.

French asked if the planning commission will have a better idea of what residential lands are available in a future meeting.

Moody answered, the HNA and associated BLI will cover that information in great detail. He said in the meantime, commissioners should continue to review the policy document. There is no extreme pressure to get Housing Element adopted and multiple work sessions could be used in order to review and revise policies.

The conversation returned to composition of the policy document.

Milan explained that policy two, which emphasizes providing housing for a variety of income levels is an important part of explaining how critical the housing shortage really is.

Moody explained that another issue is that a conservation element to the Comprehensive Plan is also forthcoming and will need to be consistent with the policies proposed in the housing element.

Riley said she is concerned that too many comprehensive plan changes are occurring without adequate input from citizens. She explained that the Flash should be utilized to drum up citizen involvement and provide more open houses. She wants to ensure that the city is fully in compliance with Statewide Planning Goal 1 – Citizen Involvement.

Moody explained that he mailed out 180 letters, twice, to notify people about CAC meetings and 4 people showed up. In the past he has used signage to draw attention to Urban Reserve discussions and the turnout was similarly modest. He agreed that advertising in the Flash is definitely an option worth looking into as well.

French explained that it sounds like efforts are being made to reach out to the public in accordance with Goal 1, but those efforts need to be recorded and possibly expanded.

Moody explained the City Council probably has to discuss how it wants to do that and that the CAC model is probably going to be the method that is used for parks, transportation, etc.

Riley explained that perhaps Sherman Lamb, a Talent local who attended a DLCD meeting on public involvement would be a helpful person to invite to a future PC meeting in order to help

The Planning commission directed planning staff to contact Sherman Lamb to potentially discuss community involvement and Goal 1 with city staff and the commissioners.

Moody explained that the next CAC meeting will likely be moved, knowing that there are a lot of local upcoming events, and there will be another work session at the October meeting anyways.

Moody suggested the planning commissioners take a moment to discuss meetings for the upcoming holidays. The commissioners tentatively agreed to meet on November 17th and December 15th

VI. Subcommittee Reports

There were none.

VII. Propositions and Remarks from the Commission

There were none.

VIII. Next Meeting

It was agreed that the next regularly scheduled meeting would be October 22, 2016.

IX. Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 7:35 p.m.

Submitted by: _____ Date: _____

Attest:

Zac Moody, Community Development Director

Chair Hazel

*Further information on the Code amendments is available at the Community Development office.

Note: These Minutes and the entire agenda packet, including staff reports, referenced documents, resolutions and ordinances are posted on the City of Talent website (www.cityoftalent.org) in advance of each meeting. The Minutes are not a verbatim record: the narrative has been condensed and paraphrased to reflect the discussions and decisions made.

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City of Talent

Community Development Department - Planning



STAFF REPORT

Type III Land Use Application — Planning Commission

Date: October 14, 2016

Item: CUP 2016-004, Recreational Marijuana Retail Business

Applicant: Grateful Meds, LLC.
Brent Kenyon
2021 W. Main St.
Medford, OR 97501

Agent: Robert A. Graham, Jr.
Evergreen Law Group, LLC.
542 Washington Street, STE 104
Ashland, OR 97520

Property Owner: Peter & Deborah Pollard
P.O. Box 938
Talent, Oregon 97540

Requested Action: Operation of a State-regulated, OLCC-licensed recreational marijuana retail business.

Assessor's Map Number: 38-1W-25B, Tax Lot 2801

Site Location: 630 S. Pacific Hwy. Unit G

Zoning: CH (Commercial Highway)

Deemed Complete: October 3, 2016
Notice Mailed: October 3, 2016

120-Day Limit: February 3, 2017

REQUEST

The request is for a Conditional Use Permit to operate a State-regulated, OLCC licensed recreational marijuana retail business.



PROPERTY CHARACTERISTICS

The site is located on S. Pacific Hwy., north of the Arnos Rd. intersection. The subject parcel is roughly rectangular in shape with an area of approximately 9,240 square-feet (sq. ft.). The zoning designation is Commercial Highway (CH), as are the adjacent properties. The subject parcel contains a single warehouse style building built in 1991.

BACKGROUND

The subject parcel is zoned Commercial Highway (CH) and has allowed medical dispensaries or recreational sales of marijuana in the zone since December 5, 2014 subject to Section 8-3L.2 of the Talent Zoning Code. The applicant maintains that the retail sales of cannabis has occurred at this location since the medical marijuana dispensary opened in 2014 in accordance with Oregon Medical Marijuana Program (OMMP) regulations and that retail sales of medical cannabis was neither allowed nor disallowed in the Talent Zoning Code at the time the business began operations. However, the OMMP program at that time did not allow for “retail” sales of medical cannabis to the general public, and only allowed for reimbursement.

In 2014 when the applicant began operating the medical marijuana facility, the OMMP disallowed the sales of marijuana for a profit and retail licensing by the Commission was not available. Operators of a medical marijuana facility were only able to be reimbursed by patients for the cost of supplies and utilities associated with the production of his or her medical marijuana; the Act did not allow reimbursement for labor or any other costs.

When the medical marijuana facility began operations in 2014, it served only a limited population of OMMP card holders, and because of this is not classified as a pre-existing retail operation.

The applicant stated that Grateful Meds, LLC. began selling limited recreational marijuana products to consumers over the age of 21 in February 2016 after the OLCC implemented the recreational marijuana retail sales program. Since Staff has determined that retail operations by both State and local definitions were not taking place prior to December 5, 2014 when revisions to the City's Zoning Code were adopted, and since the sales of retail marijuana has not been approved through a conditional use permit review, the use is being conducted in violation of the City zoning code.

In order to ensure equity among business owners of the same use, staff addressed the standard criteria for a conditional use permit.

Wastewater Service

Wastewater service is currently being provided to the subject parcel by Rogue Valley Sewer Service (RVSS).

Stormwater

Stormwater on the site is directed to an open ditch paralleling S. Pacific Hwy.

Water Service

Water service is currently being provided to the subject parcel by the City of Talent.

APPROVAL CRITERIA

- 8-3D.4 – Commercial Highway Zone
- 8-3L.1 – Site Development Plan
- 8-3L.2 – Conditional Use Permit

AGENCY COMMENTS

Jackson County Fire District 5 and Rogue Valley Sewer both responded to request for comments, but provided no additional comments from what was previously stated for the other recreational businesses.

PUBLIC COMMENTS

As of the date of this staff report, no public comments have been received.

RECOMMENDATION

Based on the findings for the Conditional Use Permit stated in the Proposed Final Order, staff recommends **APPROVAL** of the Conditional Use Permit, with conditions outlined in the Proposed Final Orders.

ATTACHMENTS

The following information was submitted regarding this application:

- Applicant Statement
- Applicant's Supplemental Statement
- Revised Site Plan
- Agency Comments
- Proposed Final Order



Zac Moody, Community Development Director

10/14/2016

Date

Staff has recommended this proposal for approval, but it will require at least one public hearing before the Planning Commission for a decision. The Talent Zoning Code establishes procedures for quasi-judicial hearings in Section 8-3M.150.

A public hearing on the proposed action is scheduled before the Planning Commission on March 24, 2016 at 6:30 PM at the Talent Town Hall.

For copies of public documents or for more information related to this staff report, please contact the Community Development Director at 541-535-7401 or via e-mail at zmoody@cityoftalent.org.



CITY OF TALENT • COMMUNITY DEVELOPMENT

PO Box 445, Talent, Oregon 97540
Phone: (541) 535-7401 Fax: (541) 535-7423 www.cityoftalent.org

GENERAL LAND USE APPLICATION

Project Description:
Property Owner: Peter Patrick & Deborah Pollard
Mailing Address: P.O. Box 938, Talent, OR 97540
Phone: 541-944-6412
Street Address: 630 S. Pacific Hwy.
Email Address:
Applicant/Consultant: Brent Kenyon
Mailing Address: 630 S. Pacific Hwy., Talent, OR 97540

Table with 4 columns: Assessor's Map Number, Tax Lot Number, Acres, Zone. Row 1: 38-1W- 25B, 2801, .20, C4. Row 2: 38-1W-

Subzone (if applicable) N/A

Pre-Application Meeting Completed? [] Yes [] No [] N/A Date Completed: _____

Type of Application (check all boxes that apply)

Grid of checkboxes for application types: Site Development Plan Review, Variance, Conditions Modification, Annexation, Accessory Dwelling Unit, Appeal (flat fee), Conditional Use Permit, Home Occupation, Code Interpretation, Comprehensive Plan Amendment (text), Comprehensive Plan Map/Zoning Map Change, Development Code Amendment.

APPLICATION DEPOSITS (Application fees are calculated by ACTUAL PROCESSING COSTS)

I hereby certify that the statements and information contained in this application, including the enclosed drawings and the required findings of fact, are in all respects, true and correct. I understand that all property pins must be shown on the drawings and visible upon the site inspection. In the event the pins are not shown or their location is found to be incorrect, the owner assumes full responsibility.

Applicant's Signature: [Handwritten Signature]
Property Owner's Signature (required): [Handwritten Signature]

Date: 6-23-16
Date: 6-23-16

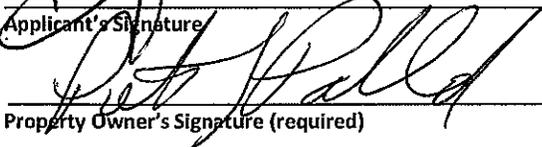
APPLICATION FEES & DEPOSITS

Fees and deposits are intended to cover the full cost for processing applications. Applicants seeking development which requires more than one type of review (such as site plans and conditional use permits) must pay all applicable fees and deposits.

Application Deposits: Certain application fees are represented by a deposit amount. Applicants shall be charged for actual processing costs incurred by the City. The actual costs charged to the City for technical review of land use applications, including but not limited to City's planning, public works, engineering, administration, legal, wetland specialists, geologists, biologists, arborist, and any other services provided in processing applications, shall be charged to Applicant, at the rate(s) charged to the City. In addition, the actual costs of preparing and mailing notices to abutting property owners or others required to be notified, the costs of publishing notices in newspapers, and any other mandated costs shall be charged to applicant. Any additional costs incurred beyond the deposit amount shall be charged to and paid by the applicant on a monthly basis. The applicant agrees that any deficiencies shall be collected from applicant, and that applicant's failure to pay these amounts triggers the City's option to pursue any or all remedies, as listed below.

Fixed Fee Applications: Fees are non-refundable and are based on average application processing costs rounded to the nearest dollar.

Applicant acknowledges and agrees that Applicant's failure to pay City costs over the deposit fee amounts, as charged monthly by the City, may result in the City pursuing any or all legal remedies available, including but not limited to liening property in the amount owed; prosecution for violation of the City's current fee resolution and City land development or division ordinances; issuance of a stop work order, non-issuance of building permits for property, or cessation of related proceedings; set-off against any reimbursement owed; and turning amounts owed over to a collection agency.

 _____ Applicant's Signature	6-23-16 _____ Date
 _____ Property Owner's Signature (required)	6-23-16 _____ Date

I hereby acknowledge that my applications may be consolidated. When an applicant applies for more than one type of land use or development permit (e.g., Type-II and III) for the same one or more parcels of land, the proceedings shall be consolidated for review and decision. If more than one approval authority would be required to decide on the applications if submitted separately, then the decision shall be made by the approval authority having original jurisdiction over one of the applications in the following order of preference: (1) City Planner, (2) the Planning Commission, and (3) the City Council. Joint meetings between governing bodies may be held to streamline the decision process.

_____ Applicant's Signature	_____ Date
_____ Property Owner's Signature (required)	_____ Date

FOR OFFICE USE ONLY			
Deposit Paid (Amount):	Date:	Received By:	File Number:
\$592.00	6/23/16	JW	CWP 2016-004

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The City of Talent is an Equal Opportunity Provider

EXHIBIT A

City of Talent

Community Development Department - Planning



STAFF REPORT

Type II Land Use Application — Administrative Review

Date: September 30, 2014
Item: SPR 2014-004, Pete Pollard
Site: 630 S. Pacific Hwy.

Applicant: Richard Stevens & Associates, INC.
PO Box 4368
Medford, Oregon 97501

Property Owner: Pete Pollard
PO Box 938
Talent, Oregon 97540

Requested Action: Approval of a Site Development Plan to change the use of an existing auto repair shop to a retail medical marijuana dispensary.

Assessor's Map Number: 38-1W-25B, Tax Lot 2801

Site Location: 630 S. Pacific Hwy.

Zoning: CH -- Highway Commercial

Deemed Complete: August 14, 2014
Notice Mailed: September 5, 2014
120-Day Limit: December 12, 2014

PROPOSAL

The applicant is proposing to change the use of an existing structure. No exterior structural improvements are considered at this time, other than possibly painting the building. The existing structure, established in 1991, is a single-story 1,800 square foot building to be used as a Medicinal Marijuana Dispensary. The proposal will require modifications to parking configurations as well as changes to the on-site circulation, accommodate for pedestrian traffic and the removal of and addition of new landscaping.

BACKGROUND

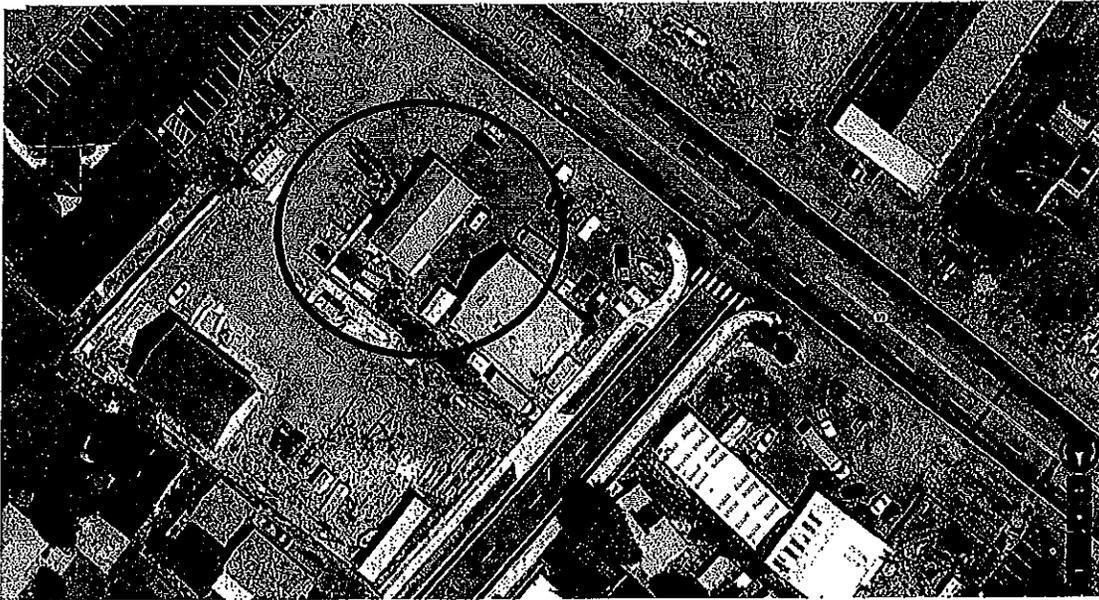
The subject property has been historically used as an automotive repair shop known as "Pollards Automotive". The shop recently closed and the structure has not changed since it was established in 1991.

APPROVAL CRITERIA

Talent Zoning Code, 8-3J.1, 8-3J.3-7, and 8-3L.1,

PROPERTY CHARACTERISTICS

The subject property is located at 660 Highway 99 one parcel north of Arnos Street. The property is relatively flat. The property is surrounded by commercial businesses in the CH zoning designation. The property contains one structure, a temporary carport and a paved parking lot and some landscaping (in need of maintenance) in the backyard area and along the north side of the property and on either side of the road approach. There is one access to the property off of Highway 99. The building, established in 1991, is approximately 1,800 square feet in size and was previously used for an auto repair business approved through a site development plan review in 1991 (SPR-91-1).



ANALYSIS

Tentative administrative approval is subject to compliance with the approval criteria above, and the underlying zoning district (8-3D.4, Highway Commercial). Text from the code appears in *italics*.

AGENCY COMMENTS

Other than the Talent Police Department, no other comments agency comments were received. The Talent Police Department opposes any retail business that is not allowed under State and Federal law.

PROPERTY OWNER COMMENTS

One property owner commented in opposition of the proposed application on the basis that two other dispensaries already existing in town and that there could be a negative effect on our community as a whole while staff shares the same concerns, the property use is retail and it is allowed in the zone. The property owner was contacted via email and explained that the use of the building for residential uses is allowed in the Highway Commercial zone. Staff address all other applicable concerns throughout the findings below.

ANALYSIS

Tentative administrative approval is subject to compliance with the approval criteria above, and the underlying zoning district (8-3D.4, Highway Commercial). Text from the code appears in *italics*.

8-3D.430 BUILDINGS AND USES SUBJECT TO TYPE-2 SITE DEVELOPMENT PLAN REVIEW

No building, structure or land shall be used, and no building or structure shall be hereafter erected, enlarged or structurally altered; neither shall any land be developed, except for the following uses, none of which shall include "drive-in," "drive-up" or "drive-through" facilities. Further, the following uses are permitted subject to the provisions of Article 8-3L.1.

- (F) *Retail and wholesale business and service establishments providing home furnishings; nursery supplies; retail lumber, paint and wall paper; plumbing, heating and electrical sales and service; drapery, floor covering and tile sales.*

Finding: The subject parcel is zoned Highway Commercial (CH) (as seen on the attached zoning map) and allows for retail sales subject to a Type-II Site Development Plan Review.

The proposed use for this site is for retail sales for a Medical Marijuana Dispensary. The applicant, Brent Kenyon, was one of three individuals that the City Council agreed to not place a moratorium on and allowing them to establish a dispensary in the city. The City Council determined that a dispensary would fall under retail sales. The applicant stated that it would strictly be for sale of Medical Marijuana and does not plan on manufacturing it on site. As a general condition of approval, the applicant shall not engage in any manufacturing activities on site.

Retail Sales are a permitted use in the CH zone. A site plan review application is required for a change in use in a commercial building. The purpose of the site plan is to show the proposed use meets the City's minimum standards for parking, landscaping, setbacks, and buffering from nearby lands. A site plan map is attached to these findings, which shows compliance

with the applicable Articles of 8-3L of the 'Zoning Code. The provisions of this section have been met.

8-3D.460 YARD REGULATIONS

- A. Front yard. The front yard shall have a depth of not less than ten (10) feet, including parking lots and internal access drives. [amended by Ord. 782; 7/6/2005]
- B. Side yard.
- 1) No side yard is required between commercially zoned properties.
 - 2) When abutting a lot in a residential zone, there shall be minimum side yard of ten (10) feet.
 - 3) A side yard abutting a street and/or alley shall have a depth of not less than ten (10) feet.
- C. Rear yard. No rear yard is required between commercially zoned properties; when abutting a lot in a residential zone, there shall be a rear yard of not less than ten (10) feet. No structural improvements except road surfacing shall be allowed within ten (10) feet of the centerline of an alley.
- D. Existing residential uses. For existing residential uses or structures, setbacks in conformance with the RS-7 residential zone shall apply.
- E. Exceptions to setback provisions shall be made and shall be required on corner lots where vision clearance for automobiles would be impaired by strict observance of the provisions. [amended by Ord. 782; 7/6/2005]

8-3D.462 LOT AREA AND DIMENSIONS

In the CH zone, the minimum lot area shall be six thousand (6,000) square feet. The minimum lot width shall be sixty (60) feet and the minimum lot depth shall be one hundred (100) feet.

8-3D.464 LOT COVERAGE RESTRICTION

In the CH zone there shall be no lot coverage restrictions except as provided in the yard setback and off-street parking regulations.

8-3D.470 PARKING AND ACCESS REQUIREMENTS

Off-street parking and loading spaces and access shall be provided as prescribed in Articles 8-3J.5 and 8-3J.6.

8-3D.475 LANDSCAPING, FENCES, WALLS AND SIGNS

All areas not occupied by structures, roadways or parking areas, walkways, bicycle paths, patios or other specific uses shall be landscaped and maintained. Fences, walls, hedges and screen plantings shall be permitted in conformance with Article 8-3J.3, and may be required in conformance with Section

480, below. All fences, walls, hedges and screen plantings shall be properly maintained. Signs shall be permitted and in conformance with Article 8-3J.7.

8-3D.480 BUFFERING

When a development or use is proposed on property within the CH zone which abuts or is adjacent to a conflicting land use zone or an incompatible but permitted use within the same zone, the planning commission shall require a buffer sufficient to protect the intent of the adjacent zone or the integrity of the incompatible use. In many cases a fence, wall, hedge or screen planting along the property line closest to the conflicting use or zone will be sufficient. However, the type of buffer shall be considered in relation to existing and future land use, the degree of conflict between adjacent uses, and the amount of permanence desired. Buffers may consist of spatial separation, physical barriers, landscaping, natural topography or other features. The greatest amount of buffering shall be required where necessary to protect an agricultural resource. Proposed buffers shall be subject to the approval of the planning commission, who shall review the buffering for adequacy and appropriateness as part of the site development plan review.

8-3D.490 OTHER

For uses specifically not permitted and requirements regarding building or structural height limitations, parking, trees, solar access, street improvements, home occupations, etc., see the General Provisions, Article 8-3J.1, and Divisions J and L of this Chapter.

Finding: The structure on the property exists and has been there since 1991. The attached Site Plan Map demonstrates that the Front yard setback is met since the distance from the property line to the structure is 35 feet. The property is surrounded by the CH zone, therefore, no side yard or rear yard setbacks are required. There are no residential uses on the property and no exceptions to setback provisions will be necessary.

The subject parcel is 70 feet by 125.31 feet (2,170 sq/ft.). The lot meets the zoning area and dimensions.

All of the applicable provisions in Articles 8-3J.1 – J.7 can be seen to be met in the attached site plan map to show compliance with these requirements.

Buffering is not required for this proposal because the subject parcel is surrounded by the CH zone. Therefore, no conflicting uses exist.

The property is in compliance with the area and yard regulations and all other applicable standards regarding design are addressed in the Site Plan Map and in these findings. Buffering is not required due to the surrounding zoning being compatible with the proposed retail use. **The provisions of these sections have been met subject to conditions of approval.**

8-3L.150 REQUIRED FINDINGS FOR APPROVAL OF PLAN

After an examination of the site, the Planning Commission shall approve, or approve with conditions the site development plan if all of the following findings are made:

- A. All provisions of this Chapter and other applicable City ordinances and agreements are complied with;*

Finding: The CH zone allows the use of the building for retail space subject to Site Development Plan review permit, Administrative Review and public notice.

The Community Development Director finds that all applicable code sections of the Talent Zoning Code have been addressed within the application submittals or will be made to comply with the imposition of the attached conditions of approval. **The provisions of this section have been met subject to conditions of approval.**

- B. The proposed development will be in conformance with the intent and objectives of the zone in which it will be located;*

Finding: According to TMC 8-3D.410 the Highway Commercial (CH) Zone shall permit retail and business services, where permitted by the planning commission. The proposed use of the existing building is for Medical Marijuana Dispensary, which was approved by the City Council and is a similar use to the ones listed in the permitted use table as a retail business. **The provisions of this section have been met.**

- C. All applicable portions of the City comprehensive plan or other adopted plan are complied with;*

Finding: The proposed site development plan is consistent with the approval criteria addressed in this staff report and meets the overall intent of the Highway Commercial designation. **The provisions of this section have been met.**

- D. The proposed development will be compatible with or adequately buffered from other existing or contemplated uses of land in the surrounding area;*

Finding: The proposed use is compatible with adjacent uses since the surrounding zoning is all CH. No buffering is required from adjacent uses. Considering that there are no proposed changes in the building footprint and that all changes are necessary to be in compliance with 8.3J (parking and landscaping), the proposed changes do not require any additional buffers. **The provisions of this section have been met.**

- E. That no wastes, other than normal water runoff, will be conducted into City storm and wastewater facilities;*

Finding: A previous drainage plan was approved for the property and there is no indication that the plan is not working. No waste, other than normal water runoff, will be a result of the proposed use. In fact, the existing use may produce more harmful waste (due to the changing

of fluids for automobile repairs) than the simple retail operation being proposed by the applicant. Adequate facilities are present on site to accommodate the proposed use. Nothing has changed on the property since 1991 that would cause problems for the storm water facility and no additional building footprint is being proposed. **The provisions of this section have been met.**

F. *The following are arranged so that traffic congestion is avoided, pedestrian and vehicular safety, solar access, historic sites, and the public welfare and safety are protected, and there will be no adverse effect on surrounding property:*

- 1. buildings, structures, and improvements;*
- 2. vehicular and pedestrian ingress and egress, and internal circulation;*
- 3. parking and loading facilities;*
- 4. setbacks and views from structures;*
- 5. walks, fences, landscaping and street and shade trees;*
- 6. lighting and signs; and*
- 7. noise generation facilities and trash or garbage depositories.*

Finding: The existing building on the subject parcel is located in a manner that allows for off-street parking. The applicant has identified five parallel standard (5) parking spaces, one of which will be handicap and van accessible. Access to the proposed parking stall is from Highway 99 using an existing driveway apron, which is only 20 feet wide. This apron is large enough to meet the needs of two vehicles entering and exiting simultaneously but does not currently meet City standards. Considering this is a State highway and work is scheduled in 2016 to construct curbs, gutters and sidewalks, there is no need to modify the driveway at this time.

The proposed parking area provides sufficient space to allow vehicles to back up internally and exit the parking lot in a forward motion. The applicant has also proposed to delineate an area in front of the parking spaces (using wheel stops and paint stripping) and adjacent to the building for pedestrian traffic. The walking path will lead to the highway ROW connecting the proposed future sidewalk. This area, in addition to the proposed paver path between the parking stalls provide a safe, adequate means for pedestrians to move from their vehicle to the building without walking behind parked cars.

Landscaping on the site shall be consistent with the proposed plan. Currently there is poorly kept landscaping that is dying or dead, on the property. The applicant has proposed to remove approximately twenty (20) feet by forty-five (45) feet of landscaping to provide for more parking west of the building in the back of the property. The proposed landscaping for the property will be drought resistant in design, utilizing the existing trees on site as well as other various other landscaping features as identified on the Site Plan.

External lighting on the building is not currently proposed to change. The existing lighting is "downlighting" lighting fixture to the left of the main entrance. Considering the style and location of the proposed lighting, neighbors to the south are not likely to be effected.

The applicant is under a time constraint for approval and will submit for the sign permit at a later date. No noise generation facilities are proposed. The trash depositories are proposed in the back of the property where they are currently located.

To ensure site development is consistent with the proposed plan, prior to certificate of occupancy, the applicant shall install (stripe) all proposed parking and construct the pedestrian walkway in front of the parking stalls and building as identified on the proposed site plan. Staff shall also verify that trash facilities are located behind the building to the west. Staff shall also verify that the applicant has installed the landscape area, consistent with the Site Plan and utilize existing trees on site. **The provisions of this section have been met subject to conditions of approval.**

G. The applicant has made any required street and other needed public facility and service improvements in conformance with the standards and improvements set forth in this Chapter and the applicable portions of the City Subdivision Code, or has provided for an adequate security arrangement with the city to ensure that such improvements will be made.

Finding: The proposal does not require any street related or other needed public facilities. **The provisions of this section are not applicable.**

DISCUSSION

Overall, staff is believes the proposed site development plan meets overall the overall intent of the Highway Commercial Zone and the improvements proposed with the change of use will likely enhance the site.

RECOMMENDATION

Staff tentatively approves the Site Development Plan application subject to the following conditions:

GENERAL CONDITIONS

1. That all submittals of the applicant shall be conditions of approval unless modified herein.
2. The applicant shall not engage in any activities that include packaging, repackaging or manufacturing of any type of product on site.

PRIOR TO ISSUANCE OF PERMITS

3. The applicant shall provide Community Development with plans that are consistent with Site Plan submitted.

PRIOR TO CERTIFICATE OF OCCUPANCY

4. The applicant shall install (construct and stripe) all proposed parking and construct the pedestrian walkway in front of the parking stalls and along the building as identified on the proposed site plan.
5. Any trash facilities shall be located behind (west side) the building.
6. Staff shall verify that the applicant has installed and improved the landscape area.

ATTACHMENTS

Applicant's Findings
Zoning Map
Site Plan Map



Zac Moody
Community Development Director

10/24/14
Date

EXHIBIT B

NOTICE OF ADMINISTRATIVE DECISION



City of Talent, Community Development Department
P.O. Box 445, Talent, Oregon 97540 Ph: (541) 535-7401 Fax: (541) 535-7423

Notice Date:	October 24, 2014
Planning File:	SPR 2014-004
Location:	630 S. Pacific Hwy.
Map & Tax lot:	38-1W-25B Tax Lot 2801

The Community Development Director has tentatively **approved with conditions**, an application for a Site Development Plan to change the use of a building from an auto repair shop to a retail medical marijuana dispensary. Applicant is Richard Stevens & Associates, INC. This is a Type II (administrative) land use application, which the Community Development Director approves or denies based on the criteria in Talent Zoning Code 8-3L.150. Appeals are subject to review by the Planning Commission.

All property owners who responded to the original public notice are receiving this Notice of Decision. Written notice of a Type II decision shall be mailed to the applicant and to all participants of record after the Community Development Director's tentative decision. Failure of any person to receive mailed notice shall not invalidate the decision, provided that a good faith attempt was made to mail the notice.

Copies of the staff report are available for review or purchase at the Community Development Department during regular business hours.

If you would like to appeal this decision to the Planning Commission, the following standards must be met and steps completed:

Who may appeal? The following people have legal standing to appeal: the applicant; any person who was mailed written notice of the decision; or any other person who participated in the proceeding by submitting written comments; any person who is adversely affected or aggrieved.

OVER

Notice of appeal. Any person with standing to appeal, as provided above may appeal a Type II decision by filing a Notice of Appeal according to the following procedures:

Time for filing. A Notice of Appeal (in the form of a business letter) shall be filed with the Community Development Director within 14 days of the date the Notice of Tentative Decision was mailed;

Content of notice of appeal. The Notice of Appeal shall contain:

- An identification of the decision being appealed, including the date of the decision;
- A statement demonstrating the person filing the Notice of Appeal has standing to appeal;
- A statement explaining the specific issues raised on appeal;
- A \$250 deposit will be required as a filing fee to cover the cost of staff time to process the request for an appeal.

Scope of appeal. The appeal of a Type II administrative decision by a person with standing shall be limited to any issue raised during the written comment period, and any other evidence or testimony concerning any other relevant issue during a *de novo* hearing. The appeal shall be a *de novo* hearing and shall be the initial evidentiary hearing required under ORS 197.763 as the basis for an appeal to the Land Use Board of Appeals.

If you need additional information or have questions about the appeals process, please contact Zac Moody at (541) 535-7401 or via e-mail at zmoody@cityoftalent.org.

**BEFORE THE PLANNING COMMISSION
FOR THE CITY OF TALENT, OREGON**

IN THE MATTER OF:)	
	)	File No. 2016-_____
A NON-CONFORMING USE DETERMINATION)	
FOR CONTINUING RETAIL ESTABLISHMENT USE)	
(OLCC - LICENSED RMJ) IN EXISTING LOCATION	)	APPLICANT’S
	)	REQUESTED
APPLICANT: Brent Kenyon/Grateful Meds LLC	)	FINDINGS OF FACT &
ADDRESS: 630 South Pacific Highway	)	CONCLUSIONS OF LAW
Talent, OR 97540)	
MAP: 38-1W-25B-TL2801)	
ZONING: Commercial Highway (CH))	
PROPERTY OWNER: Patrick and Deborah Pollard)	
APPLICANT’S ATTORNEYS:)	
Evergreen Law Group, LLC)	
)	

APPLICANT’S REQUESTED FINDINGS OF FACT & CONCLUSIONS OF LAW

1. Applicant Grateful Meds LLC (“Applicant”) hereby respectfully supplements its application materials submitted to City of Talent Department of Community Development (“City”).
2. Applicant’s Retail Space is located at 630 South Pacific Highway, Talent, Oregon.
3. Applicant’s Retail Space is located in the City’s Commercial Highway (“CH zone”).
4. Since February 16, 2016, Applicant has been conducting state-regulated retail sales cannabis sales in Applicant’s Retail Space pursuant to a license issued by the Oregon Health Authority.
5. In July, 2014, Applicant filed a site plan review with the City of Talent for the property located at 630 South Pacific Highway, Talent. The purpose of the review because Applicant proposed changing the use of the existing structure from an automotive repair shop to a medical marijuana dispensary.
6. On October 24, 2014, after review by the City Planning and the Planning Commission, the site plan was approved with certain conditions to change the use to a retail marijuana retail store.
7. The City, in November, 2014, adopted changes to the Talent Zoning Codes (“TZC”) in

regards to medical and recreational marijuana related businesses. Applicant satisfied the conditions of the City's approval of Applicant's site plan review.

8. Amendments to TZC enacted November 6, 2014, adopted time, place and manner regulations for retail sales of marijuana. State-regulated retail cannabis sales establishments is a "conditional use" in City's CH zone, including Applicant's Retail Space. *TZC 8-3D.230(B).*
9. Applicant seeks only to continue serving its local customers by maintaining its state-regulated retail cannabis sales operation at Applicant's current business location at 630 South Pacific Highway, Talent, Oregon ("Applicant's Retail Space").
10. Applicant seeks a determination by City's Planning Commission that its use qualifies as a legal prior non-conforming use in Applicant's Retail Space, consistent with the provisions of Talent Zone Code ("TZC") 8-3M.250(C) – Non Conforming Uses.
11. Applicant will suffer great injustice if it is required to close its business after conducting responsible state-regulated retail cannabis sales at Applicant's location.
12. The Planning Commission has the power to avoid this injustice through adoption of findings consistent with TZC 8-3M.250(C).
13. Applicant's request should be reviewed under the criteria in City of Talent Zoning Code ("TZC") Sec. 8-3, Div.M, Art.2 (Non-Conforming Uses, Lots and Structures). *See: TZC, pgs. M-27 through M-29.*
14. More specifically, City's criteria reflected in TZC 8-3M.250(C) is applicable to the Planning Commission's determination.

REQUESTED FINDINGS

Criteria: 8-3D.410 Description and Purpose

The Highway Commercial Zone (CH) (formerly Retail-Wholesale Commercial, C3) is intended to accommodate businesses and trade oriented toward automobile and truck usage. Tourist trade and heavy commercial or light industrial uses can also be accommodated in this zone. The zone is best located along arterial streets, and due to its exposure, high appearance standards are important. Uses permitted in this zone are frequently incompatible with pedestrian-oriented areas such as the Central business District Zones CBD and CBH.

FINDINGS: Applicant's retail business is located in the CH zone. Applicant's location is registered and licensed with the Oregon Health Authority as a medical marijuana dispensary and

FINDINGS: Applicants retail sales of medical or recreational marijuana is permitted subject to conditional review.

Criteria **8-3 Division M. Article 2: NON-CONFORMING USES, LOTS AND STRUCTURES**

8-3 M-210 INTENT

Within the zones established by this Chapter, or amendments thereto, there exist lots, structures, and uses of land and structures which were lawful before this Chapter was enacted or amended by ordinance, but which would be prohibited, regulated, or restricted under the terms of this Chapter or amendments thereto. Such uses are generally considered to be incompatible with the permitted uses in the zone in which they are located, and their continuance shall therefore be permitted only in strict compliance with the restrictions of this Article. However, existing single-family residential uses shall not be treated as non-conforming uses, unless such use is voluntarily discontinued [amended by Ord. No. 777; 12/01/2004]. Subject to the provisions of this Article, a non-conforming structure or use may be continued and maintained in reasonable repair, but shall not be altered or extended except as provided herein. The extension of a non-conforming use to a portion of a structure, which was arranged or designed for the non-conforming use at the time of passage of this ordinance, is not considered an enlargement or expansion of a non-conforming use.

* * *

FINDINGS: Applicant has conducted state-regulated retail sales of cannabis products at its location since February, 2016. City’s TZC did not limit retail sale of cannabis products in the CH zone subject to a conditional use permit until November, 2014. Applicant does not propose to modify, expand or enlarge the existing building (constructed in 1991). Applicant proposes to continue to conduct retail sales of cannabis products in the same space where it has conducted retail sales of cannabis products.

* * *

Criteria **8-3 M.240 NON-CONFORMING USES OF LAND**

Where, at the effective date of adoption or amendment of this Chapter, lawful use of land exists that is made no longer permissible under the terms of this Chapter, such use may be continued, so long as it remains otherwise lawful, subject to the following provisions:

8-3M.240 A. *No such non-conforming use shall be enlarged or increased, or extended*

to occupy a greater area of land than was occupied at the effective date of adoption or amendment of this Chapter.

8-3M.240 (B). *No such non-conforming use shall be moved in whole or in part to any other portion of the lot or parcel occupied by such use at the effective date of adoption or amendment by this Chapter.*

FINDINGS: Applicant does not propose to move, in whole or in part, to any other portion of the lot or parcel occupied by such use. Applicant proposes to continue retail sales of cannabis products in compliance with all relevant State of Oregon laws and regulations and in exactly the same space where Applicant has conducted retail medical marijuana sales and recreational cannabis sales since February, 2016. Applicant shall not move its existing non-conforming use in whole or in part to any other portion of the lot or parcel currently occupied by Applicant's Retail Space.

8-3M.240 (C). *If any such non-conforming use of land ceases for any reason for a period of more than forty-five (45) days, any subsequent use of such land shall conform to the regulations specified by this Chapter for the zone in which such land is located.*

FINDINGS: Applicant has not ceased using the space as described above for a period of more than forty-five (45) days. This criterion does not apply.

Criteria 8-3M.250 NON-CONFORMING USES OF STRUCTURES AND PREMISES.

A lawful use of a structure, or of structure and premises in combination, existing at the effective date of adoption or amendment of this Chapter, and which does not conform to the use regulations for the zone in which it is located, shall be deemed to be a non-conforming use and may be continued only in compliance with the following regulations:

8-3M.250 A. *Completion of structure: Nothing in this Chapter shall be deemed to require a change in the plans, construction, or designated use of any building for which a building permit was issued prior to the effective date of this Chapter and upon which construction has commenced, provided the building, if non-conforming or intended for a non-conforming use, is completed and in use within one (1) year of the date of issuance of the building permit.*

8-3M.250 B. *Repairs and maintenance. Routine maintenance and repairs, including repair or replacement of non-bearing walls, fixtures, wiring or plumbing, may be performed on structures and premises, the use of which is non-conforming. Nothing in this Chapter shall be deemed to prevent the*

strengthening or restoring to a safe condition any building or part thereof declared unsafe by any official charged with protecting the public safety, upon order of such official.

8-3M.250 C. *"...The new use shall conform to this Chapter unless the Planning Commission determines that the proposed use is of the same or of a more restrictive classification . . .":*

FINDINGS: Applicant does not propose replacing its state-regulated retail cannabis sales use with a new use. Applicant's "use" is of the same classification as the use Applicant has conducted in the space since Applicant began offering state-regulated medical cannabis products to the public. In February, 2016, Applicant commenced retail sales of recreational cannabis products to adults over the age of 21, pursuant to the provisions of HB 3400 (effective June 30, 2015).

8-3M250 C. *". . . and that the change of use will not result in the enlargement of the cubic space occupied by a non-conforming use, except as provided in subsection (d) below."*

FINDINGS : Applicant proposes no enlargement of the cubic space occupied by its retail sales operations, ongoing since ~~June, 2014~~. This criterion does not apply to Applicant's proposal.
February 2016

8-3M.250 D. *Enlargement of non-conforming use. No existing structure that is wholly or partially occupied by a non-conforming use shall be structurally altered, moved, extended, constructed, reconstructed, or enlarged in cubic space unless the alteration or enlargement will result in the elimination of non-conforming use; except that such building may be enlarged when authorized in accordance with the procedure and provisions set forth in Article 16, including the payment of the required fee.*

FINDINGS: Applicant proposes no enlargement of the cubic space occupied by its retail sales operations, ongoing since ~~June, 2014~~. This criterion does not apply to Applicant's proposal.
February 2016

* * *

CONCLUSION: For the foregoing reasons, along with any additional evidence, arguments, and testimony provided in support of Applicant's application in connection with the Planning Commission's public hearing, the Planning Commission finds that Applicant's use is a qualifying non-conforming use at Applicant's retail location, pursuant to the provisions of City's TZC 8-3, Div.M., Art. 2.

DATED: June 23, 2016

Respectfully submitted,

EVERGREEN LAW GROUP, LLC

By 

Robert A. Graham, Jr., OSB 982396

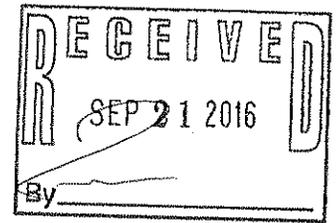
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Facsimile: 541-479-7060

Email: robert@evergreenlawgroup.net



**BEFORE THE PLANNING COMMISSION
FOR THE CITY OF TALENT, OREGON**

IN THE MATTER OF:)	
	)	CPU 2016-004
A CONDITIONAL USE PERMIT DETERMINATION)	
FOR CONTINUING RETAIL ESTABLISHMENT USE)	
(OLCC - LICENSED RMJ) IN EXISTING LOCATION	)	GRATEFUL MEDS, LLC
	)	AMENDED
	)	APPLICATION
APPLICANT: Grateful Meds LLC	)	FOR A CONDITIONAL
ADDRESS: 630 South Pacific Highway	)	USE PERMIT;
Talent, OR 97540	)	REQUESTED FINDINGS
MAP: 38-1W-25B, TL 2801	)	OF FACT AND
ZONING: Commercial-Highway ("CH")	)	CONCLUSIONS OF LAW
PROPERTY OWNER: Peter & Deborah Pollard)	
APPLICANT'S ATTORNEYS:)	
Evergreen Law Group, LLC)	
)	

APPLICANT'S REQUESTED FINDINGS OF FACT & CONCLUSIONS OF LAW

1. Applicant Grateful Meds LLC ("Applicant") hereby respectfully supplements its application materials submitted to City of Talent Department of Community Development ("City").
2. Applicant's Retail Space is located at 630 South Pacific Highway, Talent, Oregon.
3. Applicant's Retail Space is located in the City's Commercial Highway ("CH zone").
4. Applicant is conducting state-regulated retail cannabis sales in Applicant's Retail Space pursuant to a license issued by the Oregon Health Authority.
5. In July, 2014, Applicant filed a site plan review with the City of Talent for the property located at 630 South Pacific Highway, Talent. The purpose of the review because Applicant proposed changing the use of the existing structure from an automotive repair shop to a medical marijuana dispensary.
6. On October 24, 2014, after review by the City Planning and the Planning Commission, the site plan was approved with certain conditions.

7. Applicant satisfied the conditions required under the Site Plan Approval.
8. The City, in November, 2014, adopted changes to the Talent Zoning Codes ("TZC") in regards to medical and recreational marijuana related businesses.
9. Amendments to City's Zoning Code enacted November 6, 2014, which adopted time, place and manner regulations concerning the retail marijuana, now provides that state-regulated retail cannabis sales establishments in City's CH zone, including Applicant's Retail Space, is a conditional use. *TZC 8-3D.230(B.)*.
10. Applicant agrees to the conditions and criteria for the Conditional Use Permit under TZC 8-3L.244 and 8-3L.246 as more fully set forth below.
11. Applicant seeks only to continue serving its local customers by maintaining its state-regulated retail cannabis sales operation at Applicant's current business location at 630 South Pacific Highway, Talent, Oregon ("Applicant's Retail Space").
12. Applicant seeks a determination by City's Planning Commission that its use qualifies as a legal prior non-conforming use in Applicant's Retail Space, consistent with the provisions of Talent Zone Code ("TZC") 8-3M.250(C) – Non Conforming Uses.
13. After the adoption of the November 6, 2014 ordinance, the City council adopted a resolution allowing Applicant to operate under a Talent business license, notwithstanding the adoption of the November 6, 2014 prohibition.
14. Applicant will suffer great injustice if it is required to close its business after conducting responsible state-regulated retail cannabis sales at Applicant's location.
15. The Planning Commission has the power to avoid this injustice through adoption of findings consistent with TZC 8-3M.250(C).
16. City determined Applicant's request should be reviewed under the criteria in City of Talent Zoning Code ("TZC") Sec. 8-3, Div.M, Art.2 (Non-Conforming Uses, Lots and Structures). *See: TZC, pgs. M-27 through M-29.*
17. More specifically, City's criteria reflected in TZC 8-3M.250(C) is applicable to the Planning Commission's determination.

CONDITIONAL USE PERMIT

8-3L.244 GENERAL CRITERIA FOR APPROVAL

In judging whether or not a conditional use permit shall be approved or denied, the Planning Commission shall find that the following criteria are either met, can be met by observance of conditions, or are not applicable. A conditional use may be granted only if:

- A. The proposed use is consistent with the City of Talent Comprehensive Plan.*
- B. The proposed use is consistent with the purpose of the zoning district.*
- C. The proposed use and development is found to meet the required findings of 8-3L.150, "Required Findings for Approval of Plan," set forth for approval of a site development plan review.*
- D. The proposed use will not adversely affect the livability, value, and appropriate development of abutting properties and the surrounding area, compared to the impact of uses that are permitted outright. Testimony of owners of property located within two hundred and fifty (250) feet of the boundaries of the property in question shall be considered in making this finding.*
- E. All required public facilities have adequate capacity to serve the proposal. System Development Charges will be assessed at the time a building permit is issued. Additional SDCs will be assessed for change in use that are more intense than a pre-existing use.*
- F. The conditional use must include mitigation for any decrease in level of service exceeding City standard or operational safety of the transportation system if the proposal generates more than 500 daily vehicle trips or an additional fifty (50) peak hour trips, per Section 8-3L.9 Traffic Impact Study.*
- G. The site size, dimensions, location, topography, and access are adequate considering such items as the bulk, coverage or density of the proposed development; the generation of traffic; environmental quality impacts; and health, safety or general welfare concerns.*
- H. The City of Talent has adequate firefighting equipment to protect the structure, as verified by the Talent Fire Chief, or arrangements have been*

or will be made by the developer to insure that adequate equipment will be available before the occupancy of the building for any use.

REQUESTED FINDINGS

The following conditions are agreed to, or otherwise have been satisfied:

- A. The proposed use is consistent with the City of Talent Comprehensive plan.
- B. The proposed use is consistent with the zoning district.
- C. The proposed use meets the required findings of TZC 8-3L.150.
- D. The proposed use does not adversely affect the livability, value, and appropriate development of the abutting properties.
- E. All required facilities have adequate capacity to serve the proposal.
- F. Mitigation is not required under 8-3L.9 Traffic impact study; the proposal will not generate more than 500 daily vehicle trips, or an additional 50 peak hour trips.
- G. The site size, dimensions, location, topography, and access are adequate considering the bulk, coverage, or density proposed development; the generation of traffic; environmental quality impacts; and, health, safety, or general welfare concerns.
- H. The City of Talent firefighting equipment is sufficient to protect the structure of the proposed premises.

8 - 3L.246 SPECIAL STANDARDS GOVERNING CONDITIONAL USES

Certain conditional uses shall meet the following standards:

...

I. Retail Sales of Medical & Recreational Marijuana

1. Establishments vending medical or recreation marijuana shall be located at least 100 feet from a residential zone, 100 feet from a mixed use building with a residential unit, at least 750 feet from a public or private park and at least 1,000 feet from an existing public or private elementary, secondary or career school primarily attended by minors. For purposes of determining the distance between the establishment and the aforementioned areas, within the specified distance means a straight line

measurement in a radius extending for specified distance or less in every direction from any point on the boundary line of a residential zone, public or private park or from an existing public or private elementary, secondary or career school primarily attended by minors.

2.No extracts, oils, resins or similar products from marijuana shall be produced on site and the use of open flames for the preparation of any products is prohibited.

3.Marijuana and tobacco shall not be used on property where a sale occurs.

4.Establishment shall have air filtering and ventilation systems that confine odors to the premises.

5.Minors are not allowed on the premises unless they are a medical marijuana cardholder and accompanied by a parent or guardian.

6.Owners, operators and employees who have been convicted of manufacturing or delivering drugs once in the past five years or twice in their lifetime may not operate or own a medical or recreational marijuana retail establishment.

7.Prior to operation, background checks for all owners, operators and employees shall be provided to the City. Not providing required background checks for all owners, operators and employees at any time is grounds for revocation of the conditional use permit.

8.Establishments shall keep financial records that are subject to audit. (if tax is implemented)

9.Establishment shall not have security bars and shall not operate a drive-thru facility.

Findings/Conclusions

Consistent with TZC 8-3L.246(I) on behalf of Grateful Meds, LLC., the following conditions are agreed to:

1. The location of the applicant's store satisfies the distance conditions of TZC8-3L.I.1.

2. No extracts, oils, resins or similar products will be produced on the Applicant's premises and no open flame shall be used in connection with the preparation of Applicant's products.
3. Tobacco and marijuana products will not be used on the Applicant's property.
4. Applicant will install an air filtering and ventilation system that confines any odors to the Applicant's premises.
5. No minors are allowed on the Applicant's premises, except for a minor who is medical marijuana card holder, accompanied by a parent or guardian.
6. Operators, owners and employees who have been convicted of manufacturing or delivering drugs once in the last five years, or twice in their lifetime are prohibited from working on the Applicant's premises.
7. Background check information for operators, owners and employees shall be provided to the City before they commence work on the premises on behalf of Applicant.
8. Applicant's premises shall not be operated as a drive-thru retail business and the building shall not have security bars on the windows.

NON-CONFORMING USE

8-3 Division M. Article 2: NON-CONFORMING USES, LOTS AND STRUCTURES

8-3 M-210 INTENT

Within the zones established by this Chapter, or amendments thereto, there exist lots, structures, and uses of land and structures which were lawful before this Chapter was enacted or amended by ordinance, but which would be prohibited, regulated, or restricted under the terms of this Chapter or amendments thereto. Such uses are generally considered to be incompatible with the permitted uses in the zone in which they are located, and their continuance shall therefore be permitted only in strict compliance with the restrictions of this Article. However, existing single-family residential uses shall not be treated as non-conforming uses, unless such use is voluntarily discontinued [amended by Ord. No. 777; 12/01/2004]. Subject to the provisions of this Article, a non-conforming structure or use may be continued and maintained in reasonable repair, but shall not be altered or extended except as

provided herein. The extension of a non-conforming use to a portion of a structure, which was arranged or designed for the non-conforming use at the time of passage of this ordinance, is not considered an enlargement or expansion of a non-conforming use.

* * *

FINDINGS / CONCLUSION: Applicant has conducted state-regulated retail sales of cannabis products at its location since February, 2016. City's TZC did not prohibit retail sale of cannabis products in the CH zone until November, 2014. Applicant does not propose to modify, expand or enlarge the existing building (constructed in 1991). Applicant proposes to continue to conduct retail sales of cannabis products in the same space where it has conducted retail sales of cannabis products.

* * *

8-3 M.240 NON-CONFORMING USES OF LAND

Where, at the effective date of adoption or amendment of this Chapter, lawful use of land exists that is made no longer permissible under the terms of this Chapter, such use may be continued, so long as it remains otherwise lawful, subject to the following provisions:

8-3M.240 A. *No such non-conforming use shall be enlarged or increased, or extended to occupy a greater area of land than was occupied at the effective date of adoption or amendment of this Chapter.*

8-3M.240 (B). *No such non-conforming use shall be moved in whole or in part to any other portion of the lot or parcel occupied by such use at the effective date of adoption or amendment by this Chapter.*

FINDINGS / CONCLUSION: Applicant does not propose to move, in whole or in part, to any other portion of the lot or parcel occupied by such use. Applicant proposes to continue retail sales of cannabis products in compliance with all relevant State of Oregon laws and regulations and in exactly the same space where Applicant has conducted retail medical marijuana sales since February, 201__; and recreational cannabis sales since October 1, 2015. Applicant shall not move its existing non-conforming use in whole or in part to any other portion of the lot or parcel currently occupied by Applicant's Retail Space.

8-3M.240 (C). *If any such non-conforming use of land ceases for any reason for a period of more than forty-five (45) days, any subsequent use of*

such land shall conform to the regulations specified by this Chapter for the zone in which such land is located.

FINDINGS / CONCLUSION: Applicant has not ceased using the space as described above for a period of more than forty-five (45) days. This criterion does not apply.

8-3M.250 NON-CONFORMING USES OF STRUCTURES AND PREMISES.

A lawful use of a structure, or of structure and premises in combination, existing at the effective date of adoption or amendment of this Chapter, and which does not conform to the use regulations for the zone in which it is located, shall be deemed to be a non-conforming use and may be continued only in compliance with the following regulations:

8-3M.250 A. *Completion of structure: Nothing in this Chapter shall be deemed to require a change in the plans, construction, or designated use of any building for which a building permit was issued prior to the effective date of this Chapter and upon which construction has commenced, provided the building, if non-conforming or intended for a non-conforming use, is completed and in use within one (1) year of the date of issuance of the building permit.*

8-3M.250 B. *Repairs and maintenance. Routine maintenance and repairs, including repair or replacement of non-bearing walls, fixtures, wiring or plumbing, may be performed on structures and premises, the use of which is non-conforming. Nothing in this Chapter shall be deemed to prevent the strengthening or restoring to a safe condition any building or part thereof declared unsafe by any official charged with protecting the public safety, upon order of such official.*

FINDINGS/CONCLUSIONS

Criterion: “The new use shall conform to this Chapter unless the Planning Commission determines that the proposed use is of the same or of a more restrictive classification . . .”:

Applicant does not propose replacing its state-regulated retail cannabis sales use with a new use. Applicant’s “use” is of the same classification as the use Applicant has conducted in the space since Applicant began offering state-regulated medical cannabis products to the public. In February, 2016, Applicant commenced retail sales of

recreational cannabis products to adults over the age of 21, pursuant to the provisions of HB 3400 (effective June 30, 2015).

Criterion: “. . . and that the change of use will not result in the enlargement of the cubic space occupied by a non-conforming use, except as provided in subsection (d) below.”

FINDINGS / CONCLUSION: Applicant proposes no enlargement of the cubic space occupied by its retail sales operations, ongoing since February, 2016. This criterion does not apply to Applicant’s proposal.

8-3M.250 D. *Enlargement of non-conforming use. No existing structure that is wholly or partially occupied by a non-conforming use shall be structurally altered, moved, extended, constructed, reconstructed, or enlarged in cubic space unless the alteration or enlargement will result in the elimination of non-conforming use; except that such building may be enlarged when authorized in accordance with the procedure and provisions set forth in Article 16, including the payment of the required fee.*

FINDINGS / CONCLUSION: Applicant proposes no enlargement of the cubic space occupied by its retail sales operations, ongoing since June, 2014. This criterion does not apply to Applicant’s proposal.

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CONCLUSION: For the foregoing reasons, along with any additional evidence, arguments, and testimony provided in support of Applicant's application in connection with the Planning Commission's public hearing, the Planning Commission finds that Applicant has met the requirements for issuance of a Conditional Use Permit for Applicant's business at its retail location or, alternatively, Applicant's use is a qualifying non-conforming use at Applicant's retail location, pursuant to the provisions of City's TZC 8-3 Div L and 8-3, Div.M., Art. 2.

DATED: September ²¹~~18~~, 2015

Respectfully submitted,

EVERGREEN LAW GROUP, LLC

By 

Robert A. Graham, Jr., OSB 982396
Attorneys for Applicant

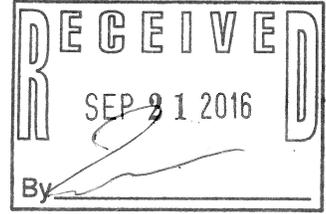
Address: 542 Washington Street, #104
Ashland, OR 97529

Telephone: 541-471-2222

Facsimile: 541-479-7060

Email: robert@evergreenlawgroup.net

BEFORE THE DEPARTMENT OF COMMUNITY DEVELOPMENT FOR THE CITY OF
TALENT, OREGON:



IN THE MATTER OF A "TYPE 2" SITE)
PLAN REVIEW APPLICATION FOR RETAIL)
SALES ON A PARCEL DESCRIBED AS)
T.38S, R.2W, SECTION 12B, TAX LOT)
4000; CITY OF TALENT, OREGON:)
BRENT KENYON, APPLICANT)
_____)

SPR 2014-004

REVISED SITE DEVELOPMENT
PLAN

Applicant: Brent Kenyon
2021 W. Main St.
Medford, OR 97501

Owner: Peter & Deborah Pollard
P.O. Box 938
Talent, OR 97540

Attorney for Applicant: Robert A. Graham, Jr.
Evergreen Law Group, LLC
542 Washington Street, STE 104
Ashland, OR 97520

Assessor's Map Number: 38-1W-25B, Tax Lot 2801

Site Location: 630 S. Pacific Hwy

Zoning: CH- Highway Commercial

1. In July 2014, Applicant submitted an application for a Site Plan Review.
2. On October 24, 2014, the Planning Commission approved the Site Plan Review.
3. The improvements and conditions set forth in the Approved Site Plan Review have been made and implemented.

4. Criteria and findings regarding 8-3L.150.F provides in pertinent part:

“F. The following are arranged so that traffic congestion is avoided, pedestrians and vehicular safety... and the public safety are protected, and there will be no adverse impact on surrounding property:

...

3. Parking and loading facilities

...

5. Walls, fences, landscaping, and street and shade trees;”

...

“The proposed parking area provides sufficient space to allow vehicles to back up internally and exit the parking lot in a forward motion. The applicant has also proposed to delineate an area in front of the parking spaces (using wheel stops and paint stripping) and adjacent to the building for pedestrian traffic. The walking path will lead to the highway ROW connecting the proposed future sidewalk. This area, in addition to the proposed paver path between the parking stalls provide a safe, adequate means for pedestrians to move from their vehicle to the building without walking behind parked cars.”

“Landscaping on the site shall be consistent with the proposed plan. Currently there is a poorly kept landscaping that is dying or dead, on the property. The applicant has proposed to remove approximately twenty (20) feet by forty-five (45) feet of landscaping to provide for more parking west of the building in the back of the property. The proposed landscaping for the property will be drought resistant in design, utilizing the existing trees on site as well as other various landscaping features as identified on the Site Plan.

...”

5. Subsequent to the approval of Applicant’s Site Plan Review and the construction of the said improvements to Applicant’s premises, the Oregon Department of Transportation (“ODOT”) that a portion of one of the parking stalls, designated Stall #5, and the landscaping between the stall and the highway encroaches upon the ODOT highway right of way (“ROW”).

6. Accordingly, Applicant hereby submits the attached Amended Site Plan plan, revised to reflect Applicant's removal of the encroachment of ODOT's ROW, attached hereto as Exhibit A.

September 12, 2016

Respectfully submitted,

EVERGREEN LAW GROUP, LLC

By 

Robert A. Graham, Jr., OSB 982396

Attorneys for Applicant

Address: 542 Washington Street, #104
Ashland, OR 97529

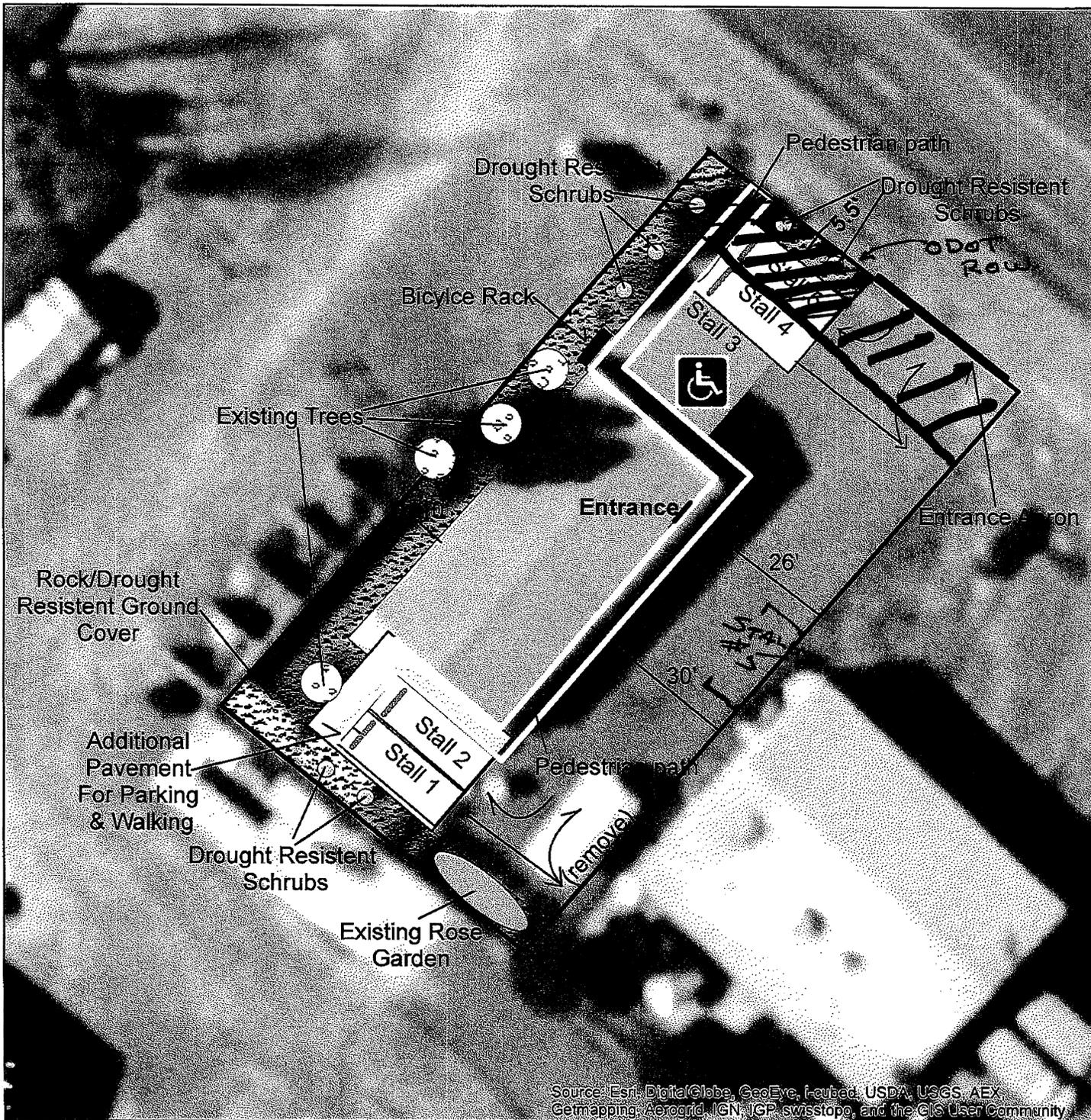
Telephone: 541-471-2222

Facsimile: 541-479-7060

Email: robert@evergreenlawgroup.net

SITE PLAN

38-1W-25B TL 2801



0 12.5 25 Feet

1 inch = 25 feet



This map is based on a digital database compiled by Jackson County GIS from a variety of sources, and may include RSA field data received by a Trimble GPS. We cannot accept responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied. 7-10-14

Source: Esri, DigitalGlobe, GeoEye, Earthstar (USA), USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

EXHIBIT A

Jeff Wilcox

From: meads@jcf5.com
Sent: Tuesday, October 04, 2016 1:52 PM
To: Jeff Wilcox
Subject: RE: Request for Agency Comment - City of Talent CUP 2016-004

Fire District 5 has no comment on the City of Talent CUP 2016-004 application.

Dave Meads
Jackson County Fire District 5
5811 South Pacific Highway
Phoenix Oregon 97535
Phone 541 535 4222
Fax 541 535 4226

----- Original Message -----

Subject: Request for Agency Comment - City of Talent CUP 2016-004
From: "Jeff Wilcox" <JWilcox@cityoftalent.org>
Date: 10/3/16 4:56 pm
To: "ctappert@rvss.us" <ctappert@rvss.us>, "Donald.MOREHOUSE@odot.state.or.us" <Donald.MOREHOUSE@odot.state.or.us>, "meads@jcf5.com" <meads@jcf5.com>, "welburn@jcf5.com" <welburn@jcf5.com>, "anapoli@rvcog.org" <anapoli@rvcog.org>, "chad.pliler@ecso911.com" <chad.pliler@ecso911.com>, "Curtis Whipple" <cwhipple@cityoftalent.org>

Local Agency,

Please see the proposed application (attachment) and provide any comments/questions you may have by [10/27/16](#). Please be sure to provide your name and agency as well as contact number in all responses. Email responses are encouraged.

Respectfully,

Jeff Wilcox

Community Development Assistant

City of Talent

110 East Main Street

PO Box 445

Talent, Oregon 97540

Office: 541-535-7401 ext. 1014

Fax: 541-535-7423

jwilcox@cityoftalent.org

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www.CityofTalent.org

The City of Talent is an Equal Opportunity Provider

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[Talent, Oregon](#)



ROGUE VALLEY SEWER SERVICES

Location: 138 West Vilas Road, Central Point, OR - Mailing Address: P.O. Box 3130, Central Point, OR 7502-0005
Tel. (541) 664-6300, Fax (541) 664-7171 www.RVSS.us

October 4, 2016

City of Talent
Community Development Department
PO Box 445
Talent, OR 97540

Re: SPR 2016-004, 630 South Pacific Hwy, Tax Lot 2801, Map 38 1W 25B, Pollard

The subject property is currently served through a 4 inch sewer lateral connected to the 12 inch sewer main in South Pacific Highway. The existing sewer system has adequate capacity to serve the proposed use.

The applicant is not proposing any changes to the plumbing within the building there are no sewer requirements.

The applicant is not proposing any changes to site that would require a stormwater management plan.

Rogue Valley Sewer Services has no requirements for this application.

Feel free to call me if you have any further questions.

Sincerely,

Carl Tappert, PE
Manager



**BEFORE THE TALENT PLANNING COMMISSION
STATE OF OREGON, CITY OF TALENT**

IN THE MATTER OF PLANNING COMMISSION FILE NO. CUP)
2016-004 LOCATED AT 630 S. PACIFIC HWY [MAP NO. 38-1W-25B)
TAXLOT 2801], THE CITY OF TALENT PLANNING)
COMMISSION FINDS THE FOLLOWING:) ORDER

1. The Planning Commission held a properly noticed public hearing on this matter on October 27, 2016;
2. The Planning Commission asked the Community Development Director to present a staff report and a proposed final order with findings and recommendations;
3. At the public hearing evidence was presented and the public was given an opportunity to comment;
4. The Commission found that the addition recreational cannabis sales is a separate use from the existing medical cannabis sales operation and is allowed in accordance with Section 8-3D.450 of the Talent Zoning Code;
5. The Commission found that the proposed application, with conditions in all other respects complied substantially with the criteria for approval in 8-3D.4, 8-3L.2 and 8-3M.2 of the Talent Zoning Code.

The Talent Planning Commission approves the Conditional Use Permit (CUP 2016-004) with the following conditions of approval:

GENERAL CONDITIONS:

1. No uses other than retail operations shall be conducted on the subject parcel without additional conditional use permit review.
2. Onsite consumption or use of marijuana products or tobacco are prohibited.
3. Security bars shall not be allowed on any portion of the exterior of the building, nor shall they be installed on the interior of the building if they are visible from the outside.

PRIOR TO ISSUANCE OF BUSINESS LICENSE:

4. Provide Community Development a complete list of products to be sold or stored onsite. Upon review by the Jackson County Fire District 5 Fire Chief or the Building Official, if it has been determined that a fire, life and safety inspection and/or a change

of occupancy is required, the applicant shall prior to Certificate of Occupancy, install all necessary improvements to meet the building code of the new occupancy group.

5. Submit plans for and install an appropriate air filtering and ventilation system sufficient to confine odors on the premises or provide evidence from a licensed professional that the existing air filtering and ventilation system is adequate to meet the intent of the standard. Plans for the necessary air filtering and ventilation system shall be submitted to the Building Official for review and approval prior to installation.
6. Provide Community Development with a complete copy of the approved State retail license including all conditions, prohibitions and a list of names of all owners, operators and employees. The names of all owners, operators and employees and their background checks shall be provided to Community Development on an annual basis as part of the business license application.
7. Provide Community Development a waste management plan in accordance with OAR 845-025-7750 detailing how solid and hazardous waste along with wastewater will be disposed or provide documentation that a waste management plan has been approved as part of the OLCC licensing process. The applicant shall install any required waste management facilities necessary to meet the requirements of OAR 845-025-7750.
8. Permanently mark one (1) additional parking space as proposed on the approved site plan.
9. Install one bicycle space for every ten (10) motor vehicle parking spaces. Sheltered bicycle parking is recommended.

PRIOR TO ISSUANCE OF ANNUAL BUSINESS LICENSE:

10. License provide Community Development with a complete copy of all financial records subject to audit consistent with Ordinance 14-875-O.

IT IS HEREBY ORDERED THAT the Talent Planning Commission approves with conditions the requested conditional use permit to operate a retail cannabis business based on the information presented in the Staff Report and Findings of Fact below:

In the following, any text quoted directly from City codes appears in *italics*; staff findings appear in regular typeface.

8-3D.450 BUILDINGS AND USES SUBJECT TO CONDITIONAL USE REVIEW

The planning commission may grant or deny a conditional use permit in accordance with the procedure and provisions set forth in Article 8-3L.2.

B. Retail sales of medical or recreational marijuana.

FINDING: The subject parcel is zoned Commercial Highway (CH) and has allowed medical dispensaries or recreational sales of marijuana in the zone since December 5, 2014 subject to

Section 8-3L.2 of the Talent Zoning Code. The applicant maintains that the retail sales of cannabis has occurred at this location since the medical marijuana dispensary opened in October 2014 in accordance with Oregon Medical Marijuana Program (OMMP) regulations and that retail sales of medical cannabis was neither allowed nor disallowed in the Talent Zoning Code at the time the business began operations. However, the OMMP program at that time did not allow for “retail” sales of medical cannabis to the general public, and only allowed for reimbursement. OAR 845-025-1015 defines a retailer as:

(47) “A marijuana retailer licensed by the Commission (Oregon Liquor Control Commission).”

In 2014 when the applicant began operating the medical marijuana facility, the OMMP disallowed the sales of marijuana for a profit and retail licensing by the Commission was not available. Operators of a medical marijuana facility were only able to be reimbursed by patients for the cost of supplies and utilities associated with the production of his or her medical marijuana; the Act did not allow reimbursement for labor or any other costs.

Additionally, Section 8-3B.220(H) of the Talent Zoning Code defines a retail use as:

1. *Establishments involved in the **sale, lease, or rent of new or used products to the general public for personal or household consumption** and establishments involved in the sale of personal services, hospitality services, or product repair services to the general public.*

When the medical marijuana facility operations were approved in 2014, it was to serve only a limited population of OMMP card holders, and because of this is not classified as a pre-existing retail operation.

The applicant stated that Grateful Meds began selling limited recreational marijuana products to consumers over the age of 21 in February 2016 after OLCC implemented the recreational marijuana retail sales program. Since Staff has determined that retail operations by both State and local definitions were not taking place prior to December 5, 2014 when revisions to the City’s Zoning Code were adopted, and since the sales of retail marijuana has not been approved through a conditional use permit review, the use is being conducted in violation of the City zoning code. Once the conditional use permit review allowing the recreational retail sales of marijuana has been approved, the sales of recreational marijuana may be continued. **The provisions of this section have been met subject to conditions of approval.**

8-3L.244 GENERAL CRITERIA FOR APPROVAL

In judging whether or not a conditional use permit shall be approved or denied, the Planning Commission shall find that the following criteria are either met, can be met by observance of conditions, or are not applicable. A conditional use may be granted only if:

- A. *The proposed use is consistent with the City of Talent Comprehensive Plan.*

FINDING: The proposed use is consistent with the intent of the uses allowed on a property with a commercial Comprehensive Plan Designation. **The provisions of this section have been met subject.**

- B. *The proposed use is consistent with the purpose of the zoning district.*

FINDING: The purpose of the CH zoning district is to accommodate businesses and trade oriented towards automobile and truck usage. Tourist trade and heavy commercial or light industrial uses can also be accommodated in this zone. The proposed use is the addition of recreational sales of marijuana allowed as a conditional use in the CH zone. The proposed use has met or can meet the conditional use requirements of 8-3L.2 with conditions of approval. **The provisions of this section have been met subject to conditions of approval.**

- C. *The proposed use and development is found to meet the required findings of 8-3L.150, "Required Findings for Approval of Plan," set forth for approval of a site development plan review.*

FINDING: As stated in the findings for 8-3L.150 below, the proposed use is located within an existing building. Only minimal site development review is necessary to ensure the site can accommodate the required parking and to determine if additional buffering is required. **The provisions of this section have been met subject to conditions of approval.**

- D. *The proposed use will not adversely affect the livability, value, and appropriate development of abutting properties and the surrounding area, compared to the impact of uses that are permitted outright. Testimony of owners of property located within two hundred and fifty (250) feet of the boundaries of the property in question shall be considered in making this finding.*

FINDING: The proposed addition of recreational sales of marijuana is subject to OLCC rules consistent with or stricter than the existing medical marijuana dispensary. As proposed, the retail operation will be a low-impact business similar in nature to other local retail businesses. Unlike the pre-existing medical use which is limited to only OMMP card holders, recreational sales will be open to the general public.

The applicant's statement addresses only medical and retail sales operations. No food product manufacturing, repackaging or growing of products or lab testing facilities have been approved as part of this conditional use permit. As a general condition of approval, no uses other than retail or medical sales operations shall be conducted in the building on the subject parcel. **The provisions of this section have been met subject to conditions of approval.**

- E. *All required public facilities have adequate capacity to serve the proposal. System Development Charges will be assessed at the time a building permit is issued. Additional SDCs will be assessed for change in use that are more intense than a pre-existing use.*

FINDING: The proposed use is within an existing building built in 1991 and was recently reconstructed to accommodate the proposed retail use. The proposed use will not create capacity issues for the public facilities in the area, therefore additional SDCs will not be assessed. As a general condition of approval, no uses other than retail or medical sales of marijuana or marijuana products shall be conducted on the subject parcel without additional conditional use permit review. **The provisions of this section have been met subject to conditions of approval.**

- F. *The site size, dimensions, location, topography, and access are adequate considering such items as the bulk, coverage or density of the proposed development; the generation of traffic; environmental quality impacts; and health, safety or general welfare concerns.*

FINDING: The proposed addition of retail marijuana sales does not increase the site size, building dimensions, location, topography or generate a significant increase in traffic. Considering the proposed retail business is cannabis related, concerns of environmental quality impacts, health, safety and general welfare must be addressed.

Section 8-3L.215 of the Talent Zoning Code authorizes the Planning Commission to grant or deny conditional uses and shall impose any conditions which are necessary to ensure compliance and to protect the health, safety or general welfare of the community. Section 8-3L.246(I) shall apply and is addressed below. **The provisions of this section have been met subject to conditions of approval.**

- G. *The City of Talent has adequate firefighting equipment to protect the structure, as verified by the Talent Fire Chief, or arrangements have been or will be made by the developer to insure that adequate equipment will be available before the occupancy of the building for any use.*

FINDING: The existing building was built 1991 and the current occupancy rating was recently changed to mercantile. Jackson County Fire District 5 has recommended that other businesses handling marijuana related products provide a list of products onsite to determine if the State Fire Marshall requires a change of building occupancy. If a change of occupancy is determined as necessary, a fire, life and safety inspection may be required. As a condition of approval, the applicant shall, prior to Certificate of Occupancy, provide Community Development a complete list of products onsite. Upon review by the Jackson County Fire District 5 Fire Chief or the Building Official, if it has been determined that a fire, life and safety inspection and/or a change of occupancy is required, the applicant shall prior to issuance of a City business license, install all necessary improvements to meet the building code of the new occupancy group. **The provisions of this section have been met subject to conditions of approval.**

8-3L.246 SPECIAL STANDARDS GOVERNING CONDITIONAL USES

Certain conditional uses shall meet the following standards:

- I. *Retail Sales of Medical & Recreational Marijuana*
1. *Establishments vending medical or recreation marijuana shall be located at least 100 feet from a residential zone, 100 feet from a mixed use building with a residential unit, at least 750 feet from a public or private park and at least 1,000 feet from an existing public or private elementary, secondary or career school primarily attended by minors. For purposes of determining the distance between the establishment and the aforementioned areas, within the specified distance means a straight line measurement in a radius extending for specified distance or less in every direction from any point on the boundary line of a residential zone, public or private park or from an existing public or private elementary, secondary or career school primarily attended by minors.*

FINDING: The subject parcel is approximately 130 feet from a residential zone and more than 1,200 feet from the closest dispensary. The proposed business is more than 800 feet from Chuck Roberts park and no schools are within 1,000 feet.

As proposed, the addition of a retail sales operation will occupy the same cubic space and does not change the overall character of the area. The medical marijuana facility, while not a retail operation open to the public, does in fact have a retail component similar to that of a pharmacy. Considering the similarities in use classification, the addition of a recreational retail within the same building footprint will not adversely affect the surrounding businesses or properties.

The applicant's statement addresses only retail and medical sales operations. No discussion of food product manufacturing, repackaging or growing of products or lab testing facilities have been approved as part of this conditional use permit. While these uses are allowed, they are subject to conditional use permit approval which requires an additional public hearing and land use application. As a general condition of approval, no uses other than retail or medical sales operations shall be conducted on the subject parcel without additional conditional use permit review. **The provisions of this section have been met subject to conditions of approval.**

2. *No extracts, oils, resins or similar products from marijuana shall be produced on site and the use of open flames for the preparation of any products is prohibited.*

FINDING: In accordance with OAR 845-025-3500 and the provisions of this section, the proposed retail operation shall not produce extract, oils, resins or similar products from marijuana onsite or use of open flames for the preparation of any products.

OAR 845-025-3500 allows the licensed retailer to resell marijuana or a cannabinoid product, concentrate or extract to a marijuana consumers. Considering this allowance, it is likely that these products will be stored onsite in unknown types and quantities and may pose a fire, life and safety risk to other occupants of the building and the surrounding properties. As a condition of approval, the applicant shall, prior to Certificate of Occupancy, provide Community Development a complete list of products to be sold or stored onsite. Upon review by the Jackson County Fire District 5 Fire Chief or the Building Official, if it has been determined that a fire, life and safety inspection and/or a change of occupancy is required, the applicant shall prior to issuance of a City business license, install all necessary improvements to meet the building code of the new occupancy group. **The provisions of this section have been met subject to conditions of approval.**

3. *Marijuana and tobacco shall not be used on property where a sale occurs.*

FINDING: Use of marijuana and tobacco products onsite may have a negative impact on neighboring tenants and their patrons or adjacent property owners. In accordance with this section and OAR 845-025-1230 onsite consumption or use of marijuana products or tobacco where a sale occurs is prohibited. As a general condition of approval, onsite consumption or use of marijuana products or tobacco are prohibited. **The provisions of this section have been met subject to conditions of approval.**

4. *Establishment shall have air filtering and ventilation systems that confine odors to the premises.*

FINDING: Storage of marijuana products onsite may have a negative impact on neighboring tenants and their patrons or adjacent property owners. To reduce the impacts on the aforementioned group and to ensure compliance with the provisions of this section, the applicant shall prior to issuance of a City business license submit plans for and install an appropriate air filtering and ventilation system to confine odors on the premises. Plans for the necessary air filtering and ventilation system shall be submitted to the Building Official for review and approval prior to installation. **The provisions of this section have been met subject to conditions of approval.**

5. *Minors are not allowed on the premises unless they are a medical marijuana cardholder and accompanied by a parent or guardian.*

FINDING: The proposed retail operation shall comply with OAR 845-025-1230(6)(a) that limits any minor on a licensed premise except as provided in OAR 845-025-1230(7) which states:

- (7) *... a minor, other than a licensee's employee, who has a legitimate business purpose for being on the licensed premises, may be on the premises for a limited period of time in order to accomplish the legitimate business purpose. For example, a minor plumber may be on the premises in order to make a repair.*

The aforementioned OAR restriction shall be a general condition of approval. **The provisions of this section have been met subject to conditions of approval.**

6. *Owners, operators and employees who have been convicted of manufacturing or delivering drugs once in the past five years or twice in their lifetime may not operate or own a medical or recreational marijuana retail establishment.*

FINDING: The proposed retail operation is regulated by OAR 845-025-1000. As a condition of approval, the applicant shall, prior to the issuance of a City business license provide Community Development with a complete copy of the approved State retail license including all conditions, prohibitions and a list of names of all owners, operators and employees. The names of all owners, operators and employees and their background checks shall be provided to Community Development on an annual basis as part of the business license application. **The provisions of this section have been met subject to conditions of approval.**

7. *Prior to operation, background checks for all owners, operators and employees shall be provided to the City. Not providing required background checks for all owners, operators and employees at any time is grounds for revocation of the conditional use permit.*

FINDING: The proposed retail operation is regulated by OAR 845-025-1000. As a condition of approval, the applicant shall, prior to the issuance of a City business license provide Community Development with a complete copy of the approved State retail license including all conditions, prohibitions and a list of names of all owners, operators and

employees. The names of all owners, operators and employees and their background checks shall be provided to Community Development on an annual basis as part of the business license application. **The provisions of this section have been met subject to conditions of approval.**

8. *Establishments shall keep financial records that are subject to audit. (if tax is implemented)*

FINDING: Ordinance 14-875-O allows the City to exercise its right to impose a tax on the sale of marijuana and marijuana infused products in the City of Talent. Ordinance 14-875-O provides details for the duty of every seller liable for the collection and payment of any tax imposed by the City.

OAR 845-025-1200 also requires similar record retention and shall be made available for inspection if requested by an employee of the Oregon Liquor Control Commission (OLCC). Considering this OAR requirement, these documents are already required to be retained for a period of three (3) years and pose no additional burden on the applicant. As a condition of approval, the applicant shall, prior to the issuance of an annual City business license provide Community Development with a complete copy of all financial records subject to audit consistent with Ordinance 14-875-O. **The provisions of this section have been met subject to conditions of approval.**

9. *Establishment shall not have security bars and shall not operate a drive-thru facility.*

FINDING: The proposed retail establishment does not identify any drive-thru facilities nor are drive-thru facilities allowed in the CH zoning district.

In accordance with the provisions of this section, security bars are not allowed on any portion of the building. As a general condition of approval, security bars shall not be allowed on any portion of the exterior of the building, nor shall they be installed on the interior of the building if they are visible from the outside. **The provisions of this section have been met subject to conditions of approval.**

8-3L.247 *CONDITIONS AND RESTRICTIONS*

Conditional uses, including those not listed in 8-3L.246 above may be subject to additional standards. In permitting a new conditional use or the substantial alteration of an existing conditional use, the Planning Commission may impose conditions and require the installation of improvements which it considers necessary to conform to the provisions of this Chapter and to protect the best interests of the surrounding area or the City as a whole, and may require guarantees and evidence that such conditions are being or will be complied with. These conditions and improvements may include, but are not limited to, the following:

- J. *Requiring berms, screening, landscaping or other measures to protect adjacent or nearby property and designating standards for their installation and maintenance including, but not limited to a recorded development agreement approved by the City Attorney;*

FINDING: The subject parcel is zoned Commercial Highway (CH) and is not adjacent to a conflicting use or a single family zoning district. The proposed expansion is in an area with

heavy commercial activity and is less intensive than the surrounding uses. There are no external components to the proposed expansion of use that create the need for additional buffering, therefore buffering is not necessary. **The provisions of this section have been met.**

8-3L.150 REQUIRED FINDINGS FOR APPROVAL OF PLAN

After an examination of the site, the Planning Commission shall approve, or approve with conditions the site development plan if all of the following findings are made:

- A. *All provisions of this Chapter and other applicable City ordinances and agreements are complied with;*
- B. *The proposed development will be in conformance with the intent and objectives of the zone in which it will be located;*

FINDING: The purpose of the CH zoning district is to accommodate businesses and trade oriented towards automobile and truck usage. The proposed use is an expansion of a medical marijuana facility which is already retail in nature. The proposed use is a State regulated business that meets the intent of the zoning district. The proposed use is allowed as a conditional use to ensure compatibility with the surrounding properties and has met or can meet the conditional use requirements of 8-3L.2 with conditions of approval. **The provisions of this section have been met subject.**

- C. *All applicable portions of the City comprehensive plan or other adopted plan are complied with;*

FINDING: The proposed use is consistent with the intent of the uses allowed on a property with a commercial Comprehensive Plan Designation. **The provisions of this section have been met subject.**

- D. *The proposed development will be compatible with or adequately buffered from other existing or contemplated uses of land in the surrounding area;*

FINDING: The proposed use will be conducted entirely indoors and with proper interior ventilation and air filtering will have minimal, if any negative impacts on the adjacent tenants, neighboring properties or patrons. Once a proper air filtering and ventilation system has been installed, any compatibility issues will have been mitigated. As a condition of approval, the applicant shall prior to issuance of issuance of a City business license, submit plans for and install an appropriate air filtering and ventilation system to confine odors on the premises. Plans for the necessary air filtering and ventilation system shall be submitted to the Building Official for review and approval prior to installation. **The provisions of this section have been met subject to conditions of approval.**

- E. *That no wastes, other than normal water runoff, will be conducted into City storm and wastewater facilities;*

FINDING: No new structures are being proposed and the existing and proposed uses do not produce any exterior waste other than normal water runoff. **The provisions of this section have been met.**

F. *The following are arranged so that traffic congestion is avoided, pedestrian and vehicular safety, solar access, historic sites, and the public welfare and safety are protected, and there will be no adverse effect on surrounding property:*

3. *parking and loading facilities;*

FINDING: The proposed retail use is located in the same building as the medical marijuana facility. Both uses are classified as retail and the building square footage is not being increased, therefore the existing parking requirements for the proposed use do not change.

However, in September 2016, Staff was notified by the Oregon Department of Transportation that one (1) of the required parking stalls was located in the State highway right-of-way. The applicant was notified of the encroachment issue and advised to resubmit a corrected site plan demonstrating that the parking requirements could be met onsite without using the public right-of-way.

As required, the applicant submitted a revised site plan identifying the required five (5) parking stalls, including the one (1) required ADA stall. As a condition of approval, prior to issuance of City Business license, the applicant shall permanently mark the additional parking space in accordance with the approved revised plan.

Additionally, the site does not currently have the required bicycle parking, as a condition of approval the applicant shall, prior to issuance of City business license, install one bicycle space for every ten (10) motor vehicle parking spaces. Sheltered bicycle parking is recommended. **The provisions of this section have been met subject to conditions of approval.**

7. *noise generation facilities and trash or garbage depositories.*

FINDING: The proposed retail operation is handling products that are age restricted. Any cannabis waste produced by the operation shall be disposed of in accordance with OAR 845-025-7750 Waste Management which states the following:

(1) A licensee must:

(a) Store, manage and dispose of solid and liquid wastes generated during marijuana production and processing in accordance with applicable state and local laws and regulations which may include but are not limited to:

(A) Solid waste requirements in ORS 459 and OAR 340 Divisions 93 to 96;

(B) Hazardous waste requirements in ORS 466 and OAR 340, Divisions 100 to 106; and

(C) Wastewater requirements in ORS 468B and OAR 340, Divisions 41 to 42, 44 to 45, 53, 55 and 73.

(b) Store marijuana waste in a secured waste receptacle in the possession of and under the control of the licensee.

As a condition of approval, the applicant shall, prior to issuance of a City business license provide Community Development a waste management plan in accordance with OAR 845-025-7750 detailing how solid and hazardous waste along with wastewater will be disposed or provide documentation that a waste management plan has been approved as part of the OLCC licensing process. Prior to issuance of a City business license, the applicant shall install any

required waste management facilities necessary to meet the requirements of OAR 845-025-7750. **The provisions of this section have been met subject to conditions of approval.**

- G. *The applicant has made any required street and other needed public facility and service improvements in conformance with the standards and improvements set forth in this Chapter and the applicable portions of the City Subdivision Code, or has provided for an adequate security arrangement with the city to ensure that such improvements will be made.*

FINDING: The proposed retail use is consistent with the intent of the Commercial Comprehensive Plan designation. The existing building was built in 1991 in accordance with the regulations in effect at the time of development. The retail use, as proposed, increases but does not require additional public facilities or service improvements. **The provisions of this section have been met.**

This approval shall become final 14 days from the date this decision and supporting findings of fact are signed by the Chair of the Talent Planning Commission, below. A Planning Commission decision may be appealed to the Hearing's Officer within 14 days after the final order has been signed and mailed. An appeal of the Hearing's Officer decision must be submitted to the Land Use Board of Appeals within 21 days of the Hearing Officer's decision becoming final.

Failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the City to respond to the issue precludes an action for damages in circuit court.

Felicia Hazel
Planning Commission Chair

Date

ATTEST

Zac Moody
Community Development Director

Date

DATE: ~~September 14~~ October 13, 2016
TO: ~~Talent Planning Commission~~ Talent HNA Citizen Advisory Committee
CC: Zac Moody
FROM: Beth Goodman
SUBJECT: DRAFT: TALENT HOUSING POLICIES AND STRATEGIES

The City of Talent contracted ECONorthwest to develop a housing needs analysis (HNA). The HNA will determine whether the City has enough land to accommodate 20-years of population and housing growth. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

This memorandum presents a draft of revised Housing policies for Talent based on the City's existing Comprehensive Plan Housing policies and discussions with the Citizen Advisory Committee (CAC) at the meeting on August 10, 2016, ~~and August 31, 2016,~~ and October 4, 2016.

Appendix A provides a list of strategies for managing residential land. Many of these policies are commonly used by cities and Talent already uses many of these policies. The purpose of this appendix is to provide the CAC with information about potential policies that could be implemented in Talent to address the City's deficit of residential land and to address housing affordability problems.

Revised Housing Policies

Note to reviewers: Some of the objectives below include implementation steps and some do not. By the time we finalize the housing strategy, each objective will have one or more implementation strategies.

POLICY 1: Land Availability: Plan to for a 20-year supply of suitable land for Talent's housing needs within the existing urban growth boundary to the extent possible.

Objective 1.1: Identify opportunities to address the residential land deficits identified in the Housing Needs Analysis.

Implementation Strategy 31.1a: Develop a true Medium Density Plan Designation and Zone that allows 5 to 10 dwelling units per gross acre and single-family detached and townhouses. Note to reviewers: The RPS uses a 17.5% net to gross factor to account for rights of way. Talent's zoning code assumes 24% in the RH but does not specify net to gross assumptions for other residential zones. This analysis assumed 17.5%. A 24% factor would result in densities of 4.5 to 9 dwelling units per gross acre.

Implementation Strategy 13.1b: Identify low-density residential land that should be redesignated for medium-density or high-density residential uses.

Implementation Strategy 13.1c: Identify commercial and industrial land that should

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be redesignated for low-, medium-, or high-density residential uses.

~~Objective 1.1: Provide for increased residential use within the CBD zone in a way that also promotes business, as described in Policy 2.~~

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~~Objective 1.2: Revise and implement the Talent Railroad District Master Plan to make this land available for development. The Master Plan ~~which~~ envisions development of housing, mixed-use residential, and public facilities such as streets necessary to service development of the District.~~

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Implementation Strategy 1.2a: Revise the Master Plan to fit with Talent’s revised housing policies and to ensure that development plans proposed in the Master Plan are both efficient and support development of infrastructure by the developers of the area.

Implementation Strategy 1.2b: Plan for infrastructure development in the Master Plan area by securing permission for a rails crossing (or more than one crossing, if necessary) to allow for infrastructure development.

Implementation Strategy 1.2c: Develop plans to pay for infrastructure in the Master Plan area through methods such as developing public-private partnerships with landowners in the area and planning for backbone infrastructure development in the City’s Capital Improvement Plan (CIP).

~~Objective 1.3: Address applicable requirements of the Regional Problem Solving (RPS) when making decisions about changes to the Comprehensive Plan map and Zoning map.~~

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Implementation Strategy 1.3a: This is an on-going strategy that the City will continue to perform as it makes changes to the Comprehensive Plan map and Zoning map.

~~Objective 1.4: Work with the Regional Problem Solving Policy Committee to revise plans for Talent’s urban reserve areas to fit with the residential needs identified in the Talent Housing Needs Analysis, through actions such as re-examining the distribution of residential, commercial, and industrial lands with Talent’s adopted Urban Reserves.~~

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Implementation Strategy 1.4a: City staff should work with the RPS Policy Committee to revise plans for Talent’s urban reserve areas.

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Implementation Strategy 1.4b: City staff should work with landowners in Talent’s urban reserves to understand landowners’ preferences for development and understand how these preferences fit into Talent’s housing needs, as identified in the Housing Needs Analysis.

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~~Objective 1.5: If the City cannot accommodate the forecast for housing growth~~

within the urban growth boundary, evaluate expansion of the urban growth boundary to accommodate housing needs.

Implementation Strategy 1.5a: Once the City has completed evaluation of land use efficiency measures in Objective 1.1, staff should determine whether there is a need to expand the urban growth boundary and articulate what kind of land is needed. If there is a need for an urban growth boundary expansion, the City should initiate the analysis necessary to support such an expansion.

Objective 1.5: Work with the Regional Problem Solving Policy Committee to re-examine the distribution of residential, commercial, and industrial lands with Talent's adopted Urban Reserves. **Objective 1.1:** Provide for increased residential use within the CBD zone in a way that also promotes business, as described in Policy 3.

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POLICY 2: Opportunity for Development of a Range of Housing Types: Provide opportunities for development of a range of housing types that are affordable to households at all income levels as described in the Talent Housing Needs Analysis. These housing types include (but are not limited to): single-family detached housing, accessory dwellings, cottage housing, manufactured housing, townhouses, duplexes, and apartments.

HUD sets a Median Family Income (MFI) for each county in the nation based on information from the U.S. Census' American Community Survey. The MFI is meant to provide information about the income of an average family. In 2016, Jackson County's MFI was \$53,000.

Objective 2.1: Support renovation and redevelopment of existing housing in Talent.

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Implementation Strategy 2.1a: Identify housing that is in bank ownership or foreclosure or has been abandoned or not occupied for a long term period and work with the property owner to renovate or redevelop the housing.

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Implementation Strategy 2.1b: Develop an expedited land use application process for substantial redevelopment and renovation of existing housing.

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Objective 2.12: Provide opportunity for development of housing affordable to low-income households, including government-assisted housing. HUD defines low-income households as households with less than 60% of MFI (about \$32,000 in 2016).

Commented [BG1]: Zac – As a reminder, you were going to look at the taxes that would be saved through use of a tax break like MUPTC or the vertical housing tax credit.

Implementation Strategy 2.12a: Partner with the Jackson County Housing Authority to support development of new housing projects in Talent, especially when the City's support can help the Housing Authority acquire funds to develop affordable housing.

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Implementation Strategy 2.12ab: Partner with the Jackson County Housing Authority and other social service organizations to expedite new housing projects when their programs have funds committed to such projects.

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~~Implementation Strategy 2.12b:~~ Partner with the Jackson County Housing Authority to support development of new housing projects in Talent, especially when the City's support can help the Housing Authority acquire funds to develop affordable housing.

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Implementation Strategy 2.12c: Evaluate the potential benefits and costs (and fiscal impacts on the City) of offering property tax exemption for government-subsidized housing developed by public or nonprofit agencies for households with incomes of less than 60% MFI.

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Implementation Strategy 2.12d: ~~Encourage~~ Evaluate policies that encourage the development of accessory dwelling units ("granny flats") on existing and proposed lots to provide a source of affordable housing, such as standardizing the development standards rather than requiring a hearings to process development applications for an accessory dwelling unit or developing systems development charges for accessory dwelling units that scale with the size of the unit.

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Implementation Strategy 2.12e: Evaluate opportunities to use city-owned buildable properties that have been identified as surplus as a place to develop ~~government-subsidized~~ affordable housing.

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Objective 2.23: Provide opportunity for development of housing affordable to moderate -and higher-income households. HUD defines moderate- and higher-income as households with incomes between 60% and 120% of MFI (about \$32,000 to \$64,000 in 2016).

Objective 2.2 will be implemented through implementing strategies xxx.

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Objective 2.43: Provide opportunity for development of housing affordable to higher-income as households with incomes above 120% of MFI (\$64,000 and above in 2016).

Implementation Strategy 2.43a: Provide opportunity for development of a wide-range of single-family detached housing, including single-family detached on larger lots (e.g., 8,000 square feet lots).

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Objective 2.44: Support renovation and redevelopment of existing housing in Talent.

Implementation Strategy 2.44a: ~~Identify~~ Develop a process to identify housing that is in bank ownership or foreclosure or has been abandoned or not occupied for a long-term period.

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~~Implementation Strategy 2.4a: and w~~Work with the property-owner to expedite the renovation or redevelopment the housing.

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Implementation Strategy 2.4c: Develop an expedited building permit process for substantial redevelopment and renovation of existing housing.

~~Implementation Strategy 2.1b: Develop an expedited land use application process for substantial redevelopment and renovation of existing housing.~~

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POLICY 3: Efficient Development Patterns: The City will support and encourage residential development, infill, and redevelopment, especially in downtown, as a way to use land and existing infrastructure more efficiently and promote pedestrian-oriented commercial development in downtown.

“Infill” is additional development on the vacant portion of a tax lot with existing development (i.e., putting a new residence on a 2-acre tax lot where the existing residence occupies one-half of an acre). “Redevelopment” is when an existing building is demolished and a new building is built, adding additional capacity for more housing. Redevelopment could also include substantial renovations of an existing building that increases the residential capacity of the building.

Objective 3.1: Provide a variety of housing types in Talent at densities that support maintaining overall densities of 6.6 dwelling units per gross acre through 2035 and 7.6 dwelling units per gross acre between 2036 and 2060.

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~~Implementation Strategy 3.1a: Develop a true Medium Density Plan Designation and Zone that allows 5 to 10 dwelling units per gross acre and single family detached and townhouses. Note to reviewers: The RPS uses a 17.5% net to gross factor to account for rights of way. Talent's zoning code assumes 24% in the RH but does not specify net to gross assumptions for other residential zones. This analysis assumed 17.5%. A 24% factor would result in densities of 4.5 to 9 dwelling units per gross acre.~~

~~Implementation Strategy 3.1b: Identify low density residential land that should be redesignated for medium density residential uses.~~

~~Implementation Strategy 3.1c: Identify commercial and industrial land that should be redesignated for low, medium, or high density residential uses.~~

Implementation Strategy 3.1a: Evaluate opportunities for allowing smaller lots in the zones in Talent's Low Density Residential designations. RS-7 has a minimum lot size of 6,000 square feet and RS-4 has a minimum lot size of 7,000 square feet.

Implementation Strategy 3.1d: Evaluate development of a cottage housing ordinance to

~~allow for development of small single family detached housing clustered on a lot, possibly with the inclusion of park or open space.~~

Implementation Strategy 3.1bd**:** Evaluate development of a cottage housing ordinance to allow for development of small single-family detached housing clustered on a lot, possibly with the inclusion of park or open space.

Implementation Strategy 3.1ce**:** Evaluate development of a tiny ordinance to allow for development of tiny houses clustered on a lot, possibly with the inclusion of park or open space.

~~**Implementation Strategy 3.1**g**:** Evaluate lowering the systems development for an accessory dwelling unit to scale to the size of the unit.~~

Objective 3.2: The City will develop policies and programs to encourage residential and mixed-use development in downtown. (Consistent with Economic Objective 2.1.)

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~~**Implementation Strategy 3.2**a**:** Provide additional opportunities for development of housing within the Central Business District zone in a way that also promotes business through mixed-use development.~~

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Implementation Strategy 3.2ba**:** Evaluate developing a Downtown Overlay that supports development of three-story buildings (with a maximum of 45 feet) as a permitted use.

Implementation Strategy 3.2cb**:** Refine design standards for a new Downtown Business District (when it is established) based on the Old Town District Overlay, to encourage mixed use development and ensure a reasonable transition between one-story and three-story buildings.

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Implementation Strategy 3.2de**:** Identify and plan for investments and infrastructure necessary to support redevelopment of key sites in downtown. (Consistent with Economic Strategy 2.1f.)

Objective 3.3: The City will develop policies and programs to encourage residential and mixed-use development in other areas of the city.

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Implementation Strategy 3.3a**:** Support and encourage implementation or amendment of the West Valley View Master Plan to develop or redevelop properties within the Master Plan area. (Consistent with Economic Strategy 2.1d.)

Implementation Strategy 3.3b**:** Evaluate opportunities to rezone ~~undeveloped~~ commercial land on streets that are not adjacent to Talent Avenue to meet identified residential land needs. (Consistent with Economic Strategy 2.2a.)

Implementation Strategy 3.3c**:** Develop policies to allow ground floor residential use

as a temporary use in commercial mixed-use buildings. These policies should include provisions such as: design standards to ensure that the ground floor in new commercial buildings is designed for commercial use and zoning districts or overlay areas these uses are allowed. (Consistent with Economic Strategy 2.2b.)

POLICY 4: Zoning Flexibility: The City will support residential development through adopting a flexible zoning code that provides developers with flexibility, balancing the need for housing to develop consistent with density targets in the RPS (an ~~overall~~ average of 6.6 dwelling units per gross acre through 2035 and 7.6 dwelling units per gross acre between 2036 and 2060) while protecting scenic and natural resources.

~~“Infill” is additional development on the vacant portion of a tax lot with existing development (i.e., putting a new residence on a 2-acre tax lot where the existing residence occupies one-half of an acre).~~

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Objective 4.1: Develop standards for residential development that allow for flexibility in lot size standards.

Implementation Strategy 4.1a: Revise the City’s flag lot ordinance to provide consistency with other residential zones for lot setback requirements and to provide clearer standards for driveway access.

Objective 4.2: Develop standards for residential development based on the number of bedrooms.

~~**Implementation Strategy 4.1b:** Revise the City’s development code to require shadow platting³ for lots that are twice or more the minimum size of the zone to ensure maximum development efficiency.~~

Implementation Strategy 4.2a1e: ~~Evaluate developing~~ Develop zoning standards in the High Density Residential (R-2), Central Business District (C-2), and Neighborhood Commercial (C-1) zoning districts for cottage housing, tiny houses, and multifamily housing to determine densities based upon the number of bedrooms rather than the number of units to encourage inclusion of studios and one- and two-bedroom units in new residential developments.

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Implementation Strategy 4.2b: Evaluate developing zoning standards in the High Density Residential (R-2), Central Business District (C-2), and Neighborhood Commercial (C-1) zoning districts to determine densities based upon the number of bedrooms rather than the number of units to encourage inclusion of studios and one- and two-bedroom units in new residential developments.

³Shadow platting is a process for evaluating the number of lots a tax lot could be divided into based on zoning standards. Shadow platting helps the property owner understand the implications of development proposals for future lot subdivision.

Implementation Strategy 4.2c: Evaluate modifying multifamily parking standards based on the number of bedrooms.

Objective 4.3: Streamline the building permit review process.

Implementation Strategy 4.3a: Review the current process for building permit review and processing with Jackson County and make recommendations to increase the speed of the building permit review process.

Implementation Strategy 2.1b: Develop an expedited land use application process for substantial redevelopment and renovation of existing housing.

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Appendix A: Strategies to Manage Talents Residential Land

This appendix presents a menu of housing strategies (policies) commonly, and some less commonly, used to manage a City's supply of residential land. These strategies may provide ideas potential changes to housing policy in Talent. The purpose of this appendix is to provide the CAC and Planning Commission with information about potential policies that could be implemented in Talent to address the City's deficit of residential land and to address housing affordability problems.

It is common for jurisdictions to adopt combinations of strategies to manage growth and improve the efficiency and holding capacity of land uses. Such strategy groupings, however, are not necessarily cumulative in their intent or impact. Strategies that address similar issues may not be mutually reinforcing. For example, having strategies in residential zones for maximum lot size and minimum density essentially address the same issue—underbuild in residential zones. Thus, Talent should carefully consider their existing strategies and policies and evaluate each strategy individually and in consideration of other strategies. It is also important to consider market dynamics when evaluating land use efficiency strategies. Strategies such as density bonuses or the transfer or development rights (TDRs) may be of limited effectiveness if they encourage building types or densities that have little demand or are economically unviable.

Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes and those, which increase the land available for housing.

Strategy Name	Description	Scale of Impact in Talent
Regulatory Changes		
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,</p>	<p>Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made to Talent's zoning and other ordinances.</p>
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications; however, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>	<p>Scale of Impact - Small. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to Talent's procedures.</p>
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft. This policy allows individual small lots within a subdivision or short plat. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small lots limit sprawl, contribute to the more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p>	<p>Scale of Impact – Small to moderate. Cities have adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes.</p>

Strategy Name	Description	Scale of Impact in Talent
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p>	<p>Scale of Impact – Small to moderate. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p>
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multiple-family zones they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p>	<p>Scale of Impact - Small to moderate. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p>Scale of Impact – Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p>
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p>Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>

Strategy Name	Description	Scale of Impact in Talent
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p>Scale of Impact - Small. This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> • Housing preservation ordinances • Housing replacement ordinances • Single-room-occupancy ordinances • Regulating demolitions 	<p>Scale of Impact - Small. Preserving small existing housing can make a difference in the availability of affordable housing in Talent but it is limited by the existing stock housing, especially smaller, more affordable housing.</p>
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning-requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives.</p> <p>Price of low-income housing passed on to purchasers of market-rate housing; inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p>	<p>Scale of Impact – Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>

Increasing Land Available for Housing		
Redesignate or rezone land for housing	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing).</p> <p>This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p>	Scale of Impact - Small to large: Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.
Encourage multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p>	Scale of Impact – Small to moderate: Talent already encourages multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed many of the commercial areas where it would be desirable.
Promoting Infill Development	<p>This policy seeks to maximize the use of lands that are fully developed or underdeveloped. Make use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities, and (2) reduce impediments to development in areas suitable for infill or redevelopment.</p> <p>Regulatory approaches to promote infill development include:</p> <ul style="list-style-type: none"> • Administrative streamlining • Allowing accessory dwelling units (ADUs) • Allowing small lots • Density bonuses 	Scale of Impact – Small. In general, infill development, especially small-scale infill, is more expensive than other types of residential development. Some types of infill development, such as ADUs, may provide opportunities for relatively affordable housing.

Transfer or Purchase of Development Rights	This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded. This policy can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).	Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.
Provide Density Bonuses to Developers	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain amount affordable units.</p>	Scale of Impact - Small.
Parcel assembly	<p>Parcel assembly involves the city’s ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is more often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.</p>	Scale of Impact - Small to moderate: Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.

Community Land Trust (CLT)	<p>A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable.</p> <p>CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation purchases a future site for affordable housing or other housing that meets community goals.</p> <p>A variation to the community land trust is to have the City own the property rather than the land trust, and lease property to income-qualifying households (such as low-income or moderate-income households) to build housing. The City would continue to own the land over the long-term but the homeowner would be able to sell the house. Restrictions on resale ensure that the home remains affordable.</p>	<p>Scale of Impact - Small to moderate: A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
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Increase the types of housing

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact in Talent
Allow Duplexes, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p>	<p>Scale of Impact - Small. Allowing these types of housing in more zoning districts may provide a relatively small number of new, relatively affordable, housing opportunities.</p> <p>Talent does not allow these types of housing as an outright permitted use in some zones.</p>

Strategy Name	Description	Scale of Impact in Talent
Permit Accessory Dwelling Units (ADUs) in single-family zones	Communities use a variety of terms to refer to the concept of accessory dwellings: secondary residences; “granny” flats; and single-family conversions, among others. Regardless of the title, all of these terms refer to an independent dwelling unit that share, at least, a tax lot in a single-family zone. Some accessory dwelling units share parking and entrances. Some may be incorporated into the primary structure; others may be in accessory structures. Accessory dwellings can be distinguished from “shared” housing in that the unit has separate kitchen and bathroom facilities. ADUs are typically regulated as a conditional uses. Some ordinances only allow ADUs where the primary dwelling is owner-occupied.	Scale of Impact - Small. Allowing ADUs can provide opportunity for development of a small number of new, more affordable housing. Talent allows ADUs.
Allow small or “tiny” homes	<p>“Tiny” homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p>	Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.
Allow Co-housing	<p>Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house.</p> <p>This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones.</p>	Scale of Impact - Small. While co-housing may be able to achieve multi-family housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.

Programs that provide financial assistance to homeowners and renters

The following policies focus on ways in which the City and other community stakeholders can provide financial assistance to potential residents in order to increase housing affordability and accessibility for multiple income groups.

Strategy Name	Description	Scale of Impact in Talent
Home ownership programs	<p>Cities use a variety of programs to assist with homeownership</p> <ul style="list-style-type: none"> • Homebuyer Assistance Programs. These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers. • Inclusionary Housing Program. Some cities have an Inclusionary Housing Ordinance (IH) requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can be allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term. • Partnerships. Cities often work with partnerships with nonprofit agencies that provide homeownership assistance. 	<p>Scale of Impact - Small. While homeownership programs are important, limited funds mean that the number of households that benefit from homeownership programs is relatively small.</p>
Rental assistance programs	<p>Cities use a variety of programs to provide rental assistances</p> <ul style="list-style-type: none"> • Section 8 Voucher: This assistance subsidizes the difference between 30 to 40 percent of a household's income and the area's Fair Market Rent (FMR). • Rental assistance programs. These programs offer a range of services, such as assistance with security deposits. • Rent Control. Rent control regulations control the level and increases in rent, over time resulting in rents that are at or below market rates. • Partnerships. Cities often work with partnerships with nonprofit agencies that provide rental assistance. 	<p>Scale of Impact - Small. Renter assistance programs are important. However, limited city funds mean that the number of households that benefit from rental assistance resulting from city funding is relatively small.</p>
Housing Rehabilitation Programs	<p>Cities often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.</p>	<p>Scale of Impact - Small. Limited fund availability means that relatively few households will be able to access housing rehabilitation funds.</p>

Programs that provide financial assistance to lower development or operational costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in Talent in order to increase housing affordability and available housing stock.

Recommendations are broken into the following categories: programs to lower the cost of development, sources of funding to pay for infrastructure to support development, and tax abatement programs that decrease operational costs by decreasing property taxes.

Strategy Name	Description	Scale of Impact in Talent
Programs to lower the cost of development		
SDC Financing Credits	Enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. Can come in the form of student, low-income, or workforce housing.	The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non negatively impact one entity.
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and TIF. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or "parking credits" that developers would purchase from the City for access "entitlement" into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also these fees or revenues allow for new revenue streams into the City.	

Strategy Name	Description	Scale of Impact in Talent
Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, EB-5.	
Reduced Parking Requirements	Allows development of housing units to with discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed. Reduced parking requirements are generally used in conjunction of development of subsidized affordable housing but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.	Scale of Impact - Small. The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.
Sources of funding to pay for infrastructure to support development		
Urban Renewal / Tax Increment Finance (TIF)	<p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or start up businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces 	Scale of Impact – Moderate. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.

Strategy Name	Description	Scale of Impact in Talent
General Fund and General Obligation (GO) Bonds	The city can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. GO Bonds require a public vote which can be time-consuming and costly. GO Bonds also raise property owner taxes.	Scale of Impact – Moderate to Large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).
Linkage Fees for Non-Residential Development	Linkage fees are a type of impact fee based on the source of the impact. In this case, the fee is based on the impact of commercial and industrial development creating additional housing demand. New nonresidential development generates jobs, which triggers housing needs for their workers. Commercial and/or industrial developers are charged fees, usually assessed per square foot, which then are used to build new housing units. A community-wide analysis is usually performed to estimate the type and amount of jobs and wages that are expected to be generated by new development.	
Local Improvement District (LID)	This tool is a special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners and setting up fair LID payments for various property owners, who are located different distances from the improvement can be challenging. However, if successful it succeeds in organizing property owners around a common goal. It also allows property owners to make payments over time to bring about improvements quickly that benefit them individually. LIDs can also be bundled with other resources, such as TIFs.	
Community Development Block Grants (Federal Program, Locally Administered)	<p>Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons. Funds can be applied relatively flexibly. This program has been run since 1974, and is seen as being fairly reliable, but securing loans/grants for individual projects can be competitive.</p> <p>Some drawbacks to CDBG funds include:</p> <ul style="list-style-type: none"> • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is not in the control of the City. 	

Strategy Name	Description	Scale of Impact in Talent
Section 108 (Federal Program, Locally Administered)	HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation. These funds can be fairly flexible in their application. The program has been in operation since 1974 and has gained reliability. It enables a larger amount of very low interest-rate-subordinate funding for eligible projects. As with CDBGs, the process of securing the loan can be competitive.	Scale of Impact - Small. Section 108 funds could be used to help finance development of some affordable housing but would only cover a portion of the affordable housing development.
Housing Trust Funds	Housing trust funds are designed locally so they take advantage of unique opportunities and address specific needs that exist within a community. Housing trust funds support virtually any housing activity that serves the targeted beneficiaries and would typically fund new construction and rehabilitation, as well as community land trusts and first time homeowners. This tool is often used in cities with inclusionary zoning ordinances, which generates fees to fund development of the housing trust fund. Successfully implementing this tool requires a dedicated funding source.	
Tax abatement programs that decrease operational costs by decreasing property taxes		
Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)	Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria: <ul style="list-style-type: none"> • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential. State program webpage.	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Field Code Changed

Strategy Name	Description	Scale of Impact in Talent
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

DATE: October 13, 2016
TO: Talent HNA Citizen Advisory Committee
CC: Zac Moody
FROM: Beth Goodman
SUBJECT: DRAFT: TALENT HOUSING POLICIES AND STRATEGIES

The City of Talent contracted ECONorthwest to develop a housing needs analysis (HNA). The HNA will determine whether the City has enough land to accommodate 20-years of population and housing growth. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

This memorandum presents a draft of revised Housing policies for Talent based on the City's existing Comprehensive Plan Housing policies and discussions with the Citizen Advisory Committee (CAC) at the meeting on August 10, 2016, August 31, 2016, and October 4, 2016.

Appendix A provides a list of strategies for managing residential land. Many of these policies are commonly used by cities and Talent already uses many of these policies. The purpose of this appendix is to provide the CAC with information about potential policies that could be implemented in Talent to address the City's deficit of residential land and to address housing affordability problems.

Revised Housing Policies

Note to reviewers: Some of the objectives below include implementation steps and some do not. By the time we finalize the housing strategy, each objective will have one or more implementation strategies.

POLICY 1: Land Availability: Plan to for a 20-year supply of suitable land for Talent's housing needs within the existing urban growth boundary to the extent possible.

Objective 1.1: Identify opportunities to address the residential land deficits identified in the Housing Needs Analysis.

Implementation Strategy 1.1a: Develop a true Medium Density Plan Designation and Zone that allows 5 to 10 dwelling units per gross acre and single-family detached and townhouses.

Implementation Strategy 1.1b: Identify low-density residential land that should be redesignated for medium-density or high-density residential uses.

Implementation Strategy 1.1c: Identify commercial and industrial land that should be redesignated for low-, medium-, or high-density residential uses.

Objective 1.2: Revise and implement the Talent Railroad District Master Plan to make this land available for development. The Master Plan envisions development of housing, mixed-use residential, and public facilities such as streets necessary to service development of the District.

Implementation Strategy 1.2a: Revise the Master Plan to fit with Talent’s revised housing policies and to ensure that development plans proposed in the Master Plan are both efficient and support development of infrastructure by the developers of the area.

Implementation Strategy 1.2b: Plan for infrastructure development in the Master Plan area by securing permission for a rails crossing (or more than one crossing, if necessary) to allow for infrastructure development.

Implementation Strategy 1.2c: Develop plans to pay for infrastructure in the Master Plan area through methods such as developing public-private partnerships with landowners in the area and planning for backbone infrastructure development in the City’s Capital Improvement Plan (CIP).

Objective 1.3: Address applicable requirements of the Regional Problem Solving (RPS) when making decisions about changes to the Comprehensive Plan map and Zoning map.

Implementation Strategy 1.3a: This is an on-going strategy that the City will continue to perform as it makes changes to the Comprehensive Plan map and Zoning map.

Objective 1.4: Work with the Regional Problem Solving Policy Committee to revise plans for Talent’s urban reserve areas to fit with the residential needs identified in the Talent Housing Needs Analysis, through actions such as re-examining the distribution of residential, commercial, and industrial lands with Talent’s adopted Urban Reserves.

Implementation Strategy 1.4a: City staff should work with the RPS Policy Committee to revise plans for Talent’s urban reserve areas.

Implementation Strategy 1.4b: City staff should work with landowners in Talent’s urban reserves to understand landowners’ preferences for development and understand how these preferences fit into Talent’s housing needs, as identified in the Housing Needs Analysis.

Objective 1.5: If the City cannot accommodate the forecast for housing growth within the urban growth boundary, evaluate expansion of the urban growth boundary to accommodate housing needs.

Implementation Strategy 1.5a: Once the City has completed evaluation of land use efficiency measures in Objective 1.1, staff should determine whether there is a need to expand the urban growth boundary and articulate what kind of land is needed. If there is a need for an urban growth boundary expansion, the City should initiate the analysis necessary to support such an expansion.

POLICY 2: Opportunity for Development of a Range of Housing Types: Provide opportunities for development of a range of housing types that are affordable to households at all income levels as described in the Talent Housing Needs Analysis. These housing types include (but are not limited to): single-family detached housing, accessory dwellings, cottage housing, manufactured housing, townhouses, duplexes, and apartments.

HUD sets a Median Family Income (MFI) for each county in the nation based on information from the U.S. Census' American Community Survey. The MFI is meant to provide information about the income of an average family. In 2016, Jackson County's MFI was \$53,000.

Objective 2.1: Provide opportunity for development of housing affordable to low-income households, including government-assisted housing. HUD defines low-income households as households with less than 60% of MFI (about \$32,000 in 2016).

Implementation Strategy 2.1a: Partner with the Jackson County Housing Authority to support development of new housing projects in Talent, especially when the City's support can help the Housing Authority acquire funds to develop affordable housing.

Implementation Strategy 2.1b: Partner with the Jackson County Housing Authority and other social service organizations to expedite new housing projects when their programs have funds committed to such projects.

Implementation Strategy 2.1c: Evaluate the potential benefits and costs (and fiscal impacts on the City) of offering property tax exemption for government-subsidized housing developed by public or nonprofit agencies for households with incomes of less than 60% MFI.

Implementation Strategy 2.1d: Evaluate policies that encourage the development of accessory dwelling units ("granny flats") on existing and proposed lots to provide a source of affordable housing, such as standardizing the development standards rather than requiring a hearings to process development applications for an accessory dwelling unit or developing systems development charges for accessory dwelling units that scale with the size of the unit..

Implementation Strategy 2.1e: Evaluate opportunities to use city-owned buildable properties that have been identified as surplus as a place to develop affordable housing.

Objective 2.2: Provide opportunity for development of housing affordable to moderate and higher-income households. HUD defines moderate and higher-income as households with incomes between 60% and 120% of MFI (about \$32,000 to \$64,000 in 2016).

Objective 2.2 will be implemented through implementing strategies xxx.

Objective 2.3: Provide opportunity for development of housing affordable to higher-income as households with incomes above 120% of MFI (\$64,000 and above in 2016).

Implementation Strategy 2.3a: Provide opportunity for development of a wide-range of single-family detached housing, including single-family detached on larger lots (e.g., 8,000 square feet lots).

Objective 2.4: Support renovation and redevelopment of existing housing in Talent.

Implementation Strategy 2.4a: Develop a process to identify housing that has been abandoned or not occupied for a long-term period.

Implementation Strategy 2.4a: Work with the property-owner to expedite the renovation or redevelopment the housing.

Implementation Strategy 2.4c: Develop an expedited building permit process for substantial redevelopment and renovation of existing housing.

POLICY 3: Efficient Development Patterns: The City will support and encourage residential development, infill, and redevelopment, especially in downtown, as a way to use land and existing infrastructure more efficiently and promote pedestrian-oriented commercial development in downtown.

“Infill” is additional development on the vacant portion of a tax lot with existing development (i.e., putting a new residence on a 2-acre tax lot where the existing residence occupies one-half of an acre). “Redevelopment” is when an existing building is demolished and a new building is built, adding additional capacity for more housing. Redevelopment could also include substantial renovations of an existing building that increases the residential capacity of the building.

Objective 3.1: Provide a variety of housing types in Talent at densities that support maintaining densities of 6.6 dwelling units per gross acre through 2035 and 7.6 dwelling units per gross acre between 2036 and 2060.

Implementation Strategy 3.1a: Evaluate opportunities for allowing smaller lots in the zones in Talent’s Low Density Residential designations. RS-7 has a minimum lot size of 6,000 square feet and RS-4 has a minimum lot size of 7,000 square feet.

Implementation Strategy 3.1b: Evaluate development of a cottage housing ordinance to allow for development of small single-family detached housing clustered on a lot, possibly with the inclusion of park or open space.

Implementation Strategy 3.1c: Evaluate development of a tiny ordinance to allow for development of tiny houses clustered on a lot, possibly with the inclusion of park or open space.

Objective 3.2: The City will develop policies and programs to encourage residential and mixed-use development in downtown. (Consistent with Economic Objective 2.1.)

Implementation Strategy 3.2a: Provide additional opportunities for development of housing within the Central Business District zone in a way that also promotes business through mixed-use development.

Implementation Strategy 3.2b: Evaluate developing a Downtown Overlay that supports development of three-story buildings (with a maximum of 45 feet) as a permitted use.

Implementation Strategy 3.2c: Refine design standards for a new Downtown Business District (when it is established) based on the Old Town District Overlay, to encourage mixed use development and ensure a reasonable transition between one-story and three-story buildings.

Implementation Strategy 3.2d: Identify and plan for investments and infrastructure necessary to support redevelopment of key sites in downtown. (Consistent with Economic Strategy 2.1f.)

Objective 3.3: The City will develop policies and programs to encourage residential and mixed-use development in other areas of the city.

Implementation Strategy 3.3a: Support and encourage implementation or amendment of the West Valley View Master Plan to develop or redevelop properties within the Master Plan area. (Consistent with Economic Strategy 2.1d.)

Implementation Strategy 3.3b: Evaluate opportunities to rezone commercial land on streets that are not adjacent to Talent Avenue to meet identified residential land needs. (Consistent with Economic Strategy 2.2a.)

Implementation Strategy 3.3c: Develop policies to allow ground floor residential use as a temporary use in commercial mixed-use buildings. These policies should include provisions such as: design standards to ensure that the ground floor in new commercial buildings is designed for commercial use and zoning districts or overlay areas these uses are allowed. (Consistent with Economic Strategy 2.2b.)

POLICY 4: Zoning Flexibility: The City will support residential development through adopting a flexible zoning code that provides developers with flexibility, balancing the need for housing to develop consistent with density targets in the RPS (an average of 6.6 dwelling units per gross acre through 2035 and 7.6 dwelling units per gross acre between 2036 and 2060) while protecting scenic and natural resources.

Objective 4.1: Develop standards for residential development that allow for flexibility in lot size standards.

Implementation Strategy 4.1a: Revise the City’s flag lot ordinance to provide consistency with other residential zones for lot setback requirements and to provide clearer standards for driveway access.

Objective 4.2: Develop standards for residential development based on the number of bedrooms.

Implementation Strategy 4.2a: Evaluate developing zoning standards in the for cottage housing, tiny houses, and multifamily housing to based upon the number of bedrooms rather than the number of units to encourage inclusion of studios and one- and two-bedroom units in new residential developments.

Implementation Strategy 4.2b: Evaluate developing zoning standards in the High Density Residential (R-2), Central Business District (C-2), and Neighborhood Commercial (C-1) zoning districts to determine densities based upon the number of bedrooms rather than the number of units to encourage inclusion of studios and one- and two-bedroom units in new residential developments.

Implementation Strategy 4.2c: Evaluate modifying multifamily parking standards based on the number of bedrooms.

Objective 4.3: Streamline the building permit review process.

Implementation Strategy 4.3a: Review the current process for building permit review and processing with Jackson County and make recommendations to increase the speed of the building permit review process.

Appendix A: Strategies to Manage Talents Residential Land

This appendix presents a menu of housing strategies (policies) commonly, and some less commonly, used to manage a City's supply of residential land. These strategies may provide ideas potential changes to housing policy in Talent. The purpose of this appendix is to provide the CAC and Planning Commission with information about potential policies that could be implemented in Talent to address the City's deficit of residential land and to address housing affordability problems.

It is common for jurisdictions to adopt combinations of strategies to manage growth and improve the efficiency and holding capacity of land uses. Such strategy groupings, however, are not necessarily cumulative in their intent or impact. Strategies that address similar issues may not be mutually reinforcing. For example, having strategies in residential zones for maximum lot size and minimum density essentially address the same issue—underbuild in residential zones. Thus, Talent should carefully consider their existing strategies and policies and evaluate each strategy individually and in consideration of other strategies. It is also important to consider market dynamics when evaluating land use efficiency strategies. Strategies such as density bonuses or the transfer or development rights (TDRs) may be of limited effectiveness if they encourage building types or densities that have little demand or are economically unviable.

Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes and those, which increase the land available for housing.

Strategy Name	Description	Scale of Impact in Talent
Regulatory Changes		
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,</p>	<p>Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made to Talent's zoning and other ordinances.</p>
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications; however, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>	<p>Scale of Impact - Small. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to Talent's procedures.</p>
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft. This policy allows individual small lots within a subdivision or short plat. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small lots limit sprawl, contribute to the more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p>	<p>Scale of Impact – Small to moderate. Cities have adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes.</p>

Strategy Name	Description	Scale of Impact in Talent
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p>	<p>Scale of Impact – Small to moderate. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p>
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multiple-family zones they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p>	<p>Scale of Impact - Small to moderate. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p>Scale of Impact – Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p>
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p>Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>

Strategy Name	Description	Scale of Impact in Talent
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p>Scale of Impact - Small. This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> • Housing preservation ordinances • Housing replacement ordinances • Single-room-occupancy ordinances • Regulating demolitions 	<p>Scale of Impact - Small. Preserving small existing housing can make a difference in the availability of affordable housing in Talent but it is limited by the existing stock housing, especially smaller, more affordable housing.</p>
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning-requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives.</p> <p>Price of low-income housing passed on to purchasers of market-rate housing; inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p>	<p>Scale of Impact – Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>

Increasing Land Available for Housing		
Redesignate or rezone land for housing	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing).</p> <p>This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p>	Scale of Impact - Small to large: Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.
Encourage multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p>	Scale of Impact – Small to moderate: Talent already encourages multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed many of the commercial areas where it would be desirable.
Promoting Infill Development	<p>This policy seeks to maximize the use of lands that are fully developed or underdeveloped. Make use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities, and (2) reduce impediments to development in areas suitable for infill or redevelopment.</p> <p>Regulatory approaches to promote infill development include:</p> <ul style="list-style-type: none"> • Administrative streamlining • Allowing accessory dwelling units (ADUs) • Allowing small lots • Density bonuses 	Scale of Impact – Small. In general, infill development, especially small-scale infill, is more expensive than other types of residential development. Some types of infill development, such as ADUs, may provide opportunities for relatively affordable housing.

Transfer or Purchase of Development Rights	This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded. This policy can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).	Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.
Provide Density Bonuses to Developers	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain amount affordable units.</p>	Scale of Impact - Small.
Parcel assembly	<p>Parcel assembly involves the city’s ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is more often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.</p>	Scale of Impact - Small to moderate: Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.

Community Land Trust (CLT)	<p>A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable.</p> <p>CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation purchases a future site for affordable housing or other housing that meets community goals.</p> <p>A variation to the community land trust is to have the City own the property rather than the land trust, and lease property to income-qualifying households (such as low-income or moderate-income households) to build housing. The City would continue to own the land over the long-term but the homeowner would be able to sell the house. Restrictions on resale ensure that the home remains affordable.</p>	<p>Scale of Impact - Small to moderate: A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
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Increase the types of housing

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact in Talent
Allow Duplexes, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	<p>Scale of Impact - Small. Allowing these types of housing in more zoning districts may provide a relatively small number of new, relatively affordable, housing opportunities.</p> <p>Talent does not allow these types of housing as an outright permitted use in some zones.</p>

Strategy Name	Description	Scale of Impact in Talent
Permit Accessory Dwelling Units (ADUs) in single-family zones	<p>Communities use a variety of terms to refer to the concept of accessory dwellings: secondary residences; “granny” flats; and single-family conversions, among others. Regardless of the title, all of these terms refer to an independent dwelling unit that share, at least, a tax lot in a single-family zone. Some accessory dwelling units share parking and entrances. Some may be incorporated into the primary structure; others may be in accessory structures. Accessory dwellings can be distinguished from “shared” housing in that the unit has separate kitchen and bathroom facilities. ADUs are typically regulated as a conditional uses. Some ordinances only allow ADUs where the primary dwelling is owner-occupied.</p>	<p>Scale of Impact - Small. Allowing ADUs can provide opportunity for development of a small number of new, more affordable housing. Talent allows ADUs.</p>
Allow small or “tiny” homes	<p>“Tiny” homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p>	<p>Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.</p>
Allow Co-housing	<p>Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house.</p> <p>This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones.</p>	<p>Scale of Impact - Small. While co-housing may be able to achieve multi-family housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.</p>

Programs that provide financial assistance to homeowners and renters

The following policies focus on ways in which the City and other community stakeholders can provide financial assistance to potential residents in order to increase housing affordability and accessibility for multiple income groups.

Strategy Name	Description	Scale of Impact in Talent
Home ownership programs	<p>Cities use a variety of programs to assist with homeownership</p> <ul style="list-style-type: none"> • Homebuyer Assistance Programs. These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers. • Inclusionary Housing Program. Some cities have an Inclusionary Housing Ordinance (IH) requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can be allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term. • Partnerships. Cities often work with partnerships with nonprofit agencies that provide homeownership assistance. 	<p>Scale of Impact - Small. While homeownership programs are important, limited funds mean that the number of households that benefit from homeownership programs is relatively small.</p>
Rental assistance programs	<p>Cities use a variety of programs to provide rental assistances</p> <ul style="list-style-type: none"> • Section 8 Voucher: This assistance subsidizes the difference between 30 to 40 percent of a household’s income and the area’s Fair Market Rent (FMR). • Rental assistance programs. These programs offer a range of services, such as assistance with security deposits. • Rent Control. Rent control regulations control the level and increases in rent, over time resulting in rents that are at or below market rates. • Partnerships. Cities often work with partnerships with nonprofit agencies that provide rental assistance. 	<p>Scale of Impact - Small. Renter assistance programs are important. However, limited city funds mean that the number of households that benefit from rental assistance resulting from city funding is relatively small.</p>
Housing Rehabilitation Programs	<p>Cities often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.</p>	<p>Scale of Impact - Small. Limited fund availability means that relatively few households will be able to access housing rehabilitation funds.</p>

Programs that provide financial assistance to lower development or operational costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in Talent in order to increase housing affordability and available housing stock.

Recommendations are broken into the following categories: programs to lower the cost of development, sources of funding to pay for infrastructure to support development, and tax abatement programs that decrease operational costs by decreasing property taxes.

Strategy Name	Description	Scale of Impact in Talent
Programs to lower the cost of development		
SDC Financing Credits	Enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. Can come in the form of student, low-income, or workforce housing.	The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non negatively impact one entity.
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and TIF. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also these fees or revenues allow for new revenue streams into the City.	

Strategy Name	Description	Scale of Impact in Talent
Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, EB-5.	
Reduced Parking Requirements	Allows development of housing units to with discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed. Reduced parking requirements are generally used in conjunction of development of subsidized affordable housing but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.	Scale of Impact - Small. The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.
Sources of funding to pay for infrastructure to support development		
Urban Renewal / Tax Increment Finance (TIF)	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments: <ul style="list-style-type: none"> • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or start up businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces 	Scale of Impact – Moderate. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.

Strategy Name	Description	Scale of Impact in Talent
General Fund and General Obligation (GO) Bonds	The city can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. GO Bonds require a public vote which can be time-consuming and costly. GO Bonds also raise property owner taxes.	Scale of Impact – Moderate to Large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).
Linkage Fees for Non-Residential Development	Linkage fees are a type of impact fee based on the source of the impact. In this case, the fee is based on the impact of commercial and industrial development creating additional housing demand. New nonresidential development generates jobs, which triggers housing needs for their workers. Commercial and/or industrial developers are charged fees, usually assessed per square foot, which then are used to build new housing units. A community-wide analysis is usually performed to estimate the type and amount of jobs and wages that are expected to be generated by new development.	
Local Improvement District (LID)	This tool is a special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners and setting up fair LID payments for various property owners, who are located different distances from the improvement can be challenging. However, if successful it succeeds in organizing property owners around a common goal. It also allows property owners to make payments over time to bring about improvements quickly that benefit them individually. LIDs can also be bundled with other resources, such as TIFs.	
Community Development Block Grants (Federal Program, Locally Administered)	<p>Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons. Funds can be applied relatively flexibly. This program has been run since 1974, and is seen as being fairly reliable, but securing loans/grants for individual projects can be competitive.</p> <p>Some drawbacks to CDBG funds include:</p> <ul style="list-style-type: none"> • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is not in the control of the City. 	

Strategy Name	Description	Scale of Impact in Talent
Section 108 (Federal Program, Locally Administered)	HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation. These funds can be fairly flexible in their application. The program has been in operation since 1974 and has gained reliability. It enables a larger amount of very low interest-rate-subordinate funding for eligible projects. As with CDBGs, the process of securing the loan can be competitive.	Scale of Impact - Small. Section 108 funds could be used to help finance development of some affordable housing but would only cover a portion of the affordable housing development.
Housing Trust Funds	<p>Housing trust funds are designed locally so they take advantage of unique opportunities and address specific needs that exist within a community. Housing trust funds support virtually any housing activity that serves the targeted beneficiaries and would typically fund new construction and rehabilitation, as well as community land trusts and first time homeowners.</p> <p>This tool is often used in cities with inclusionary zoning ordinances, which generates fees to fund development of the housing trust fund. Successfully implementing this tool requires a dedicated funding source.</p>	
Tax abatement programs that decrease operational costs by decreasing property taxes		
Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)	<p>Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential. <p>State program webpage.</p>	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Strategy Name	Description	Scale of Impact in Talent
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

City of Talent

Housing Needs Analysis

October 2016

Prepared for:

City of Talent

DRAFT REPORT

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Summary

This report presents a housing needs analysis consistent with requirements of Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Talent Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Talent UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

Note: The next version of the HNA will include a summary.

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1. Introduction

This report presents Talent’s Housing Needs Analysis for the 2016 to 2036 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 provides Talent with a factual basis to update the Housing Element of the City’s Comprehensive Plan and to support future planning efforts related to housing and options for addressing unmet housing needs in Talent. It provides information that informs future planning efforts, including development and redevelopment in urban renewal areas in the future. It provides the City with information about the housing market in Talent and describes the factors that will affect housing demand in Talent in the future, such as changing demographics. This analysis will help decision makers understand whether Talent has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay: shelter certainly, but also proximity to other attractions (job, 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 tradeoffs. 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.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors; and the housing market in the Rogue Valley Region, Jackson County, and Talent are the result of the individual decisions of hundreds of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Talent between 2016 and 2036.

The complex nature of the housing market was demonstrated by the unprecedented boom and bust during the past decade. This complexity does not eliminate the need for some type of forecast of future housing demand and need, with the resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies, than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets, and how public policy affects those markets.

Statewide planning Goal 10

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and 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).¹ Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;²
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
- (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.

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

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

¹ ORS 197.296 only applies to cities with populations over 25,000.

² Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

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

2. Residential Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (RBLI) for the Talent UGB. The City of Talent staff, in coordination with ECONorthwest staff, developed the RBLI analysis. It complies with statewide planning Goal 10 policies that govern planning for residential uses. The full buildable lands inventory completed by City staff is presented in Appendix A.

Definitions

The City of Talent developed the buildable lands inventory with a tax lot database from Jackson County GIS. The tax lot database is current as of June 2016. The inventory builds from the database to estimate buildable land by plan designation. The following definitions were used to identify buildable land for inclusion in the inventory:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant.
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. Residential parcels designated RL and RM one-half acre or more were assumed to be partially-vacant. One-quarter acre (10,890 square feet) of the parcel area was subtracted to account for the existing dwelling and assuming that the remainder is buildable land.
- *Undevelopable land.* Vacant land that is under the minimum lot size for the underlying zoning district, land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained, or land used by a home-owners association.
- *Public land.* Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations, such as hospitals. Public lands were identified using the Talent County Assessment data with a total assessed value of \$0 and aided by using the property owner name. This category only includes public lands that are located in residential plan designations.
- *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, or undevelopable are considered developed.

Development constraints

Consistent with state guidance on buildable lands inventories, the City of Talent deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land.

- *Lands within floodplains.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways. No parcels with residential Plan Designations fell within a floodway. As a result, no land was deducted for this constraint.
- *Land within regulated wetlands.* The Talent Wetlands Inventory map (1997) was used to identify areas within wetlands.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.

Buildable Lands Inventory Results

Land Base

Exhibit 1 shows residential land in Talent by classification (development status). The results show that Talent has 539 total acres in residential plan designations. Of the 539 acres in the UGB, about 353 acres (65%) are in classifications with no development capacity, and the remaining 186 acres (35%) have development capacity before development constraints are applied.

Exhibit 1. Residential acres by classification and plan designation, Talent UGB, 2016

Development Status	Acres inside Talent city limits			Acres outside city limits, within UGB	Total	
	Residential Low Density (RL)	Residential Medium Density (RM)	Residential High Density (RH)	Residential Low Density (RL)	Acres	Percent
Developed	163	59	104	1	327	61%
Partially vacant	34	3	8	95	140	26%
Vacant	33	3	9	1	46	9%
Public	8	0	11	4	23	4%
Undevelopable	2	1	0	0	3	1%
Total Acres	240	66	132	101	539	100%
Percent of Total	45%	12%	24%	19%	100%	

Source: Appendix A, Table A-1.

Exhibit 2 shows land in all residential plan designations by development and constraint status. Talent has 539 acres in 1,792 tax lots in residential plan designations. About 65% of total residential land (348 acres) is built, 11% (61 acres) is constrained, and 24% (130 acres) is buildable.

Exhibit 2. Residential land by comprehensive plan designation and constraint status, Talent UGB, 2016

Plan Designation	Tax Lots	Total Acres	Built Acres	Constrained Acres	Buildable Acres
Inside City Limits					
RL	993	240	175	27	38
RM	194	66	61	2	3
RH	579	132	107	7	18
Outside City Limits, Inside UGB					
RL	26	101	5	25	71
Total	1,792	539	348	61	130
Percent of Total		100%	65%	11%	24%

Source: Appendix A: Table A-2.

Vacant Buildable Land

Exhibit 3 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. The results show that Talent has about 130 buildable residential acres. Of this, about 27% are in tax lots classified as vacant, and 73% are in tax lots classified as partially vacant. Just over half of all buildable residential land (69 acres) is currently outside city limits. Buildable land in medium and high density plan designations is limited, together comprising only 14% of total remaining buildable lands.

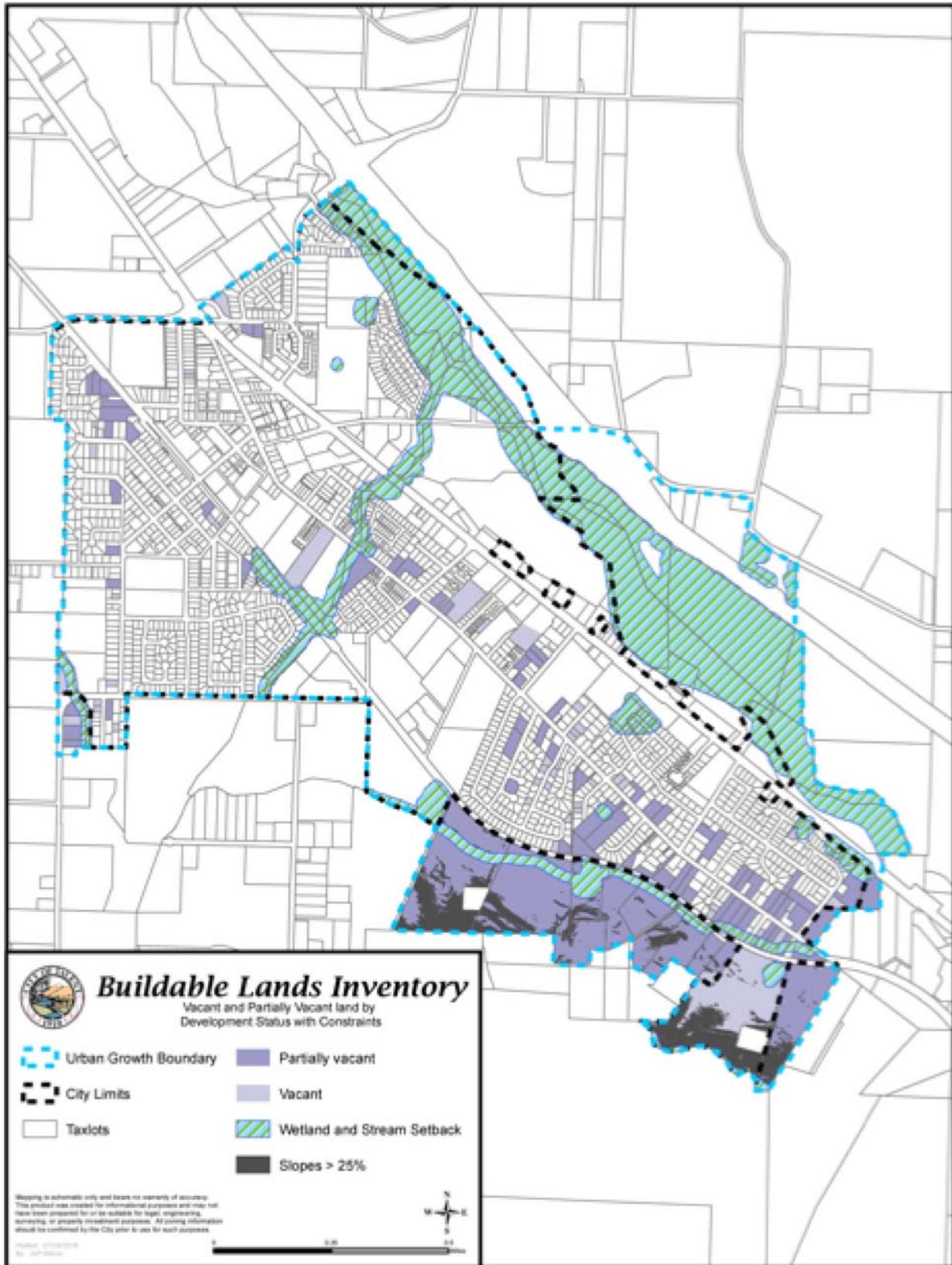
Exhibit 4 (on the following page) maps Talent’s vacant and partially vacant residential land with development constraints.

Exhibit 3. Buildable acres in vacant and partially vacant tax lots by plan designation, Talent UGB, 2016

Development Status	Plan Designation				Total Acres	Percent of Total
	RL-CL	RM	RH	RL-UGB		
Partially vacant	21	2	4	68	95	73%
Vacant	22	3	9	1	35	27%
Total Acres	43	5	13	69	130	100%
Percent of Total	33%	4%	10%	53%	100%	

Source: Appendix A: Table A-3.

Exhibit 4. Vacant and Partially Vacant Residential land with development constraints, Talent UGB, 2016



3. Historical and Recent Development Trends

Analysis of historical development trends in Talent provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting 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 HNA examines changes in Talent’s housing market from January 2000 to February 2016. We selected this time period because it provides information about Talent’s housing market before and after the national housing market bubble’s growth and deflation. In addition, data about Talent’s housing market during this period is readily available, from sources such as the Census and the City and County’s building permit database.

The HNA 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., 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:

- **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 townhouses.
- **Multifamily** is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

Data Used in this Analysis

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

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of the 2010 Decennial Census, it 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 U.S. From 2010 through 2014, the ACS sampled an average of 3.4 million households per year, or about 2.9% of the households in the nation. The ACS collects detailed information about households, such as: 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.

In general, this report uses data from the 2010-2014 ACS for Talent. Where information is available, we report information from the 2000 and 2010 Decennial Census.

The foundation of the housing needs analysis is the population forecast for Talent from the Oregon Population Forecast Program by the Portland State University Population Research Center.

Trends in Housing Mix

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

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

- **Talent’s housing stock is predominantly single-family detached housing units.** Seventy-six percent of Talent’s housing stock is single-family detached, 19% is multifamily, and 5% is single-family attached (e.g., townhouses). This proportion of single-family housing is comparable to Jackson County (77%), but smaller than Medford (66%).
- **Since 2000, Talent’s housing mix has shifted toward single-family housing.** Talent’s housing stock grew by about 20% (more than 480 new units) between 2000 and the 2010-2014 period. The mix of housing types also shifted between 2000 and 2010-2014. The percentage of single-family housing types (attached and detached) increased from 74% in 2000 to 81% in 2010-2014.
- **Single-family detached housing accounted for nearly all of housing growth between 2005 and 2016.** About 96% of new housing was single-family detached and 4% was single-family attached housing. No new multifamily units were built between 2005 and 2016.

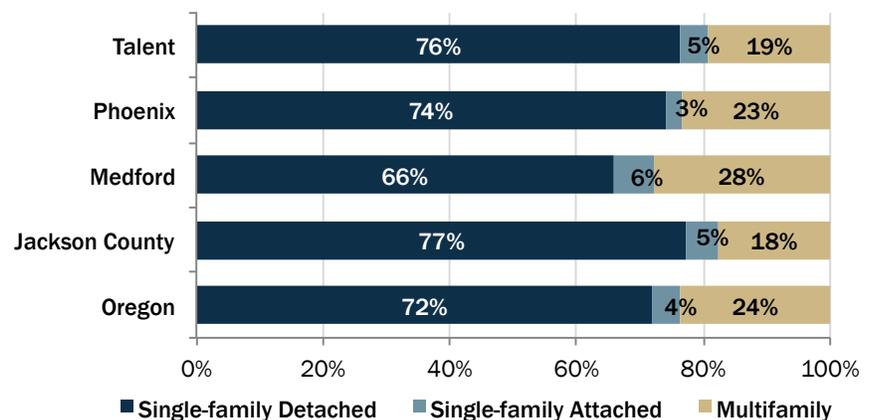
Housing Mix

About 76% of Talent’s housing stock is single-family detached.

In comparison, about 77% of the housing in Jackson County, and about 66% in Medford are single-family detached.

Exhibit 5. Housing Mix, 2010-2014

Source: Census Bureau, 2010-2014 ACS Table B25024



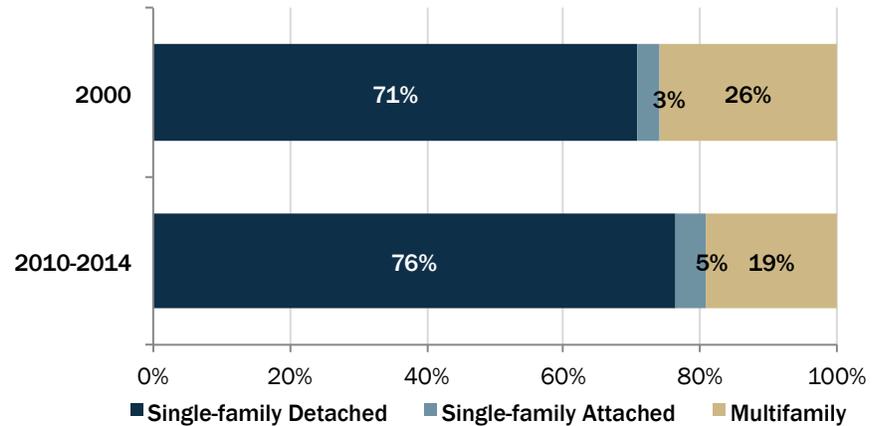
The mix of housing in Talent was largely stable between 2000 and 2010-2014.

The percentage of single-family detached housing increased by about 5% to 76% while multifamily fell by about 7%.

Talent had 2,903 dwelling units in the 2010-2014 period. About 2,216 were single-family detached, 131 were single-family attached, and 556 were multifamily.

Exhibit 6. Change in Housing Mix, Talent, 2000 and 2010-14

Source: Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2014 ACS Table B25024

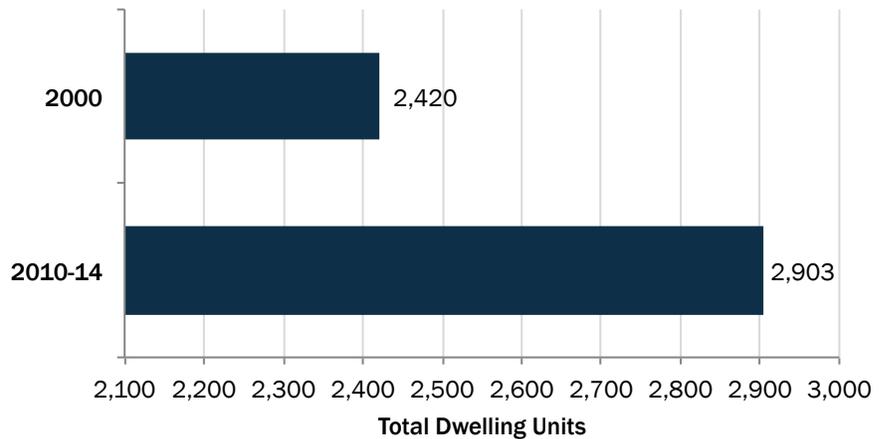


The total number of dwelling units in Talent increased by 483 dwelling units from 2000 to 2010-14.

This amounted to a 20% increase over the analysis period.

Exhibit 7. Total Dwelling Units, Talent, 2000 and 2010-14

Source: Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2010-14 ACS Table B25024.



Building Permits

From 2005 to 2016, 96% of building permits issued were single-family detached. There were no multifamily permits issued.

Exhibit 8. Building Permits by Type of Unit, Talent, January 2005 through July 2016

Source: City of Talent.

Housing type	Number of units	Percent of total
Single-family detached	309	96%
Single-family attached	12	4%
Multifamily	0	0%
Total	321	100%

Trends in Tenure

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

- **About 61% of Talent’s households own their home.** In comparison, 68% of Phoenix households and 51% of Medford households are homeowners.
- **Homeownership in Talent in close to the county average.** In Jackson County, 62% of households are homeowners. This is also similar to the state average (62%).
- **Homeownership in Talent increased between 2000 and 2010-2014.** In 2000, 57% of households were homeowners. This dropped to 55% in 2010, but rose to 61% for the 2010-2014 period.
- **Nearly all Talent homeowners (97%) live in single-family detached housing, while many renters (43%) live in multifamily housing.**

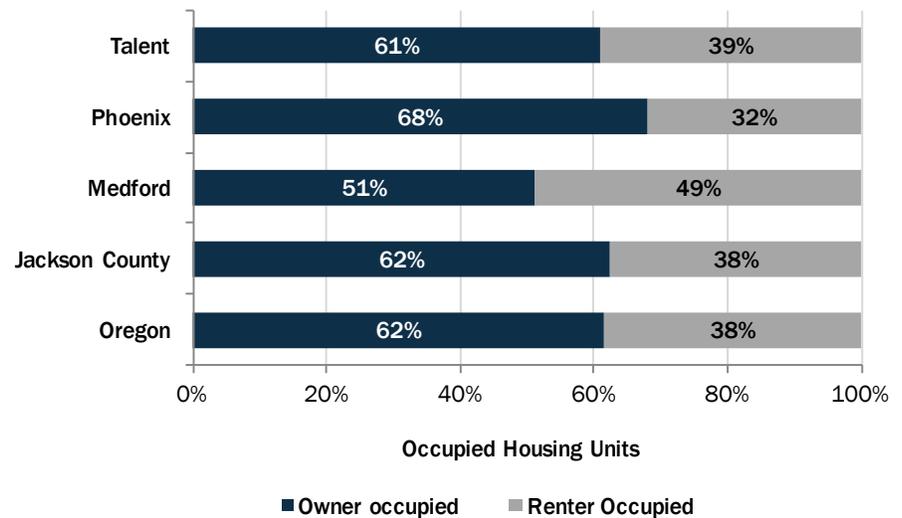
The implications for the forecast of new housing are: (1) opportunities for rental housing in Talent are limited, given that nearly half of renters live in multifamily housing and no new multifamily housing has been built in Talent since 2005 and (2) there may be opportunities to encourage development of a wider variety of affordable attached housing types for homeownership, such as townhomes.

Talent has similar homeownership rates to the county and the state.

About 61% of households in Talent live in owner-occupied dwelling units, compared with 62% of households in Jackson County. Homeownership rates in Medford are lower, at 51%.

Exhibit 9. Tenure, Occupied Units, Talent, Phoenix, Medford, Jackson County, Oregon, 2010-14

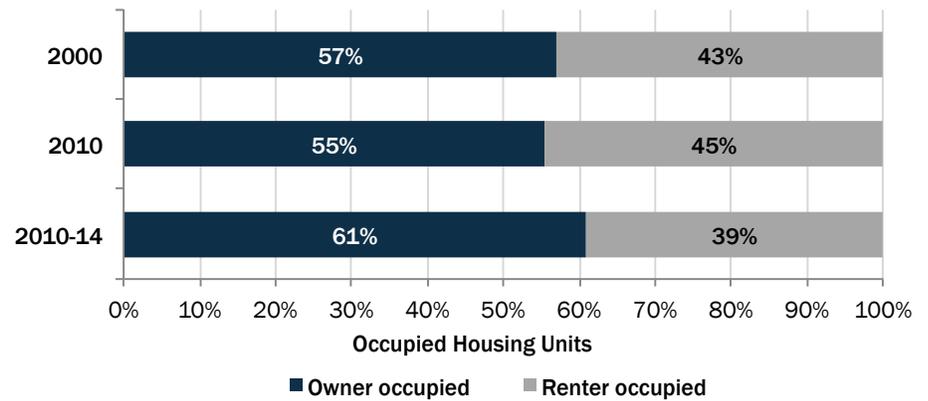
Source: Census Bureau, 2010-2014 ACS Table B25003



The overall homeownership rate in Talent remained between 55% and 61% between 2000 and 2010-2014.

Exhibit 10. Tenure, Occupied Units, Talent, 2010-2014

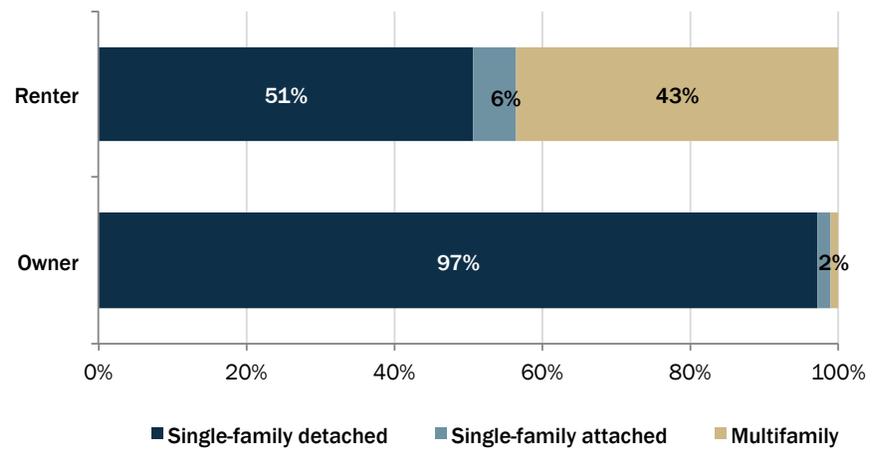
Source: Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2010-14 ACS Table B25003



The majority (97%) of owner-occupied housing units are single-family detached units and about half of renter-occupied housing units are single-family detached units

Exhibit 11. Housing Units by Type and Tenure, Talent, 2014

Source: Census Bureau, 2010-14 ACS Table B25032



Vacancy Rates

The Census defines vacancy as: "Unoccupied housing units 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 vacant 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.

In 2000, the vacancy rate in Talent was 4%, lower than the County, and the State

Exhibit 12. Percent of Housing Units that are Vacant, 2000

Source: Census Bureau, 2000, Summary File 1 Table QT-H1

4.0% Talent	5.6% Phoenix	4.6% Medford	5.6% Jackson County	8.2% Oregon
-----------------------	------------------------	------------------------	-------------------------------	-----------------------

From 2000 to 2010, Talent's vacancy rate rose to 6.6%, but still stood below that of the county and state.

Exhibit 13. Percent of Housing Units that are Vacant, 2010

Source: Census Bureau, 2000, Summary File 1 Table QT-H1

6.6% Talent	6.9% Phoenix	7.2% Medford	8.6% Jackson County	9.3% Oregon
-----------------------	------------------------	------------------------	-------------------------------	-----------------------

In the 2010-2014 period, the vacancy rate in Talent was below that of Jackson County and Oregon.

Exhibit 14. Percent of Housing Units that are Vacant, 2010-2014

Source: Census Bureau, 2010-14 ACS Table B25002

4.7% Talent	5.0% Phoenix	8.0% Medford	9.1% Jackson County	9.7% Oregon
-----------------------	------------------------	------------------------	-------------------------------	-----------------------

Low vacancy rates indicate that the housing market is tight and that it will be more difficult for households to find housing that fits their needs. **A survey of multifamily housing developments conducted by ECONorthwest in August 2016 (see Exhibit 41) shows no vacancies (100% occupancy) in the multifamily complexes surveyed in Talent.** While this survey is not comprehensive, it indicates that the market for multifamily rental housing in the City is very tight.

Housing Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre.³ The U.S. Census does not track residential development density. Professors with the University of Oregon's Planning, Public Policy, and Management Department recently completed analysis of residential development for the Department of Land Conservation and Development (DLCD) for all cities in Oregon.⁴

This analysis examined residential development for single-family detached dwellings, duplexes, tri-plexes, and quad-plexes.⁵ It found that development densities in Talent have generally increased over time for these housing types. Densities increased over time as follows:

- 1993 to 1997: 6.1 dwelling units per net acre
- 1998 to 2002: 6.4 dwelling units per net acre
- 2003 to 2007: 7.7 dwelling units per net acre
- 2008 to 2012: 7.4 dwelling units per net acre

Talent's development density was comparatively high in the 2008 to 2012 period, when compared with other cities of similar size, with densities generally between 4 to 8 dwelling units per acre. Over the 2000 to 2013 period, Talent's density for single-family and 'plex housing averaged 7.5 dwelling units per net acre.

Exhibit 15 shows the density for a sample of multifamily housing complexes in Talent. Multifamily developments shown in Exhibit 15 account for more than 80% of multifamily housing units in Talent. Exhibit 15 does not include condominiums. All of the multifamily complexes in Exhibit 15 were built prior to 1997.

³ 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.

⁴ This analysis was done for DLCD's UGB Streamlining project, which is in response to HB 2254. Additional information about the project is available from:

<http://www.oregon.gov/LCD/Pages/UGB-Streamlining.aspx>

⁵ These housing types are grouped together into one category in county assessor files, which was the source information about development by year for the density analysis.

Existing multifamily housing in Talent has a density of about 12.4 dwelling units per net acre.

Exhibit 15. Sample of Density of Multifamily Housing, Talent, 2016
 Source: City of Talent staff

Development	Dwelling Units	Net Acres	Density (DU/Net Acre)
Anderson Vista	36	2.3	15.6
Anjou Club	170	13.8	12.3
Holiday Gardens	56	4.6	12.2
Parkside	123	10.3	11.9
Patio Village	64	5.3	12.2
Total	449	36.3	12.4

The Regional Problem Solving process (RPS) resulted in commitments from each city in the region about “committed densities” for residential development in Urban Reserve Areas (URAs). Talent’s committed density is 6.6 dwelling units per gross acre (or 8 dwelling units per net acre) for the 2010-2035 period. For the 2036-2060 period, Talent’s committed density is 7.6 dwelling units per gross acre, a 15% increase over the committed density for the 2010-2035 period.⁶

Government-assisted housing programs

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 several government-assisted housing developments in Talent:

- **Patio Village** has 62 units of affordable units for elderly and disabled residents. According to the Housing Authority of Jackson County, the waiting list for an apartment is currently 1-2 years.⁷
- **Anderson Vista Apartments** is a 36-unit community for farm workers and their families. Rents are subsidized by the USDA Rural Development program.

Manufactured Homes

Manufactured homes have provided a source of affordable housing in Talent. 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,

⁶ Greater Bear Creek Valley Regional Plan, page 2-11 to 2-12.
⁷ <http://www.hajc.net/Page.asp?NavID=46>. Accessed August 29, 2016.

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

Talent had 605 mobile homes in 2000 and 558 mobile homes in the 2010-14 period, a decrease of 47 dwellings. According to Census data, 92% of the mobile homes in Talent were owner-occupied in the 2010-2014 period.

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 16 presents the inventory of mobile and manufactured home parks within Talent in 2016.

Talent has 5 manufactured home parks with a total of 449 spaces, 5 of which are vacant.

Exhibit 16. Inventory of Mobile/Manufactured Home Parks, Talent, 2016

Source: Oregon Manufactured Dwelling Park Directory

Name	Total Spaces	Vacant Spaces	Comprehensive Plan Designation
Candlewood Mobile Home	100	0	High Density Residential
Easy Valley Mobile Home Park	26	1	High Density Residential
Mountain View Estates of	164	0	High Density Residential
Shady Brook Mobile Home	60	0	High Density Residential
Talent Mobile Estates	99	4	High Density Residential

4. Demographic and Other Factors Affecting Residential Development in Talent

Demographic trends are important to a thorough understanding of the dynamics of the Talent housing market. Talent exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Talent, 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 Talent to Medford and Jackson County where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a housing needs 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 needs 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 Choice ⁸

Analysts typically describe housing demand as the *preferences* for different types of housing (i.e., 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, and Millennials, people born from about 1980 to 2000.
- **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 multiple person households (often with children).
- **Income** is the household income. 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, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

⁸ The research in this chapter is based on numerous articles and sources of information about housing, including:

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

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

The Case for Multi-family Housing. Urban Land Institute. 2003

E. Zietz. *Multi-family Housing: A Review of Theory and Evidence*. Journal of Real Estate Research, Volume 25, Number 2. 2003.

C. Rombouts. *Changing Demographics of Homebuyers and Renters*. Multi-family Trends. Winter 2004.

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

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

M. Riche. *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities*. The Brookings Institution Center on Urban and Metropolitan Policy. March 2001.

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

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

National Trends ⁹

This brief summary on national housing trends builds on previous work by ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2016* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“With household growth finally picking up, housing should help boost the economy. Although homeownership rates are still falling, the bottom may be in sight as the lingering effects of the housing crash continue to dissipate. Meanwhile, rental demand is driving the housing recovery, and tight markets have added to already pressing affordability challenges. Local governments are working to develop new revenue sources to expand the affordable housing supply, but without greater federal assistance, these efforts will fall far short of need.”

The U.S. housing market has recovered substantially from the crash, but there are still some challenges ahead.

- **Household growth should spur the economy.** In 2015, the economy neared full employment and incomes began to climb. Household growth returned to its expected pace, and new home construction was up by 11 percent. Household growth continues to gain momentum, and the housing sector should be an engine of growth.
- **Lowest homeownership.** Homeownership rate has fallen to its lowest level in a half-century. Foreclosures are a factor in low homeownership rates, and 9.4 million homes were forfeited through foreclosures from the start of the housing crash, 2007-2015. Foreclosures have slowed recently, but tight mortgage credit is not helping the transition into owning a home either.
- **Housing affordability.** In 2014, more than one-third of American households spent more than 30% of income on housing. Low-income households face an especially dire hurdle to afford housing. Among those earning less than \$15,000, more than 83% paid over 30% of their income and almost 70% of households paid more than half of their income. For households earning \$15,000 to \$29,000, more than 65% were cost burdened, with about 30% paying more than half of their income on housing.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes could total as many as 13.2 million units nationally between 2015 and 2025. Much of the demand will come from Baby Boomers, Millennials,¹⁰ and immigrants.

⁹ 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 2016," (2) Urban Land Institute, "2014 Emerging Trends in Real Estate," and (3) the U.S. Census.

¹⁰ There is no precisely agreed on definition for when the Millennial generation started. Millennials are, broadly speaking, the children of Baby Boomers, born from the early 1980's through the early 2000's.

- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the Baby Boomers, housing demand from the Millennials, and growth of foreign-born immigrants.
 - *Baby Boomers.* The housing market will be affected by continued aging of the Baby Boomers, the oldest of whom were in their late 60's in 2015 and the youngest of whom were in their early 50's in 2015. Baby Boomers' housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.
 - *Millennials.* As Millennials age over the next 20 years, they will be forming households and families. In 2015, the oldest Millennials in their mid-20's and the youngest in their mid-teens. By 2035, Millennials will be between 35 and 55 years old.

Millennials were in the early period of household formation at the beginning of the 2007-2009 recession. Across the nation, household formation fell to around 600,000 to 800,000 in the 2007-2013 period, well below the average rate of growth in previous decades. Despite sluggish growth recently, several demographic factors indicate increases in housing growth to come. The Millennial generation is the age group most likely to form the majority of new households. While low incomes have kept current homeownership rates among young adults below their potential, Millennials may represent pent-up demand that will release when the economy fully recovers. As Millennials age, they may increase the number of households in their 30s by 2.4 to 3.0 million over the through 2025.

- *Immigrants.* Immigration and increased homeownership among minorities will 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 accounted for nearly 30 percent of overall household growth. Beginning in 2008, the influx of immigrants was stanchied by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. Census Bureau estimates of net immigration in 2013-2014 indicate an increase of 1,814,000 persons over the previous year, to a total of nearly 65,000.

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. This makes the growing gap in homeownership rates between whites and blacks and whites and Hispanics troubling. Since 2001, the difference in homeownership rates between whites and blacks rose from 25.9 to 29.8 in 2014. Similarly the gap between white and Hispanic homeownership rates increased since 2008, from 25%, to 26% in 2014. This growing gap between racial and ethnic groups will hamper the country's

homeownership rate as minority households constitute a larger share of the housing market.

- **Changes in housing characteristics.** The U.S Census Bureau's Characteristics of New Housing Report (2016) 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:¹¹
 - *Larger single-family units on smaller lots.* Between 1990 and 2015 the median size of new single-family dwellings increased 30% nationally from 1,905 sq. ft. to 2,467 sq. ft., and 23% in the western region from 1,985 sq. ft. to 2,435 sq. ft. Moreover, the percentage of units smaller than 1,400 sq. ft. nationally decreased by almost half, from 15% in 1999 to 8% in 2015. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 33% of new one-family homes completed in 2015. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1990 and 2015, the percentage of lots less than 7,000 sq. ft. increased from 27% of lots to 30% of lots.
 - *Larger multifamily units.* Between 1999 and 2015, the median size of new multiple family dwelling units increased by 3% nationally and 1% in the western region. The percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 30% in 2015 nationally, and went from 25% to 24% in the western region.
 - *More household amenities.* Between 1990 and 2015, the percentage of single-family units built with amenities such as central air conditioning, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multifamily units.

¹¹ <https://www.census.gov/construction/chars/highlights.html>

State Trends

Oregon's 2016-2020 Consolidated Plan includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.¹² The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is facing:

- Housing cost increases that far surpass wage growth
- Limited supply of rental housing at prices that are affordable to moderate and low income households.
- Extremely low vacancy rates in some parts of the state, due to population growth, lack of new unit production, and increase in rental households due to foreclosures.
- Expiration of subsidies on about 49% of housing units that are currently federally subsidized by the Section 8 or HUD Multifamily Assistance programs
- Increasing homelessness and housing instability
- Lack of housing stock that is suitable for the elderly and people with disabilities
- Increasingly older, more diverse, and has less affluent households.

¹² State of Oregon 2016-2020 Consolidated Plan. <https://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan.pdf>

Regional and Local Demographic Trends that may affect housing need in Talent

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.

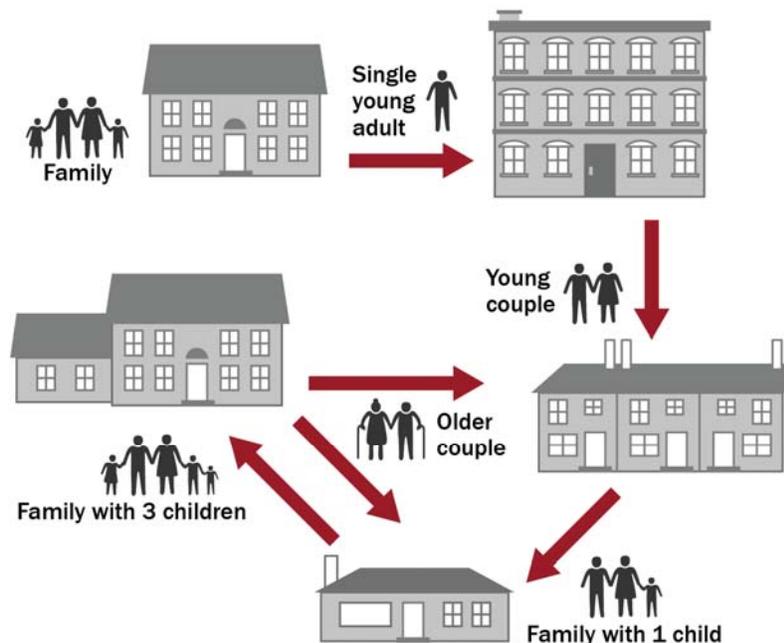
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Talent's population ages, different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

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

Families of different sizes need different types of housing.

Exhibit 17. 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.



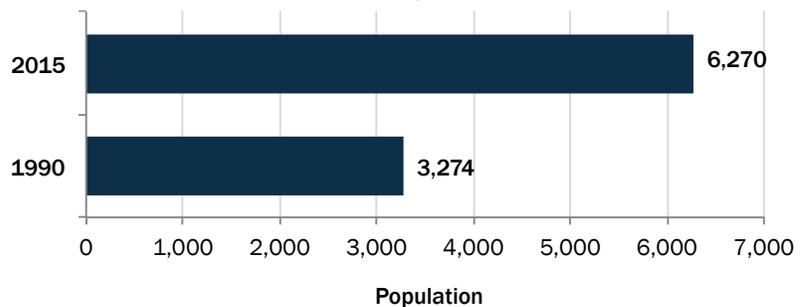
Growing population

Talent's population grew by 92% between 1990 and 2015, adding about 2,996 new residents. Over this period, Talent's population grew at an average annual growth rate of 2.6%. **Talent's population growth will drive future demand for housing in Talent over the planning period.**

Since 1990, Talent's population has grown by roughly 2,996 people.

Exhibit 18. Population, Talent, 1990 - 2015

Source: US Decennial Census 1990, and PSU Population Research Center.



From 1990 to 2015, Talent's population grew by 92%, accounting for 5% of population growth in Jackson County.

Exhibit 19. Population Growth, 1990 - 2015

Source: US Decennial Census 1990, 2000, 2015. PSU Population Research Center, Population Estimates and Reports, <http://www.pdx.edu/prc/population-reports-estimates>.

92%	42%	65%	44%	41%
Talent	Phoenix	Medford	Jackson County	Oregon

Talent's population grew on average, at a faster rate to that of the county, region, and state.

Exhibit 20. Annual Average Rate of Growth, 1990 - 2015

Source: US Decennial Census 1990, 2000, 2015. PSU Population Research Center, Population Estimates and Reports, <http://www.pdx.edu/prc/population-reports-estimates>.

2.6%	1.4%	2.0%	1.5%	1.4%
Talent	Phoenix	Medford	Jackson County	Oregon

Talent is projected to grow by 2,662 people between 2016 and 2036, at an average annual growth rate of 1.7%.¹³

Exhibit 21. Forecast of Population Growth at the County-Level, 2016 - 2036

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

1.7%	0.9%
2,662 people	44,090 people
Talent	Jackson County

¹³ This forecast of population growth is based on Talent's official population forecast from the Oregon Population Forecast Program. ECONorthwest extrapolated the 2015 population to 2016 and the 2035 population to 2036 based on the methodology specified in the following file (from the Oregon Population Forecast Program website): http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Population_Interpolation_Template.xlsx

Aging Population

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

- **Seniors.** Consistent with Jackson County, Talent has a larger share of elderly residents than the state as a whole. Between 2000 and the 2010-2014 period, Talent's median age increased by about six years. As Talent's elderly population continues to grow, it will have increasing demand for housing that is suitable for elderly residents.

Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire. The State forecasts share of residents aged 60 years and older will account for more than one third of Jackson County's population, compared to around 28% in 2015.

The impact of growth in seniors in Talent will depend, in part, on whether Baby Boomers already in city continue to live in 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.¹⁴ In addition, Jackson County is an area that has historically attracted retirees moving from other states and other areas. Some of these retirees may choose to locate in Talent, if housing that suits their needs is available.

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 fails. The challenges that aging seniors face in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.¹⁵

- **Millennials.** Talent has a larger population of younger people than the County average. About 52% of Talent's population is under 40 years old, compared to 46% of Jackson County's population and the State average of 51%.

People currently aged 15 to 35 are referred to as the Millennial generation and account for the largest share of population in Oregon. By 2035, they will be aged 35 to 55. The forecast for Jackson County shows some growth (an 18%) in people roughly in the Millennials' age group. Talent'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.

In the near-term, Millennials may increase demand for rental units. The long-term housing preference of Millennials is uncertain. They may have different housing

¹⁴ 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>.

¹⁵ "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

preferences as a result of the current housing market turmoil and may prefer smaller, owner-occupied units or rental units. On the other hand, their housing preferences may be similar to the Baby Boomers, with a preference for larger units with more amenities. Recent 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.¹⁶

A recent survey of people living in the Portland Region shows that Millennials, these younger residents, prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.¹⁷ The survey results suggest that 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 as national surveys and studies about housing preference for Millennials.

As Millennials age and forms households, Talent will experience increased demand for both affordable single-family detached housing, as well as increased demand for affordable townhouses 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 downtown, especially if the housing is relatively affordable and located in proximity to services.

From 2000 to 2010-14 Talent’s median age increased from 34.3 to 40.5 years.

Exhibit 22. Median Age, Years, 2000 to 2010-14

Source: US Census Bureau, 2000 Decennial Census Table B01002, 2010-14 ACS, Table B01002.

2000	34.3 Talent	41.0 Phoenix	37.0 Medford	39.2 Jackson County	36.3 Oregon
2010-14	40.5 Talent	48.8 Phoenix	37.9 Medford	42.7 Jackson County	38.9 Oregon

¹⁶ 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

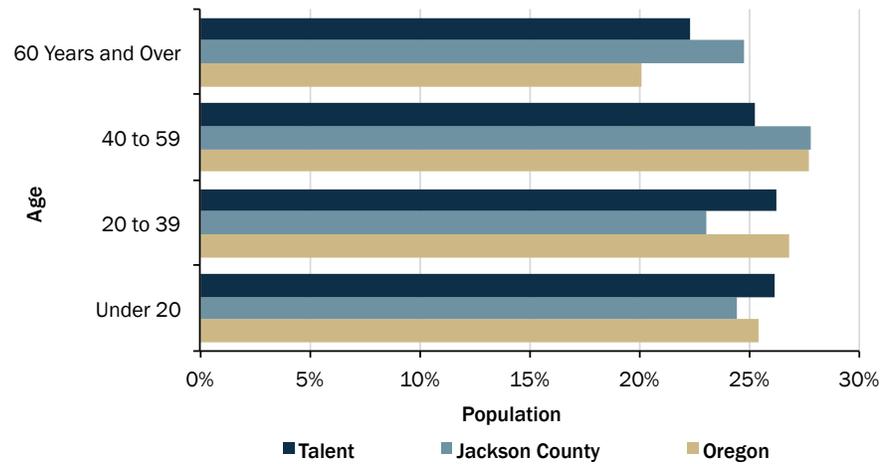
¹⁷ Davis, Hibbits, & Midghal Research, “Metro Residential Preference Survey,” May 2014.

In 2010, about 52% of Talent residents were aged between 20 and 59.

Talent has more young people (less than 40 years old) than Jackson County as a whole.

Exhibit 23. Population Distribution by Age, 2010

Source: US Census Bureau, 2010 Decennial Census Table P12.

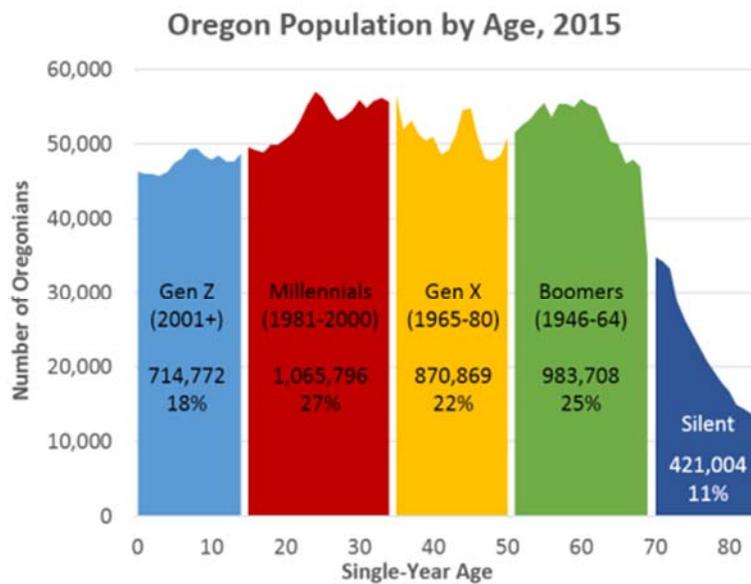


Oregon’s largest age groups are the Millennials and the Baby Boomers.

By 2035, Millennials will be between 35 and 54 years old. Baby Boomers will be 71 to 89 years old.

Exhibit 24. Population Distribution by Generation and Age, Oregon, 2015

Source: Oregon Office of Economic Analysis, “Population, Demographics, and Generations” by Josh Lehner, February 5, 2015. <http://oregoneconomicanalysis.com/2015/02/05/population-demographics-and-generations/>



Source: Oregon Office of Economic Analysis

The majority of population growth in Jackson County will be in people over 60 years old.

Exhibit 25. Fastest-growing Age Groups, Jackson County, 2010 - 2035
 Source: Portland State University, Population Research Center, Jackson County Forecast, June 30, 2015

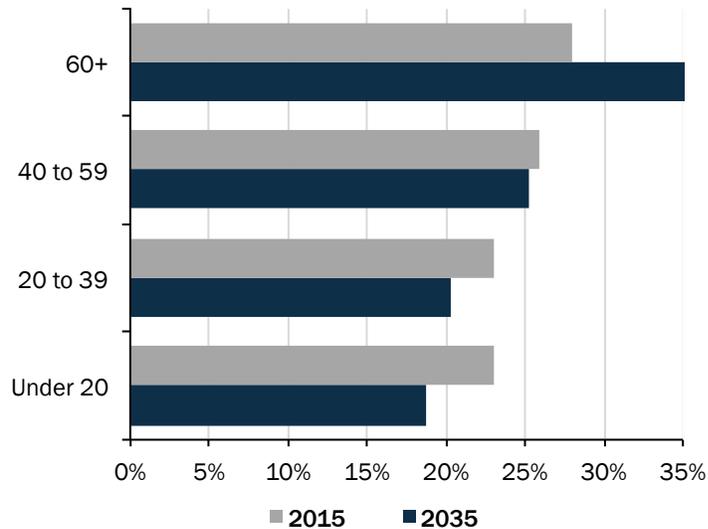
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs
1% Decrease -539 People	6% Increase 3,124 People	18% Increase 9,794 People	54% Increase 32,185 People

While population growth is expected in all age groups, by 2035, residents older than 60 are expected make up a larger share of the population.

The share of residents aged 60 years and older will account for nearly one third of Jackson County's population, compared to around 28% in 2010.

Exhibit 26. Population Growth by Age Group, Jackson County, 2010 - 2035

Source: Portland State University, Population Research Center, Jackson County Forecast, June 30, 2015



Ethnic Diversity

Talent's Hispanic and Latino population decreased slightly between 2000 and 2014, but increased between 2000 and 2010. It is unclear if the Hispanic and Latino population is actually decreasing in Talent, or if the apparent decrease is an issue with the ACS data. It is clear that Hispanic and Latino population is growing in Jackson County and in Oregon. As a result, it is reasonable to expect continued growth of Hispanic and Latino population in Talent over the 20-year period.

Growth in the Hispanic and Latino population will affect Talent's housing needs in a variety of ways.¹⁸ Growth in first and, to a lesser extent, second and third generation Hispanic and Latino immigrants will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. Households for Hispanic and Latino immigrants are more likely to include multiple generations, requiring more space than smaller household sizes. As Hispanic and Latino households integrate over generations, household size typically decreases and their housing needs become similar to housing needs for all households.

Growth in Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

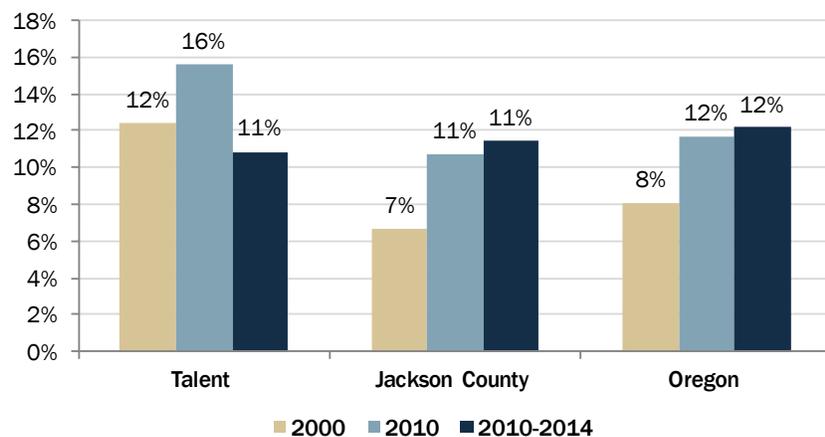
Talent's Hispanic population decreased slightly from 2000 to 2014.

The Hispanic population grew in Jackson County, and Oregon during the same time period.

In 2010-2014, Talent has a similar share of Hispanic residents as the County and State.

Exhibit 27. Hispanic or Latino Population as a Percent of the Total Population, 2000 to 2010-2014

Source: US Census Bureau, 2000 Decennial Census Table P008, 2010-2014 ACS Table B03002.



¹⁸ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012.

National Association of Hispanic Real Estate Professionals. *2014 State of Hispanic Homeownership Report*, 2014.

Household size and composition

Talent's household size and composition show that households in Talent are somewhat different from the county and statewide averages. Talent's households are smaller and a larger percentage are family households with children.

Talent's average household size is below that of the county and the state.

Exhibit 28. Average Household Size, 2010-2014

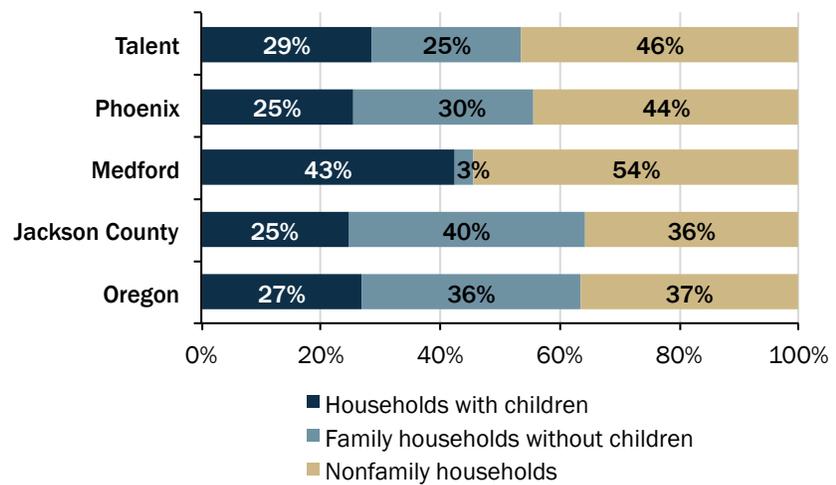
Source: US Census Bureau, 2014 ACS Table B25010.

2.28 Persons Talent	2.44 Persons Jackson County	2.50 Persons Oregon
-------------------------------	---------------------------------------	-------------------------------

Talent has a larger share of households with children than Jackson County or Oregon.

Exhibit 29. Household Composition, 2010-2014

Source: US Census Bureau, 2010-14 ACS, Table DP02.



Income of Talent Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for people living in Talent is slightly below the average in Jackson County and considerably below the state average.

In the 2010-2014 period, Talent's median household income was below that of the county and the state.

Exhibit 30. Median Household Income, 2010-2014

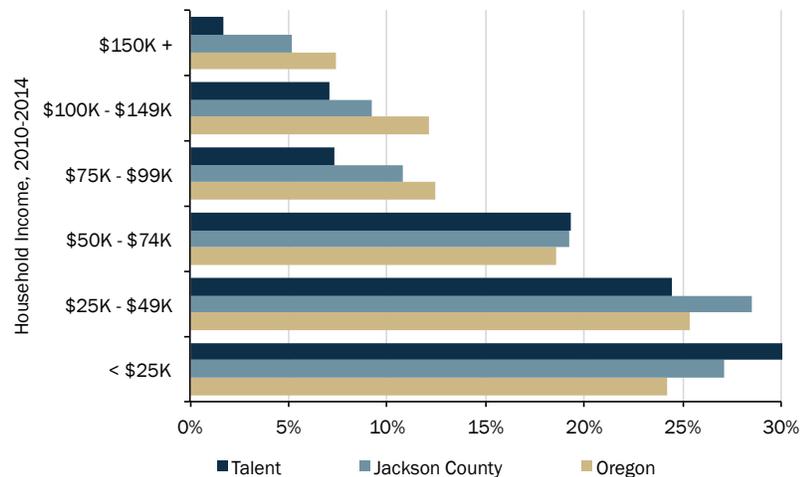
Source: US Census Bureau, 2010-2014 ACS Table B25119

\$32,168	\$34,478	\$42,366	\$44,086	\$50,521
Talent	Phoenix	Medford	Jackson County	Oregon

A quarter of Talent's households earn between \$25,000 and \$49,000.

Exhibit 31. Household Income, Talent, Jackson County, Oregon, 2010-14

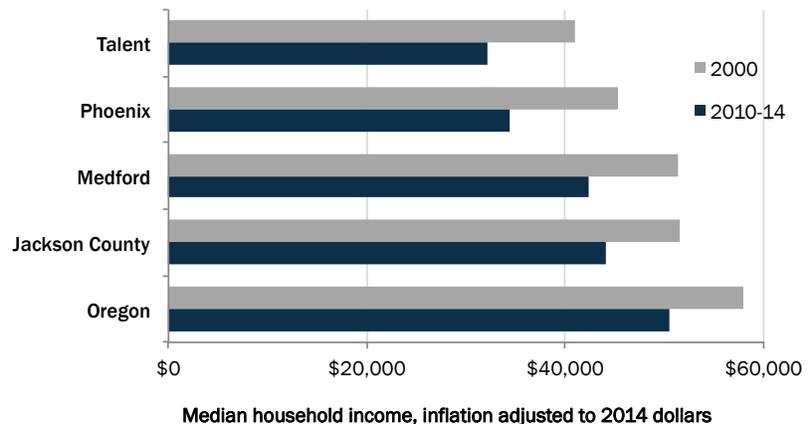
Source: US Census Bureau, 2010-2014 ACS, Table B19001



After adjusting for inflation, Talent's median household income decreased by 22% from 1999 to the 2010-14 period, from \$40,980 to \$32,168 per year.

Exhibit 32. Median Household Income, Talent, Phoenix, Medford, Jackson County, Oregon, 2000 to 2010-14, Inflation-adjusted

Source: US Census Bureau, 2000 Decennial Census, Table HCT012, 2010-2014 ACS Table B25119



Commuting trends

Talent is part of the complex, interconnected economy of Southern Oregon. Of the more than 1,016 people who work in Talent, more than 85% of workers commute into Talent from other areas, most notably Medford, Central Point, and Ashland. About 2,147 residents of Talent commute out of the city for work, mostly to Medford and Ashland.

Talent is part of an interconnected regional economy.

More than 862 people commute into Talent for work and nearly 2,147 people living in Talent commute out of the city for work. 154 people who live in Talent also work there.

Exhibit 33. Commuting Flows, Talent, 2014

Source: US Census Bureau, Census On the Map.

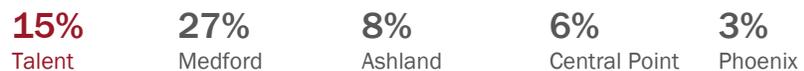


85% of workers at businesses located in Talent live in Jackson County, mostly in areas outside of Talent.

27% of people employed at businesses in Talent live in Medford, 8% live in Ashland, 6% live in Central Point and 3% live in Ashland.

Exhibit 34. Places Where Workers at Businesses in Talent Lived, 2014

Source: US Census Bureau, Census On the Map.



Three-quarters of residents of Talent work in Jackson County, most of them in cities outside of Talent.

30% percent of residents of Talent work in Medford, 24% in Ashland, and 3% in both Grants Pass and Talent.

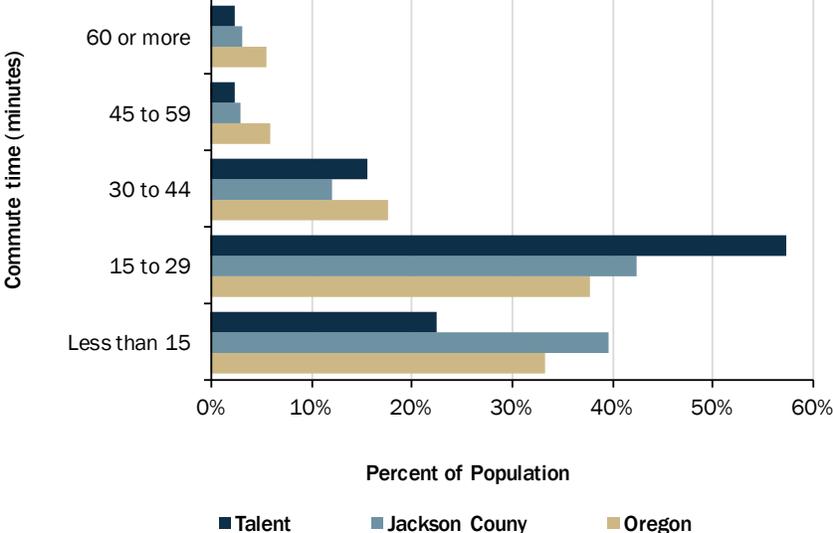
Exhibit 35. Places Where Talent Residents were Employed, 2014

Source: US Census Bureau, Census On the Map.



Most Talent residents have a commute time that takes less than 30 minutes.

About 80% of Talent residents have commute times less than 30 minutes, and only 2% commute for longer than one hour.



Regional and Local Trends Affecting Affordability in Talent

This section describes changes in sales prices, rents, and housing affordability in Talent and Jackson County since 2000.

Changes in housing costs

Talent’s housing sales prices are higher than the Jackson County average, with a median sales price of \$275,000 in 2016, compared to Jackson County’s overall average of \$234,000. In general over the 2007-2016 period, Talent’s housing prices changed following similar patterns as housing prices throughout the region. However, Talent has seen a particularly strong recovery since the housing market crash. The median sales price in Talent in 2016 was \$26,000 higher than sales price at the height of the housing market bubble in 2007. In contrast, median sales prices in Jackson County, Phoenix, East Medford, and Ashland were lower in 2016 than in 2007. In 2010-2014, the median value of a house in Talent was 5.1 times the median household income.

Talent’s median home sales price is above the county average.

Exhibit 36. Median Home Sale Price, Talent, Phoenix, Ashland, East Medford, Jackson County 2016

Source: Rogue Valley Association of Realtors, Residential Market Statistics, <http://roguevalleyrealtors.org/market-statistics-media-menu/residential-market-statistics-menu.html>

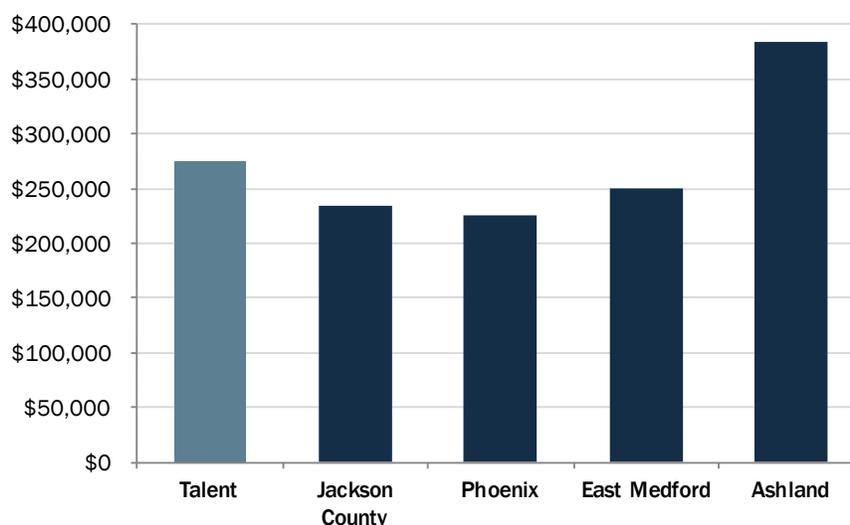
Note: When using Rogue Valley Association of Realtors estimates, Jackson County refers to the association’s “Urban Totals” estimate for Jackson County.

\$275K	\$234K	\$225K	\$250K	\$382K
Talent	Jackson County	Phoenix	East Medford	Ashland

Talent’s median home sale price was above all but Ashland’s median home sale price.

Exhibit 37. Median Sales Price, Talent-area Geographies, 2016

Source: Rogue Valley Association of Realtors.

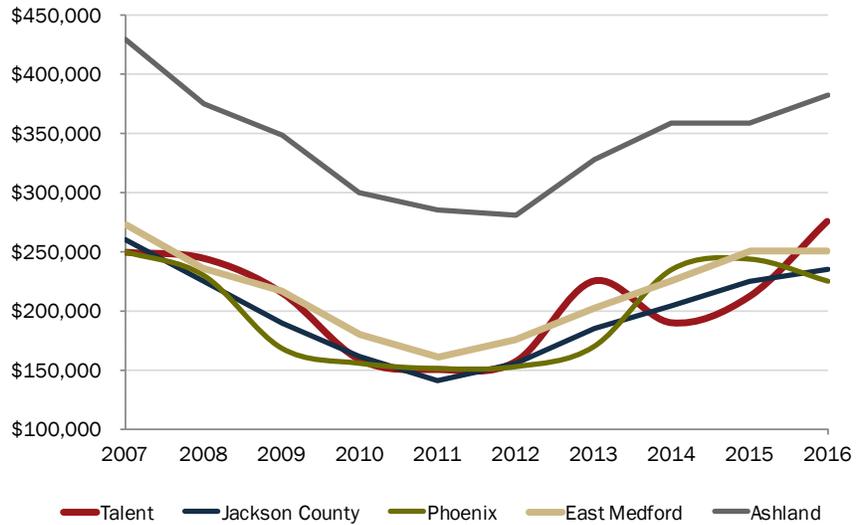


Median home sales prices in Talent have fully recovered from the 2007 housing market crash.

The median sales price in Talent in 2016 was \$26,000 higher the sales price at the height of the housing market bubble in 2007. In contrast, median sales prices in Jackson County, Phoenix, East Medford, and Ashland are lower than in 2007.

Exhibit 38. Median Sales Price, Talent, Jackson 2007-2016

Source: Rogue Valley Association of Realtors.



Since 2000, housing costs have increased faster than income. In 2010-2014, housing prices were 5.1 times incomes (on average) in Talent.

The median value of a house in Talent was 3.2 times the median household income in 2000, and 5.1 times by the 2010-2014 period. The change in housing value compared to income was slightly higher than the Jackson County average.

Exhibit 39. Ratio of Housing Value to Household Income (Median to Median), 2000 to 2010-14¹⁹

Source: US Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2009-2013 ACS, Tables B19013 and B25077

2000	3.2 Talent	3.0 Phoenix	5.8 Ashland	3.6 Medford	3.6 Jackson County
2010-14	5.1 Talent	5.0 Phoenix	7.9 Ashland	4.9 Medford	4.9 Jackson County

¹⁹ This ratio compares the median value of housing in Talent to the median household income. Inflation-adjusted median owner values in Talent increased from \$134,332 in 2000 to \$165,600 in 2010-14. Over the same period, inflation-adjusted median household income decreased from \$45,234 to \$32,168.

Changes in rental costs

Rental costs in Talent are higher than nearby cities and Jackson County averages.

Median gross rent in Talent is about \$992 a month.

Exhibit 40. Median Gross Rent, 2010-2014

Source: US Census Bureau, 2010-2014 ACS Table B25064

\$992	\$716	\$926	\$871	\$885	\$894
Talent	Phoenix	Ashland	Medford	Jackson County	Oregon

In August 2016, ECONorthwest surveyed multifamily rental complexes in Talent to get a sense of rental prices and occupancy rates. The results showed that the multifamily complexes were completely occupied, suggesting that the rental market in Talent is very tight. Rental rates for a 2-bedroom apartment ranged from \$888 per month to \$1,177 per month.

All of the multifamily complexes were fully occupied.

Market-rate rents were between \$845 to \$1,350 per month.

Exhibit 41. Talent rent survey findings

Source: ECONorthwest, August 2016

Apartment Name	Type of Units	Number of Units	Occupancy Rate (%)	Average Price	\$ / SF
Anjou Club	1B 1b	20	100%	\$845	\$1.40
	2B 1b	60	100%	\$888	\$0.96
	2B 2b	60	100%	\$996	\$1.02
	3B 2b	43	100%	\$1,225	\$0.97
Talent Parkside	2B 2b	143	100%	\$1,177	\$1.13

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. HUD 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 consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 49% of Talent’s households are cost burdened. Analyzed by housing tenure, about 56% of Talent renter households are cost burdened, compared with 45% of homeowners. A higher percentage of owner households in Talent are cost burdened than in Jackson County (35%).

For example, 40 percent of Talent households have income of less than \$25,000 per year. These households can afford rent of less than \$625 per month, or a home with a value of less than \$62,500. Most, but not all, of these households are cost burdened.

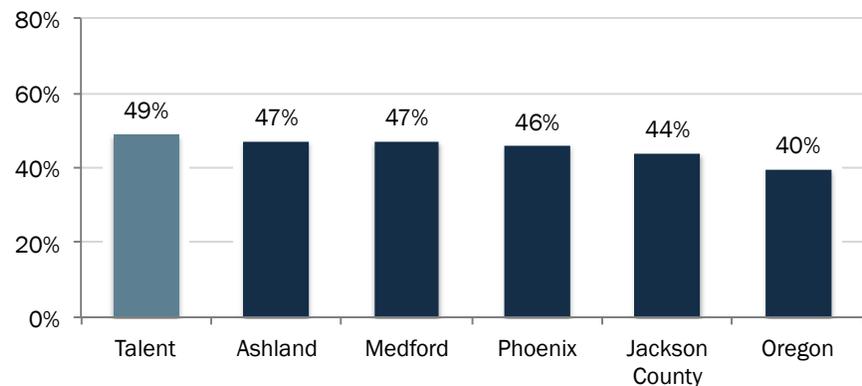
Cost Burden

About 49% of all households in Talent are cost burdened.

Talent has the highest share of cost burdened households out of any other compared geography.

Exhibit 42. Housing Cost Burden, All Households, Talent and comparison geographies, 2010-14

Source: US Census Bureau, 2010-2014 ACS Tables B25091 and B25070.

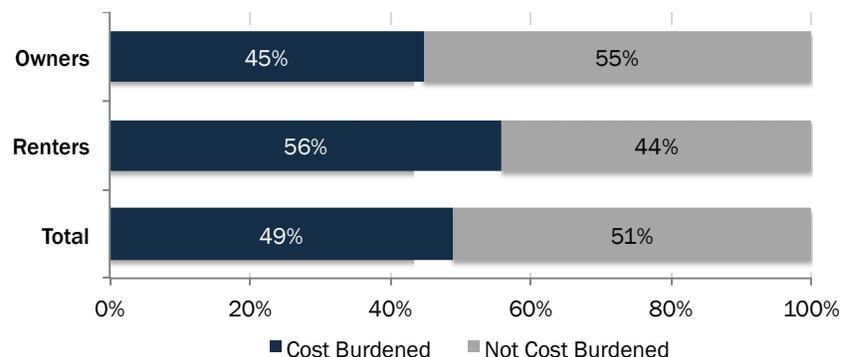


More than half of Talent’s renters are cost burdened, compared to half of owners

Cost burden rates are much higher among renters in Talent than among homeowners. In the 2010-14 period, about 56% of renters were cost burdened, compared to 45% of homeowners.

Exhibit 43. Housing Cost Burden by Tenure, Talent, 2010-14

Source: US Census Bureau, 2010-2014 ACS Tables B25091 and B25070.



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

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher income may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of accumulated wealth a household's ability to pay for housing. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator. This issue is particularly important in Talent, where the population is substantially older than the average for Jackson County or Oregon.

Cost burden is only one indicator of housing affordability. Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income. For example, a household must earn at least \$16.50 per hour to afford a two-bedroom unit in Jackson County. More than 40% of households in Talent have an income below the affordable housing wage for Jackson County.

Exhibit 44 shows housing affordability based on household income. Exhibit 44 groups households by level of Median Family Income (MFI), which is determined by HUD for every county. Jackson County’s MFI in 2016 was \$53,300. About 24% of Talent’s households had income that was less than 30% of the County MFI (\$15,990) and are able to afford housing costing \$400 or less. Eighteen percent of Talent’s households had income between 30% and 50% of the County MFI and are able to afford rent between \$400 and \$666.

The information in Exhibit 44 suggests that Talent has a substantial housing affordability problem, which is consistent with other cities in Southern Oregon.

About 42% of Talent households have income less than \$26,650 and cannot afford a one-bedroom apartment at Jackson County’s Fair Market Rent (FMR) of \$641.

About 50% of Talent households cannot afford a two-bedroom apartment at a Fair Market Rent of \$858.

Exhibit 44. Financially Attainable Housing, by Median Family Income (MFI) for Jackson County (\$53,300), Talent, 2016

Source: U.S. Department of Housing and Urban Development
US Census Bureau, 2014 ACS Table 19001 Attainable rent

% of Ja. Co. MFI	<30%	30%-50%	50%-80%	80%-120%	>120%
Annual Income	<\$15,990	\$15,990-\$26,650	\$26,650-\$42,640	\$42,640-\$63,960	>\$63,960
Monthly Affdble. Housing Cost	<\$400	\$400-\$666	\$666-\$1,066	\$1,066-\$1,599	>\$1,599
Percent of Talent Households	24%	18%	15%	20%	22%
Attainable Owner Housing Types	None	Mfg. in parks	Townhome Duplex Mfg on lot	Townhome Single-family house	All housing types
Attainable Renter Housing Types	Subsidized Apartment	Apartment Mfg. in parks Duplex	Apartment Townhome Single-family house	Most Single-family houses	All housing types

Exhibit 45 contrasts the number of households at differing income levels with the number of dwelling units affordable to these households, assuming they spend no more than 30% of their income on housing costs. Exhibit 45 shows that Talent has about 1,083 households earning less than \$25,000 and 478 dwelling units (363 owner-occupied units and 116 rental units) with housing costs affordable to these households. The city has a deficit of about 600 units for households with income below \$25,000. This is consistent with Talent’s rate of cost burden because most of these 600 households are not homeless but occupy housing that costs more than they can afford. Nearly half of Talent’s households are unable to afford a two-bedroom rental at fair market rent (\$858).

The information in Exhibit 45 reinforced the conclusion that Talent has a housing affordability challenge.

Talent currently has a large deficit of housing affordable to households earning less than \$25,000.

The deficit of housing for households earning less than \$25,000 results in these households living in housing that is more expensive than they can afford, consistent with the data about renter cost burden in Talent.

The housing types that Talent has a deficit of are more affordable housing types such as apartments, duplexes, tri- and quad-plexes, and manufactured housing.

Exhibit 45. Rough Estimate of Housing Affordability, Talent, 2016

Source: US Census Bureau, 2010-2014 ACS Tables 19001, 25075, 25063

Annual Income	<\$25K	<\$25K- \$50K	<\$50K- \$75K	<\$75K- \$100K	>\$100k
HH in Talent	1,083 40%	658 24%	519 19%	196 7%	235 9%
Monthly Affdble. Housing Cost	<\$625	\$625- \$1,250	\$1,250- \$1,875	\$1,875- \$2,450	> \$2,450
Affdble. Owner Housing Cost	<\$62,500	\$62,500- \$125,000	\$125,000- \$187,500	\$187,500- \$245,000	> \$245K
Est. of Number of Owner Units in Talent	362	256	345	401	276
Est. of Number of Renter Units in Talent	116	750	167	20	0
HUD Fair Market Rent (2016)	Studio: \$615	1 bdrm: \$641 2 bdrm: \$858 3bdrm: \$1,250	4 bdrm: \$1,364		
Does Talent Have Enough Units?	No. Deficit: 606 units	Yes. Surplus: 347 units	No. Deficit: 7 units	Yes. Surplus: 225 units	Yes. Surplus: 41 units

Summary of the Factors Affecting Talent's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice, and in doing so, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies.

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. They are less likely to have children. All of 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 illustrate 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; 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), the "empty nesters."²⁰ Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Thus, 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 Talent over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 1990 and 2015 Talent's population (within its city limits) grew by more than 2,996 people (92%). Between 2016 and 2036, the population in Talent's UGB is forecast to grow from 6,492 to 9,154, an increase of 2,662 people (41%). Jackson County is expected to grow by approximately 44,090 people (21%) over the same period.
- **Housing affordability will continue to be a key challenge in Talent.** Housing affordability is a challenge in Jackson County in general and particularly a challenge in the area between Medford and Ashland, where Talent is located. Consistent with state and national trends, housing prices in Jackson County are increasing faster than incomes. This trend is particularly pronounced in Talent. Talent has a relatively small share of housing that is multifamily housing (less than a quarter of the City's housing stock), and there are few vacant multifamily units. Talent's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types of housing, from lower-cost single-family housing to market-rate multifamily housing.

²⁰ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

- **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 allows some quantification of the composition of demand for new housing.

The City's residential policies can impact the amount of change in Talent's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types, especially multifamily that is affordable to low- and moderate-income households, a larger percentage of new housing developed over the next 20 years in Talent may be relatively affordable.

Examples of policies that the City could adopt to achieve this outcome include: allowing a wider range of housing types (e.g., duplex or townhouses) in single-family designates, ensuring that there is sufficient land designated to allow single-family attached multifamily housing development, supporting development of government-subsidized affordable housing, and encouraging multifamily residential development in downtown. The degree of change in Talent's housing market, however, will depend on market demand for these types of housing in the southern part of Jackson County.

- **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 development of smaller single-family detached homes, townhomes, and multifamily housing.

Key demographic and economic trends that will affect Talent's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in Hispanic and Latino population.

- *The Baby Boomer's population is continuing to age.* By 2035, people 60 years and older will account for 36% of the population in Jackson County (up from 28% in 2015). As the population ages, household sizes decrease and homeownership rates decrease, both of which will affect Talent's housing demand. Growth in retirees is the factor that is likely to have the biggest effect on Talent's housing market because this age group is expected to account for nearly three-quarters of the growth in Jackson County over the 20-year period.
- *Millennials will continue to age.* By 2035, Millennials will be roughly between about 35 years old to 55 years old. As they age, generally speaking, their household sizes will increase and homeownership rates will peak by about age 55. Between 2015 and 2036, Millennials will be a key driver in demand for housing for families with children.
- *Hispanic and Latino population will continue to grow.* The U.S. Census projects that by about 2040, Hispanic and Latino population will account for one-quarter of the nation's population. The share of Hispanic and Latino population in the western U.S. is likely to be higher. The Hispanic and Latino population already accounts for about 11% of Talent's population. In addition, Hispanic and Latino population is generally younger than the U.S. average, with many Hispanic and Latino people belonging to the Millennial generation.

Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in 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.²¹

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables are factors that support the conclusion of need for a smaller and less expensive units and a broader array of housing choices. Growth of retirees will drive demand for small single-family detached and townhomes for homeownership, townhome and multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials and Hispanic and Latino population will drive demand for affordable housing types, including demand for small, affordable single-family units (many of which may be ownership units) and for affordable multifamily units (many of which may be rental units).

- **No amount of analysis is likely to make the distant future completely certain: the purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today.** Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. But a variety of factors or events could cause growth forecasts to be substantially different.

²¹ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012.

National Association of Hispanic Real Estate Professionals. *2014 State of Hispanic Homeownership Report*, 2014.

5. Housing Need in Talent

Project New Housing Units Needed in the Next 20 Years

The results of the housing needs analysis are based on: (1) the official population forecast for growth in Talent over the 20-year planning period, (2) information about Talent’s housing market relative to Jackson County and nearby cities, and (3) the demographic composition of Talent’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 Talent between 2016 and 2036, shown in Exhibit 46. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.²²

- **Population.** A 20-year population forecast (in this instance, 2016 to 2036) is the foundation for estimating needed new dwelling units. Talent will grow from 6,492 persons in 2016 to 9,154 persons in 2036, an increase of 2,662 people.²³
- **Persons in Group Quarters.** 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 multiple-family dwellings.

The 2010-2014 American Community Survey shows that 0.5% of the City’s population was in group quarters. **For the 2016 to 2036 period, we assume that 0.5% of new population, 13 people, will be in group quarters.**

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most-recent decennial Census at the time

²² A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

²³ This forecast is based on Talent’s official forecast from the Oregon Population Forecast Program for the 2016 to 2036 period, shown in Exhibit 21. ECONorthwest extrapolated the 2015 population to 2016 and the 2035 population to 2036 based on the methodology specified in the following file (from the Oregon Population Forecast Program website): http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Population_Interpolation_Template.xlsx.

of the analysis. According to the 2010-2014 American Community Survey, the average household size in Talent was 2.28 people. **Thus, for the 2016 to 2036 period, we assume an average household size of 2.28 persons per household.**

- **Vacancy Rate.** The Census defines vacancy as: "Unoccupied housing units 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 vacant 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.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent decennial Census. According to the 2010-2014 American Community Survey, Talent's vacancy rate was 7.3%. **For the 2016 to 2036 period, we assume a vacancy rate of 7.3%.**

Talent will have demand for 1,247 new dwelling units over the 20-year period, with an annual average of 62 dwelling units.

Exhibit 46. Forecast of demand for new dwelling units, Talent UGB, 2016 to 2036

Source: Calculations by ECONorthwest

Change in persons	2,662
<i>minus</i> Change in persons in group quarters	13
<i>equals</i> Persons in households	2,649
Average household size	2.28
New occupied DU	1,162
<i>times</i> Vacancy rate	7.3%
<i>equals</i> Vacant dwelling units	85
Total new dwelling units (2016-2036)	1,247
Annual average of new dwelling units	62

New housing units needed over the next 20 years

Exhibit 46 presents a forecast of new housing in Talent's UGB for the 2016-2036 period. This section determines the needed mix and density for new housing developed over this 20-year period in Talent.

Exhibit 47 shows that, in the future, the need for new housing developed in Talent will include more housing generally more affordable, with some housing located in walkable areas with access to services. This assumption is based on the following findings in the previous chapters:

- Demographic changes suggest moderate increases in demand for attached single-family housing and multifamily housing. The key demographic trends that will affect Talent's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in Hispanic and Latino population. Growth of these groups has the following implications for housing need in Talent:
 - *Baby Boomers.* Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These 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, moving into age-restricted manufactured home parks (if space is available), or moving into group housing (such as assisted living facilities or nursing homes), as their health fails. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for single-family attached and multifamily housing. Some Baby Boomers may prefer housing in walkable neighborhoods, with access to services.
 - *Millennials.* Growth in Millennial households is expected to account for a relatively small share in population growth in Jackson County over the next 20-years. To the extent that Millennials grow in Talent, this growth will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. Some Millennials may prefer to locate in traditional single-family detached housing, at the edges of Talent's UGB. Some Millennials will prefer to locate in walkable neighborhoods, possibly choosing small single-family detached houses, townhouses, or multifamily housing.
 - *Hispanic and Latino population.* Growth in the number of Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Hispanic and Latino households are more likely to be larger than average, with more children and possibly with multigenerational households. The types of housing that are most likely to be affordable to the majority of Hispanic and Latino households are existing lower-cost single-family housing, single-family housing with an accessory dwelling unit, and multifamily housing. In

addition, growth in the number of farmworkers will increase need for affordable housing for farmworkers.

- More than 40% of Talent’s households have affordability problems, indicating a need for more affordable housing types. About half of Talent’s households could not afford a two-bedroom apartment at HUD’s fair market rent level of \$858. A household earning median family income (\$53,300) could afford a home valued up to about \$140,000, which is considerably below the median sales price for single-family housing of about \$275,000 in Talent.

In addition, Talent has a small supply of multifamily housing, which accounts for about one-fifth of the city’s housing stock. Talent has few multifamily apartment buildings, one of which are government-subsidized apartment buildings. As a result, there are few choices for market-rate multifamily housing opportunities in Talent.

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing or smaller single-family housing) or locating in less expensive areas in Southern Oregon, farther from employment centers. To the extent that denser housing types are more affordable than larger housing types, continued increases in housing costs will increase demand for denser housing.

These findings suggest that Talent’s needed housing mix is for a broader range of housing types than are currently available in Talent’s housing stock. The types of housing that Talent will need to provide opportunity for development of over the next 20 years are described above: smaller single-family detached housing (e.g., cottages or small single-family detached units), manufactured housing, “traditional” single-family detached housing, townhouses, duplexes and quad-plexes, small apartment buildings, and larger apartment buildings.

Exhibit 47 shows a forecast of needed housing in the Talent UGB during the 2016 to 2036 period. The projection is based on the following assumptions:

- Talent’s official forecast for population growth shows that the City will add 2,662 people over the 20-year period. Exhibit 46 shows that the new population will result in need for 1,247 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 47 are:
 - Sixty-five percent of new housing will be single-family detached, a category which includes manufactured housing. Exhibit 6 shows that 76% of Talent’s housing was single-family detached in the 2010-2014 period, with little change since 2000.
 - Ten percent of new housing will be single-family attached. Exhibit 6 shows that 5% of Talent’s housing was single-family attached in the 2010-2014 period, a modest increase since 2000.
 - Twenty-five percent of new housing will be multifamily. Exhibit 6 shows that 19% of Talent’s housing was single-family attached in the 2010-2014 period, with a decrease in the share of housing stock of 7% since 2000.

Talent will have demand for a mix of housing types over the 20-year period, an increase in the percentage of new housing in single-family attached and multifamily housing.

Exhibit 47. Forecast of demand for new dwelling units, Talent UGB, 2016 to 2036

Source: Calculations by ECONorthwest

Needed new dwelling units (2016-2036)	1,247
Dwelling units by structure type	
<i>Single-family detached</i>	
<i>Percent single-family detached DU</i>	65%
<i>equals Total new single-family detached DU</i>	810
<i>Single-family attached</i>	
<i>Percent single-family attached DU</i>	10%
<i>equals Total new single-family attached DU</i>	125
<i>Multifamily</i>	
<i>Percent multifamily detached DU</i>	25%
<i>equals Total new multifamily DU</i>	312
Total new dwelling units (2016-2036)	1,248

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land.

Exhibit 50 allocates needed housing to plan designations in Talent. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation. Exhibit 50 shows:

Reviewers: The allocations in the table may be revised with continued discussion of Talent’s housing policies. Changes to this table will result in changes to the subsequent tables in the report.

- **Low Density** includes RL-CL and RL-UGB will accommodate new single-family detached housing, including manufactured housing on lots and accessory dwelling units.
- **Medium Density** will accommodate a mixture of single-family detached, manufactured homes (in parks and on lots), townhouses, and lower density multifamily housing, such as duplexes or triplexes. Talent’s zoning ordinance only includes the Single-Family Manufactured Housing designate in Medium Density. This allocation assumes that Talent develops another designate that allows these housing types at densities of about 5 to 10 dwelling units per net acre and it is designated as medium density residential.
- **High Density** will primarily accommodate multifamily, with a small amount of single-family attached housing.
- **Commercial Designations** will accommodate multifamily housing, either as part of a mixed-use building, on residential development allowed outright in commercial designations, or on land redesignated from commercial to High Density residential. Commercial designates currently allow housing on floors above commercial uses and, in some cases, behind commercial uses

Exhibit 48. Allocation of needed housing by housing type and plan designation, Talent UGB, 2016 to 2036

Source: ECONorthwest

Note: Talent’s existing Medium Density designation is intended for development of manufactured homes in manufactured home parks.

Comprehensive Plan Designation	Residential Plan Designation				Commercial Designations	Total
	Low Density (RL-CL)	Low Density (RL-UGB)	Medium Density (RM)	High Density (RH)		
Dwelling Units						
Single-family detached	362	362	61	25	-	810
Single-family attached	-	-	63	62	-	125
Multifamily	-	-	38	193	81	312
Total	362	362	162	280	81	1,247
Percent of Units						
Single-family detached	29%	29%	5%	2%	0%	65%
Single-family attached	0%	0%	5%	5%	0%	10%
Multifamily	0%	0%	3%	15%	6%	25%
Total	29%	29%	13%	22%	6%	100%

Exhibit 49 presents the assessment of needed density for housing built in Talent over the 2016 to 2036 period. The assessment of needed density is based on a number of factors: (1) the types of housing and development densities allowed in each Plan Designation, (2) existing development by type of housing, (3) the densities by type of plan designation described in OAR 660-038 Table 2,²⁴ and (4) the range of housing need by income identified in Exhibit 50, which includes need for housing for high income households to low- and very-low income households.

Talent assumes that land for rights-of-way will account for: (1) 17.5% of land in the Low Density and Medium Density designations, consistent with analysis in the Regional Planning Solving process²⁵ and (2) 24% in High Density and Commercial Designations, consistent with Talent's zoning code. Exhibit 50 shows the following needed densities, in net and gross acres: ²⁶

- **Low Density:** 5.5 dwelling units per acre, with 17.5% of land used for rights-of-way, resulting in a density of 4.5 dwelling units per gross acre.
- **Medium Density:** 8.0 dwelling units per acre, with 17.5% of land used for rights-of-way, resulting in a density of 6.6 dwelling units per gross acre.
- **High Density:** 18.0 dwelling units per acre, with 24% of land used for rights-of-way, resulting in a density of 13.7 dwelling units per gross acre. High Density allows for development of single-family detached units at a density of 6.0 dwelling units per net acre and multifamily at a maximum density of 22 dwelling units per net acre. The historical density of for multifamily dwellings in Talent is 15.5 dwelling units per net acre.
- **Commercial:** 18.0 dwelling units per acre, with 24% of land used for rights-of-way, resulting in a density of 13.7 dwelling units per gross acre, consistent with High Density.

²⁴ While Talent does not use the methodology described in OAR 660-038, the City did consider the densities described in Table 2. Talent's needed densities generally fit within the ranges described in Table 2. The exception is for Medium Density Residential. Table 2 shows a range of 10-12 dwelling units per acre for medium density.

Talent expects to work with its elected and appointed officials to revise the Comprehensive Plan to include a Medium Density Residential designation that allows a range of 5 to 10 dwelling units per acre for Medium Density Residential and allows a range of housing types such as single-family detached, manufactured homes (in parks and on lots), townhouses, and lower density multifamily housing, such as duplexes or triplexes. Talent would also develop a zoning district to implement this the revised Medium Density Residential designation.

²⁵ *Greater Bear Creek Valley Regional Plan*, Jackson County Oregon

²⁶ 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, parks, and schools.

Exhibit 49. Needed density for housing built in the Talent UGB, 2016 to 2036

Source: ECONorthwest

Note: DU is dwelling unit.

Plan Designation	Net Density (du/acre)	Percentage for Rights-of-Way	Gross Density (du/acre)
Low Density (RL-CL)	5.5	17.5%	4.5
Low Density (RL-UGB)	5.5	17.5%	4.5
Medium Density (RM)	8.0	17.5%	6.6
High Density (RH)	18.0	24.0%	13.7
Commercial	18.0	24.0%	13.7

Needed housing by income level

The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This requires an estimate of the income distribution of current and future households in the community. These estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Exhibit 50 is based on American Community Survey data about income levels in Talent, using information shown in Exhibit 44. Income is categorized into market segments consistent with HUD income level categories, using Jackson County's 2016 Median Family Income (MFI) of \$53,300. Exhibit 50 is based on current household income distribution, assuming approximately that the same percentage of households will be in each market segment in the future.

About 62% of Talent's future households will have income below 80% of Jackson County's median family income (less than \$45,000 in 2016 dollars).

This shows a substantial need for affordable housing types, such as government-subsidized affordable housing, manufactured homes, apartments, townhomes, duplexes, and small single-family homes.

Exhibit 50. Estimate of needed new dwelling units by income level, by Median Family Income (MFI) for Jackson County (\$53,300), Talent, 2016-2036

Source: U.S. Department of Housing and Urban Development
US Census Bureau, 2010-2014 ACS Table 19001

% of Ja. Co. MFI	<30%	30%-50%	50%-80%	80%-120%	>120%
Annual Income	<\$16,770	\$16,770-\$27,950	\$27,950-\$44,720	\$44,720-\$67,080	> \$67,080
2015 Monthly Affdble. Housing Cost	<\$419	\$419-\$699	\$699-\$1,118	\$1,118-\$1,677	> \$1,677
Percent of Talent's Households	27%	15%	20%	18%	20%
New Households 2016-2036	337	187	249	224	249
Attainable Owner Housing Types	None	Mfg. in parks	Townhome Duplex Mfg on lot	Townhome Single-family house	All housing types
Attainable Renter Housing Types	Subsidized Apartment	Apartment Mfg. in parks Duplex	Apartment Townhome Single-family house	Most Single-family houses	All housing types

Need for government assisted and manufactured housing

ORS 197.303 requires cities to plan for government-assisted housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government-subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Talent allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Talent 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.
- **Manufactured housing on lots.** Talent allows manufactured homes on lots in in Low Density designation (the RS-5 and RS-7 zones) and the High Density Designation (the RM-22 zone), which is the zone where single-family detached housing is allowed. Talent does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,²⁷ Talent has five manufactured home parks within the City, with 449 spaces and five vacant spaces. The manufactured home parks are located in the High Density Plan Designation.

ORS 197.480(2) requires Talent 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.

- Exhibit 46 shows that Talent will grow by 1,247 dwelling units over the 2016 to 2036 period.
- Analysis of housing affordability (in Exhibit 49) shows that about 42% of Talent's new households will be 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 in parks accounts for about 15% (about 449 dwelling units) of Talent's current housing stock.

²⁷ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- National, state, and regional trends since 2000 showed that manufactured housing parks were closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Of these 13 parks (336 spaces) that closed were in Jackson or Josephine counties. 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.
- Exhibit 49 shows that the households most likely to live in manufactured homes in parks are those with incomes between \$15,990 and \$26,650 (30% to 50% of median family income), which include 15% of Talent’s households. However, households in other income categories may live in manufactured homes in parks.

Manufactured home park development is an allowed use in Medium Density, in the RS-MH zone. The national and state trends of closure of manufactured home parks and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years demonstrates that development of new manufactured home parks in Talent is unlikely.

Our conclusion from this analysis is that development of new manufactured home parks in Talent over the planning period is unlikely over the 2016-2036 period. It is, however, likely that manufactured homes will continue to locate on individual lots in Talent. The forecast of housing in Exhibit 47 assumes that no new manufactured home parks will be opened in Talent over the 2016-2036 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next 20 years (or longer), one or more manufactured home parks may close in Talent as 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.

While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,²⁸ the City has a role to play in ensuring there are opportunities for housing for the displaced residents. The City’s primary role is to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policy to encourage development of relatively affordable

²⁸ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year’s notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

housing, such as allowing a wider range of moderate density housing (e.g., duplexes or cottages) in the Low Density designation, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

6. Residential Land Sufficiency within Talent

This chapter presents an evaluation of the sufficiency of vacant residential land in Talent to accommodate expected residential growth over the 2016-2036 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Talent’s ability to accommodate needed new housing units for the 2016-2036 period, based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

This chapter focuses on land needed for housing but also considers land needed for public and semi-public uses in residential areas.

Framework for the Residential Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix A) 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 get estimates of supply and demand into common units of measurement so that they can be compared: (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 all 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,”²⁹ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

²⁹ 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.

Talent 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 49.

Exhibit 51 shows that **Talent’s 130 acres of vacant residential land has capacity to accommodate approximately 796 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential Plan Designations as shown in Chapter 2.
- **Needed densities.** The capacity analysis assumes development will occur at needed densities (as opposed to historical observed densities). Those densities were derived from historical levels and the needed densities shown in Exhibit 49.

Exhibit 51. Estimated housing development potential on vacant residential lands, number of dwelling units, Talent UGB

Source: Buildable Lands Inventory from City of Talent; Calculations by ECONorthwest
Note: DU is dwelling unit.

Plan Designation	Buildable/ Suitable Acres	Gross Density (du/acre)	Dwelling Units Capacity
Low Density (RL-CL)	43	4.5	193
Low Density (RL-UGB)	69	4.5	310
Medium Density (RM)	5	6.6	33
High Density (RH)	13	13.7	178
Total	130	5.5	714

The estimated capacity in Exhibit 51 does not include assumptions about development in commercial designations or redevelopment opportunities.

The assumed density of development in Exhibit 51 is 5.5 dwelling units per gross acre, or 6.8 dwelling units per net acre.

Land Needed for Public and Semi-Public Uses

This section will be added to the next version of the document and will add land needs for public and semi-public uses in residential areas.

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Talent is to compare the demand for housing by Plan Designation (Exhibit 48) with the capacity of land by Plan Designation (Exhibit 51).

Exhibit 52 shows that Talent has a deficit of capacity in all residential plan designations:

- **Low Density:** Talent has a deficit of capacity for about 221 dwelling units, or 50 gross acres of land to accommodate growth over the 2016-2036 period, in both the RL-CL and RL-UGB zones.
- **Medium Density:** Talent has a deficit of capacity for about 129 dwelling units, or 20 gross acres of land to accommodate growth.
- **High Density:** Talent has a deficit of capacity for about 102 dwelling units, or 7 gross acres of land to accommodate growth.
- **Commercial:** Exhibit 52 shows a need for 81 dwelling units of capacity in commercial designations, about 6 gross acres. This development could occur in mixed-use buildings or on land that is redesignated to High Density

Exhibit 52. Comparison of capacity of existing residential land with demand for new dwelling units and land deficit, Talent UGB, 2016-2036

Source: Buildable Lands Inventory from City of Talent; Calculations by ECONorthwest
 Note: DU is dwelling unit.

Plan Designation	Land Sufficiency			Land Deficit	
	Dwelling Units Capacity of Buildable Land	Needed Dwelling Units (2016-2036)	Surplus or Deficit of Dwelling Units	Gross Density (du/acre)	Land Deficit (Gross Acres)
Low Density	503	724	-221	4.5	-50
Low Density (RL-CL)	193	362	-169	4.5	-38
Low Density (RL-UGB)	310	362	-52	4.5	-12
Medium Density (RM)	33	162	-129	6.6	-20
High Density (RH)	178	280	-102	13.7	-7
Commercial	0	81	-81	13.7	-6
Total	714	1,247	-533		

This section will add a conclusion about residential land need including land needed for public and semi-public uses.

Conclusions and Recommendations

The findings of the Talent Housing Needs Analysis are:

- **Talent has a deficit of land to accommodate housing in every plan designation.** Talent has a deficit of 50 acres of Low Density land, both in the R-CL and the RL-UGB. Talent also has a deficit of land for medium density development, shown as a deficit of 20 acres in Medium Density. However, Talent does not have a typical medium density plan designation and the only zone in the city's Medium Density is Single-Family Manufactured Housing. Talent also has a deficit of land for high density housing, with 7 acres in High Density and 6 acres in commercial designations.
- **Talent will need to provide opportunity for development of a wider range of housing types.** Three-quarters of the housing in Talent's housing market is single-family detached. While Talent will continue to need single-family detached housing in the future, the City's needed housing mix includes a wider range of housing types, such as townhouses and all types of multifamily housing. The City should provide opportunities for development of a wider range of housing types, especially housing that is more affordable for households with income below \$50,000. The city's biggest affordability challenge is for households with income below \$25,000 because these households generally cannot afford market-rate housing.
- **Talent has an existing deficit of affordable housing.** Talent's housing prices, especially ownership prices, have increased substantially since 2000. For example, the median home value was 5.1 times the median income in 2014, up from 3.2 in 2000. Nearly half of Talent's households are unable to afford a two-bedroom rental at fair market rent (\$858). Talent has a deficit of about 600 units for households with income below \$25,000, in housing types such as apartments, duplexes, tri- and quad-plexes, and manufactured housing. The City may consider partnering with organizations involved in producing affordable housing, such as the Jackson County Housing Authority, to support development of new affordable housing in Talent.
- **Talent will need to address development constraints in the Railroad District Master Plan area.** Much of Talent's vacant buildable land (# acres and X%) is in the Railroad District Master Plan area, located southwestern of Rapp Road. Development of this area will be challenging because of steep slopes, with much of the unconstrained vacant buildable area in slopes of 5% to 25%. In addition, providing urban services to this area will require crossing the rail line, which requires obtaining permission to cross the rail line from ODOT Rail. Providing urban services will require extending water and wastewater services and making transportation connections with Talent's transportation network. Given that this area accounts for a large percentage of Talent's buildable residential land, making this area ready for development should be a priority for the City.
- **The City will need to identify ways to accommodate for forecast of housing growth.** The City can meet the need for housing by increasing land use efficiency, expanding its urban growth boundary (UGB), or both.

- *Evaluate land use efficiency policies.* ECONorthwest recommends that the City evaluate policies to increase land use efficiency, which is a required part of a UGB expansion analysis. Policies that the City could consider include: (1) allowing a wider range of housing in low- and medium-density zones, (2) redesignating land from lower-density uses to higher density uses, such as low-density residential to medium- or high-density uses, (3) redesignating surplus commercial and industrial land to medium- and high-density residential uses, (4) lowering barriers to mixed-use and multifamily development in commercial zones, (5) lower barriers to development of affordable housing types, such as smaller single-family units, accessory dwelling units, and apartments, and (6) lowering other barriers to efficient development of Talent’s residential land base.
- *Evaluate opportunities for UGB expansion.* Talent participated in the Regional Planning Solving process (RPS) and adopted urban reserves for residential development. Talent’s urban reserves for residential development are in the following areas: TA3 has about 104 acres and most is expected to be developed for residential uses, and TA5 has about 26 acres and less than half is planned for residential uses.
- **Work with the RPS Committee to identify options for accommodating the forecast of residential growth in urban reserves.** It seems unlikely that all of Talent’s residential growth can be accommodated within the UGB, especially given challenges of developing land in the Railroad District. However, Talent’s urban reserve areas may not be sufficient or best suited to accommodate Talent’s residential development. TA3 is located at the southern end of Talent, south and east of Highway 99. Development in this area may be challenging due to steep slopes and infrastructure constraints. TA5 is relatively small (26 acres) and only 43% is planned for residential uses. ECONorthwest recommends that the City work with the RPS Committee to identify options for accommodating housing need in the urban reserves, such as using some areas identified for employment uses for residential uses.
- **The City is planning to meet the density targets in the RPS Regional Plan.** The RPS resulted in commitments from each city in the region about “committed densities” for residential development in Urban Reserve Areas (URAs). Talent’s committed density is 6.6 dwelling units per gross acre (or 8 dwelling units per net acre) for the 2010-2035 period. For the 2036-2060 period, Talent’s committed density is 7.6 dwelling units per gross acre, a 15% increase over the committed density for the 2010-2035 period.³⁰
The forecast for land need shown in Exhibit 51 and Exhibit 52 result in a density of 6.8 dwelling units per net acre. This meets Talent’s committed density through 2035.
- **The City lacks a standard medium density residential comprehensive plan designation.** The City’s existing Medium Density Plan Designation includes one zone, the Single-Family Manufactured Home (RS-MH) zone, which is intended to provide opportunities for developing manufactured home parks or on individual lots. The City

³⁰ Greater Bear Creek Valley Regional Plan, page 2-11 to 2-12.

lacks a zone that bridges the gap between low density zones and high density zones. ECONorthwest recommends that the City develop a medium density zone and plan designation with a density of 5 to 10 dwelling units per acre. This zone should allow single-family detached housing, townhouses, duplexes, tri- and quad-plexes, small apartment buildings, and other moderate density housing types.

- **Talent should consider opportunities to use commercial land for residential development.** The Economic Opportunities Analysis identified a surplus of about 45 acres of commercial land. The Housing Needs Analysis identified a deficit of land to accommodate high density housing, both in the High Density designation and in commercial areas. The City should evaluate opportunities to accommodate some or all of this deficit in commercial areas, either through redesignating commercial land to residential uses or by developing policies to encourage development of high density housing in commercial areas.

The broad conclusion of the housing needs analysis is that Talent can take policy actions to address the issues identified in this report, as recommended above. The Housing Policies Strategies memorandum makes recommendations on policies that Talent should implement, based on the analysis in this report and discussions with the project Citizen Advisory Committee. We recommend that the Talent Planning Commission and City Council review and evaluate the recommendations in the Housing Policies Strategies and give their staff direction to implement those strategies, as the decision-makers find appropriate.

Appendix A: Buildable Lands Inventory

The general structure of the buildable land (supply) analysis is based on the DLCDC HB 2709 workbook “*Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,*” which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. City staff used 2016 data for this report. The following provides an overview of the buildable land inventory methodology and results.

Overview of the methodology

The buildable lands analysis was completed through several sequential steps. First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation.

Data used for the analysis was provided by the Jackson County GIS Department. Specific data used included city/urban growth boundaries, tax lots, zoning, National Wetland Inventory wetlands, and a digital elevation model (to calculate slopes). The tax lot data was current as of June 2016.

Definitions

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all residential tax lots in the UGB are classified into one of the following categories:

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. Residential parcels zoned RL and RM one-half acre or more were assumed to be partially-vacant. One-quarter acre (10,890 square feet) of the parcel area was subtracted to account for the existing dwelling and assuming that the remainder is buildable land.
- **Undevelopable land.** Vacant land that is under the minimum lot size for the underlying zoning district, land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained, or land used by a home-owners association.
- **Public land.** Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations, such as hospitals. Public lands were identified using the Talent County Assessment data

with a total assessed value of \$0 and aided by using the property owner name. This category only includes public lands that are located in residential plan designations.

- **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, or undevelopable are considered developed.

Following the initial classification of parcels, city staff visually scanned the result based using aerial photos to look for anomalies.

Development constraints

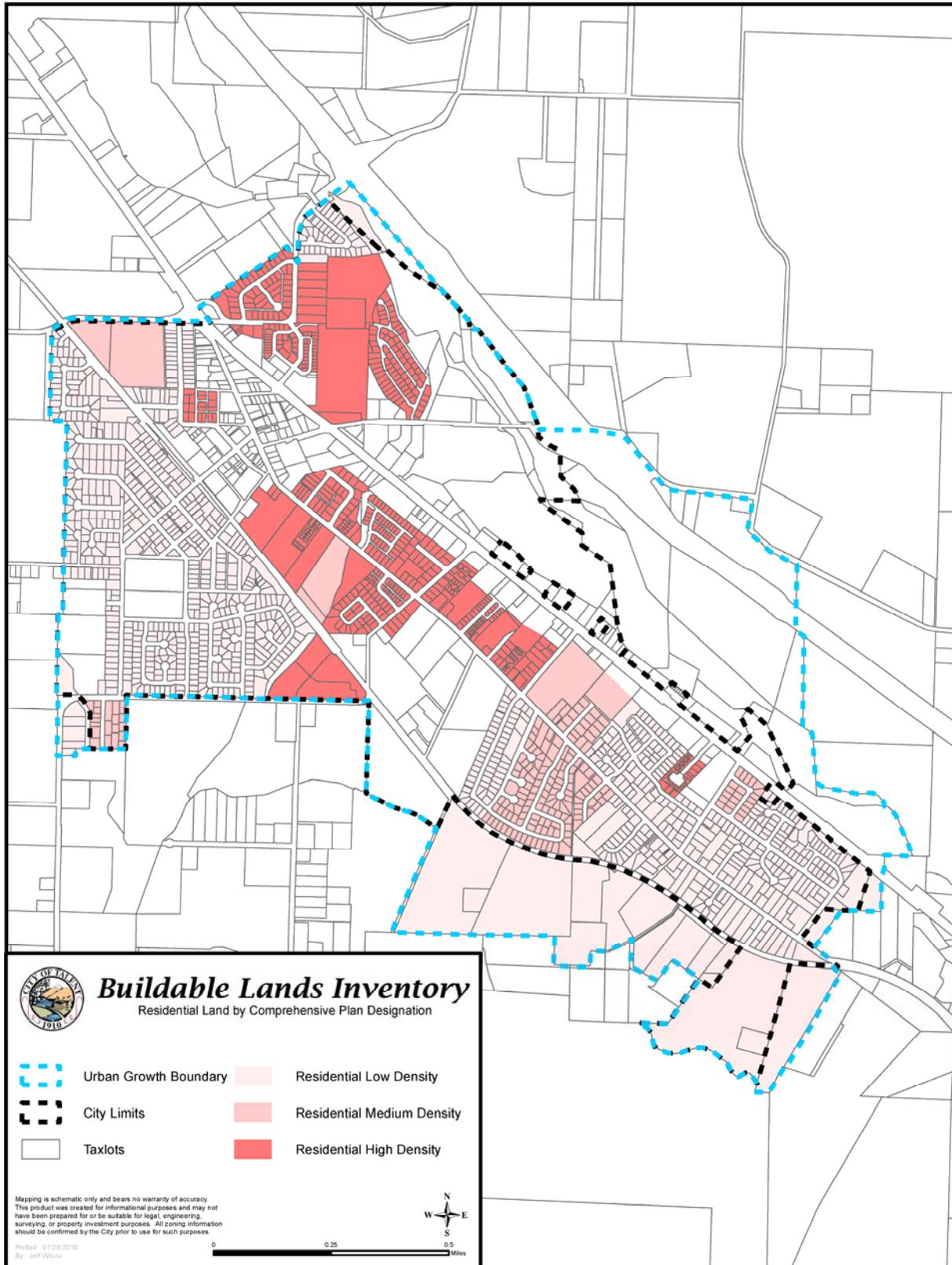
Consistent with state guidance on buildable lands inventories, ECO deducted portions of residential tax lots that fall within certain constraints from the buildable lands including wetlands and steep slopes. Categories used were consistent with OAR 660-008-0005(2):

- Lands within floodways. We used FEMA FIRM maps to identify lands in floodways. No parcels with residential Plan Designations fell within a floodway. As a result, no land was deducted for this constraint.
- Lands in regulated wetlands. We used Talent Local Wetlands Inventory data (1997) to identify wetlands.
- Land with slopes over 25%. Jackson County GIS calculated steep slopes using a digital elevation model file to identify areas with slopes over 25%, which is consistent with the Division 9 rule.

The inventory was completed primarily using Geographic Information Systems (GIS) mapping technology. The output of this analysis is a database of land inventory information, which is summarized in both tabular and map format. Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not present a parcel - level analysis of lot availability and suitability. The results of the inventory have been aggregated by comprehensive plan designations, consistent with state planning requirements. As such, the inventory is considered to be accurate in the aggregate only and not at the parcel level. The Residential Buildable Land Inventory includes a review of the following residential comprehensive plan designations:

- Residential Low Density (RL)
- Residential Medium Density (RM)
- Residential High Density (RH)

Map A-1: Residential Comprehensive Plan Designations, Talent UGB, 2016



Source: City of Talent analysis of Jackson County GIS data

Residential Buildable Land Inventory Results

Table A-1 shows residential land in Talent by classification (development status). The results show that Talent has 539 total acres in residential plan designations. By classification, about 61% of the land is developed, 26% is partially vacant, 9% is vacant, 4% is public and 1% is undevelopable. About 24% of residential land is in the residential high density designation (RH); 12% in residential medium density designations (RM) and 64% in residential low density designations (RL).

Table A-1. Residential Land by Classification, Talent UGB, 2016

Source: City of Talent analysis of Jackson County GIS data

Development Status	Acres inside Talent city limits			Acres outside city limits, within UGB	Total	
	Residential Low Density (RL)	Residential Medium Density (RM)	Residential High Density (RH)	Residential Low Density (RL)	Acres	Percent
Developed	163	59	104	1	327	61%
Partially vacant	34	3	8	95	140	26%
Vacant	33	3	9	1	46	9%
Public	8	0	11	4	23	4%
Undevelopable	2	1	0	0	3	1%
Total Acres	240	66	132	101	539	100%
Percent of Total	45%	12%	24%	19%	100%	

Table A-2 shows land in all residential plan designations by development and constraint status. Talent has 539 acres in 1,792 tax lots in residential plan designations. About 64% of total residential land (346 acres) is built, 11% (61 acres) is constrained, and 22% (117 acres) is buildable.

Table A-2. Residential Land by Comprehensive Plan Designation

Source: City of Talent analysis of Jackson County GIS data

*Two taxlots along OR-99 fall under two different plan designations: residential and commercial. The portion of these lots that are designated residential has been included in this analysis.

Plan Designation	Tax Lots	Total Acres	Built Acres	Constrained Acres	Buildable Acres
Inside City Limits					
RL	993	240	175	27	38
RM	194	66	61	2	3
RH	579	132	107	7	18
Outside City Limits, Inside UGB					
RL	26	101	5	25	71
Total	1,792	539	348	61	130
Percent of Total		100%	65%	11%	24%

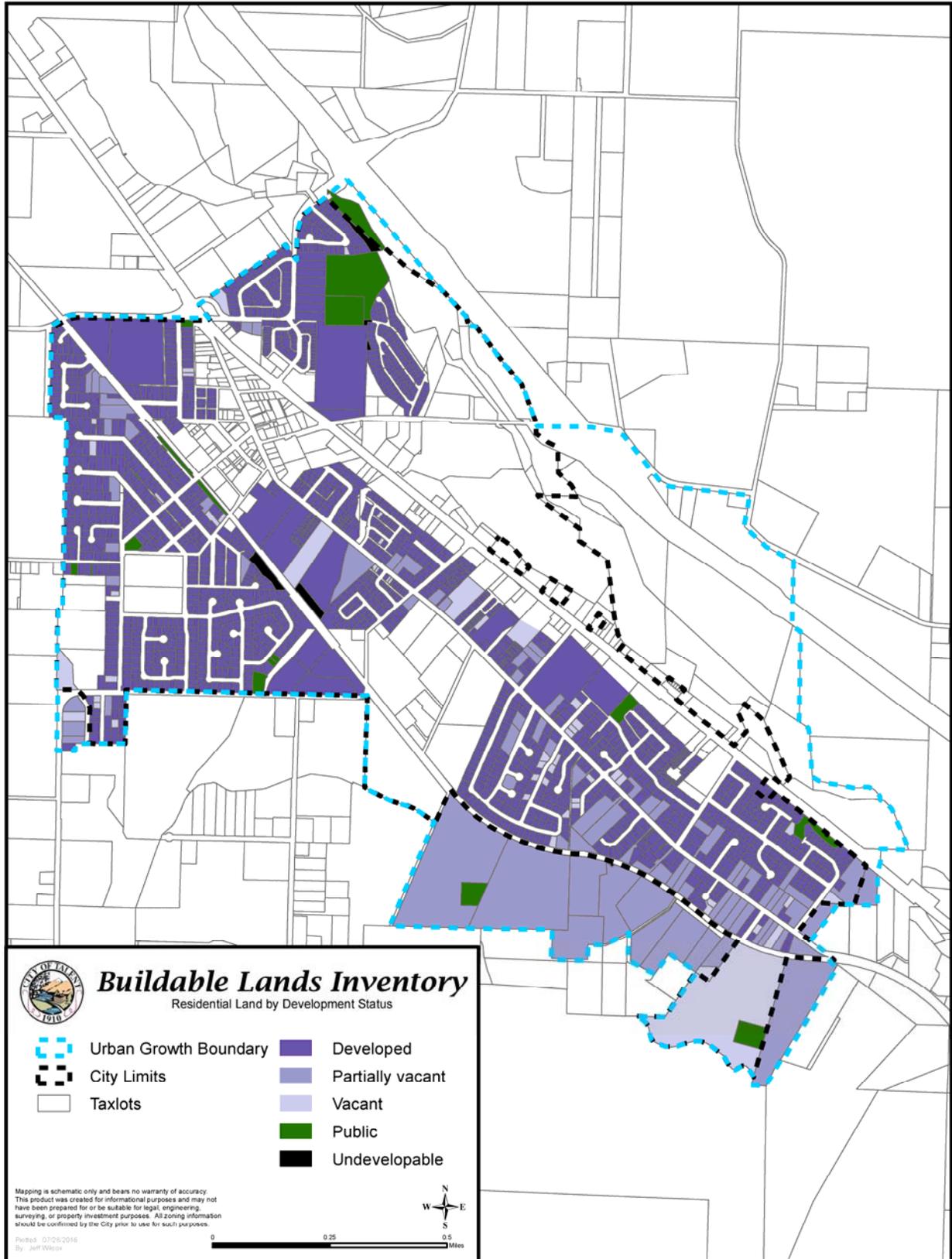
Table A-3 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. The results show that Talent has about 130 buildable residential acres. Of this, about 27% are in tax lots classified as vacant, and 73% are in tax lots classified as partially vacant. Just over half of all buildable residential land (69 acres) is in the residential low density plan designation and currently outside city limits. Thirty-three percent of the remaining buildable land is within the residential low density plan designation within city limits. Residential medium and high density land is sparse, together comprising only 14% of total remaining buildable lands.

Table A-3. Buildable acres in vacant and partially vacant tax lots by plan designation, Talent UGB, 2016

Source: City of Talent analysis of Jackson County GIS data

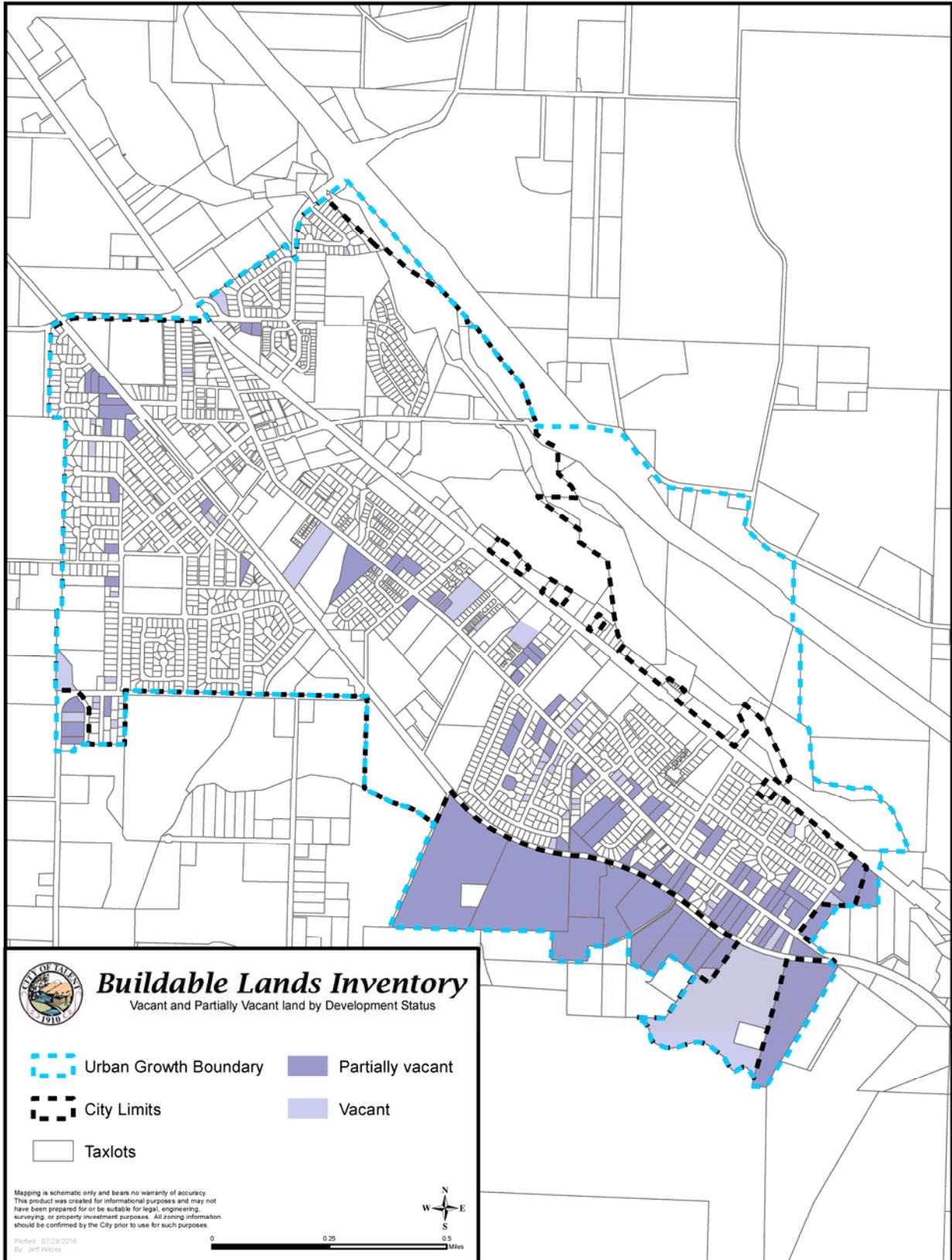
Development Status	Plan Designation				Total Acres	Percent of Total
	RL-CL	RM	RH	RL-UGB		
Partially vacant	21	2	4	68	95	73%
Vacant	22	3	9	1	35	27%
Total Acres	43	5	13	69	130	100%
Percent of Total	33%	4%	10%	53%	100%	

Map A-2: Residential land by development status



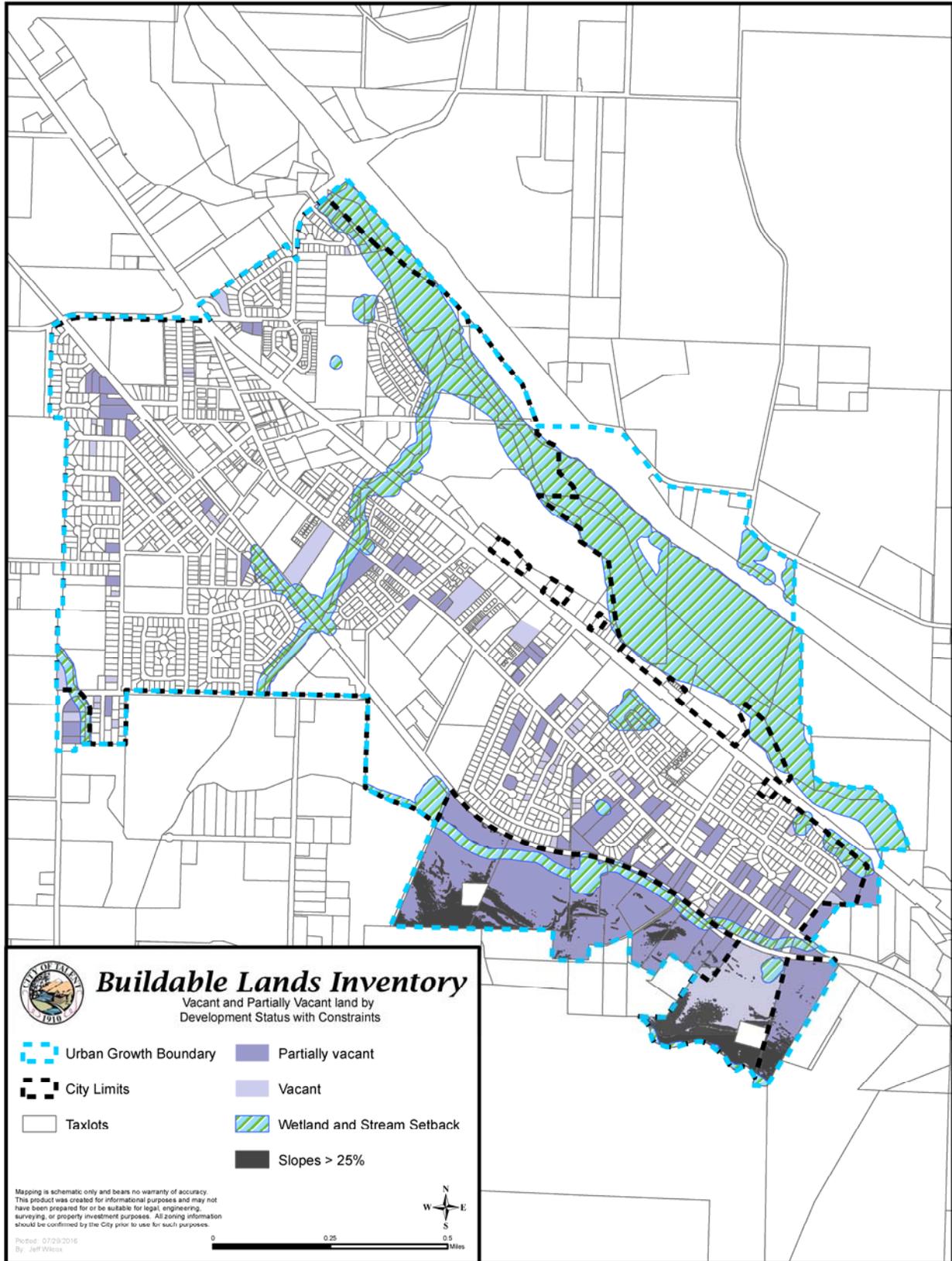
Source: City of Talent analysis of Jackson County GIS data

Map A-3: Vacant and partially vacant residential land.



Source: City of Talent analysis of Jackson County GIS data

Map A-4: Vacant and partially vacant residential land and development constraints



Source: City of Talent analysis of Jackson County GIS data

Exhibit ~~B~~"A"

TALENT ORDINANCE #~~09-84916-929-O~~

AN ORDINANCE CREATING A PLANNING COMMISSION FOR THE CITY OF TALENT PRESCRIBING THEIR POWERS AND DUTIES AND ESTABLISHING THE TERMS OF OFFICE OF THEIR MEMBERS AND REPEALING ORDINANCE #~~472849~~.

SECTION 1. [Planning Commission Created] Pursuant to ORS 227.010 through 227.090, there is hereby created a Commission to be primarily involved in community planning and development issues and to have those powers and duties specified in ORS 227.090 and more specifically outlined in the Talent zoning ordinance, subdivision ordinance and other City regulations. This Commission shall be known as the Planning Commission.

Section 2. [Duties and Responsibilities] The Planning Commission is an appointed citizen body with the primary responsibility of providing recommendations to the Mayor and City Council regarding the overall direction of land use planning which include:

1. Periodically review the City's Comprehensive Plan and land use regulations and make recommendations to the City Council on public processes, studies, and potential revisions to the Plan and regulations.
2. Work in conjunction with other City Commissions, Boards, Committees and members of the Planning Commission to ensure coordination of various elements of the Comprehensive Plan and land use regulations.
3. Conduct public hearings and make recommendations to the City Council on planning issues and legislative changes to land use regulations and ordinances.
4. Render quasi-judicial decisions on land use applications and appeals of administrative land use decisions as prescribed by the Talent Zoning Ordinance and Oregon state law.
5. Foster public awareness and involvement in all aspects of land use planning in the community.
6. Except as otherwise set forth by the City Council, the Planning Commission may exercise any or all of the powers and duties enumerated in ORS 227.090 et. seq., as well as such additional powers and duties as are set forth herein.

Section 3. [Membership – Compensation] -The Planning Commission shall consist of ~~five~~ ~~(5)~~**seven (7)** members to be appointed by the Mayor with the consent of the City Council. One (1) member may live outside the city limits of Talent, but must live within the City's acknowledged urban growth boundary. Commission members shall receive no compensation. The Mayor or appointed City Councilor are designated as ex-officio members and may sit with the Commission but shall have no vote thereon.

Section 4. [Terms of Office – Vacancies]- Terms of office on the Commission shall be four (4) years and shall expire on December 31 of the fourth year. Members ~~and Alternates~~ shall initially be appointed to serve for two, three or four years with the term assignments staggered so as to not to have more than ½ of the membership terminating in one year. A vacancy shall be filled by the Mayor with the consent of the City Council and that appointee shall serve the unexpired portion of the term.

Section 5. [Officers] -The Planning Commission shall, at its first meeting of each calendar year, elect a Chair and Vice-Chair. The Chair and Vice-Chair shall be appointed members. The Planning Commission secretary shall be the ~~Planning Director~~Community Development Director or appointee. The Chair and Vice-Chair positions shall be rotated so that the same commissioner does not hold the same office for two (2) consecutive years.

Section 6. [Duties of Chair and Vice Chair] -The Chair shall preside at all meetings, set the agenda, recommend the creation of sub-committees, appoint members to such sub-committees as are authorized and shall sign Final Orders of the Talent Planning Commission within ten (10) working days of the Planning Commission decision, unless directed otherwise by the Planning Commission. The Vice Chair shall perform the duties of the Chair in the absence of the Chair and such other duties as may be assigned by the Chair. The Chair or Vice Chair shall preserve order and decorum at Planning Commission meetings and with the consent of the Planning Commission announce reasonable time limits. The Chair or designated appointee shall summarize the issues to be addressed and the applicable criteria to be applied prior to the public hearing testimony.

Section 7. [Minutes – Report] -The secretary shall keep an accurate record of all Commission proceedings, including written minutes of all meetings. A written Planning Commission report shall be made monthly to the City Council summarizing all Commission activities and action. A copy of the minutes of each Planning Commission meeting shall be delivered to the City Recorder for filing and said minutes shall be a public record and available for public inspection.

Section 8. [Quorum – Meetings – Rules] ~~-For Legislative matters, three (3) members of the Commission shall constitute a quorum and for Quasi-Judicial matters, four (4) members of the Commission shall constitute a quorum, but in no case shall more than one non-resident Commissioner vote on any such matters. The Chair, at a regular or special meeting, shall fill the vacancies on the Planning Commission with Alternate members for the purpose of making up a quorum. A meeting quorum shall consist of four (4) members, regardless of vacancies.~~ -The Commission shall adopt rules or procedures consistent with the law. The Commission meetings shall include at least one (1) regularly scheduled meeting per month, unless canceled at the direction of the Chair due to lack of Commission business or other reason.

~~Section 9. [Alternate Members] -Not more than three (3) Alternate members shall be appointed by the Mayor with consent of the City Council. One (1) Alternate member may be a non-resident of Talent but must reside within the acknowledged urban growth boundary. Members shall serve with no compensation for terms of two (2) years, which~~

~~shall expire on December 31st of the second calendar year. Alternate members are ex-officio members and may sit with the Commission. The Alternate member's primary function shall be to assist the Planning Commission, as requested, and members shall be encouraged to attend all Planning Commission meetings. In the case of an absenteeism or vacancy on the Commission, the Chair, with consent of the Commission, shall appoint an Alternate member to occupy the vacant position on a meeting by meeting basis. That Alternate member shall have the same rights and voting privileges as the absent Commissioner. In instances where a legislative matter, general discussion or study session is scheduled, the Chair shall request Alternate members' attendance and participation in the discussion.~~

Section 10.9. [Removal From Commission] -If a member of the Planning Commission ~~or Alternate~~ should, without valid reason, miss three (3) regular Commission meetings within the same calendar year, that member shall be subject to removal from the Commission. In addition, a Commissioner may be removed for misconduct, conflict of interest or non-performance of duty. Such removal shall be by the Mayor with consent of the City Council, following a public hearing. This process may be initiated by the City Council or by a recommendation from the Planning Commission.

Section 11.10. [Repeal of Ordinance #472849] Ordinance #472849, ~~as amended,~~ which was ~~initially~~ adopted on ~~November 19, 1986~~May 6, 2009, is repealed.