

City of Talent

Community Development Department - Planning



STAFF REPORT and **PROPOSED FINAL ORDER**

Type-4 Land Use Application — Legislative Review — Planning Commission

Meeting date: February 9, 2017
File no: CPA 2016-002
Prepared by: Zac Moody, Community Development Director
Item: Adoption of Housing Element (Element G) and Housing Needs Analysis (HNA).

GENERAL INFORMATION

Petitioner City of Talent

Requested Action Amendments to the City of Talent's Comprehensive Plan, Element G, Housing and Adoption of HNA.

Amended Codes Element G, Housing

PROPOSAL

The purpose of this Housing Element amendment is to update the City's documentation of existing housing conditions, determine future land needs, achieve consistency with the other adopted City plans, and to fulfill the requirements in Oregon Statewide Planning Goal 10.

AGENCY AND PUBLIC COMMENTS

No additional agency comments have been received.

During the public hearing the Planning Commission heard many comments from special groups and the public in support of the proposed Housing Element. While most of the comments were in support of the proposed changes, there was some discussion in regards to other issues not addressed. Specifically, Unite Oregon proposed the addition of Inclusionary Zoning as a means of increasing the stock of affordable housing while 1000 Friends of Oregon cited concerns about proposed densities outside the City limits. Additionally, the issue of secondary access requirements in Railroad District Master Plan were raised. Many of the issues have been addressed in the revised Housing Element and are summarized below.

DISCUSSION

During the public hearing, staff and the Planning Commission heard many positive comments supporting the proposed Housing Element. During the hearing, multiple speakers provided testimony encouraging the adoption of the Housing Element, but requested that the Planning

Commission consider a few concerns. The comments below are in no particular order and include those that required substantive change or those that required a more detailed response.

Unite Oregon

Key Issues: Cost Burdened Households

The information provided by Unite Oregon is consistent with the information gathered by the City through this process. The challenge is simple; Talent lacks a housing stock to provide this needed affordable housing. As noted in the Housing Needs Analysis and proposed Housing Element, Talent must work to increase densities within its incorporated City limits and Urban Growth Boundary (UGB) as a means of providing the necessary space for all housing types. The HNA further explains that even with increased densities and more efficient planning, the need for a UGB expansion is imminent. Without a UGB expansion, the City's housing issue will be further compounded, increasing sales and rental costs as well as the cost burden on potential homeowners and renters.

Suggested Resolution: Inclusionary Zoning, Increased Densities and High Density Infill

Unite Oregon suggests that the City implement the following recommendations:

- Re-designation, Re-zoning and Infilling to increase higher density residential
- Adopt a policy that supports inclusionary zoning
- Prioritize multi-family and rental housing

Staff agrees with the suggestions of Unite Oregon and many of the suggestions have been included as policies. However, staff suggest that the Planning Commission yield caution when considering inclusionary zoning. Included with this staff report a study by the Urban Land Institute, *"The Economics of Inclusionary Development."* The study includes three sections that may help provide a better understanding of the economics of development as well as aid in the assessment of the impacts of inclusionary zoning on development. The study also provides those considering the use of inclusionary zoning information on optimizing the effectiveness of incentives for inclusionary development.

With that said, staff believes that the establishment of an inclusionary zone overlay could be beneficial if the overlay was located in the core downtown adjacent to essential services and if voluntary. In the preface of the study, Stockton Williams, Executive Director for ULI Terwilliger Center for Housing states:

"IZ can be a complicated and controversial policy approach. Complicated because it aspires to harness the ever-changing dynamics of market-rate real estate development to achieve a fixed policy objective. Controversial because it aims to balance often opposing points of view in communities regarding the roles and responsibilities of the private sector to help meet a public need within a free-market economic system."

For an IZ to be successful, there must be sufficient levels of new market-rate development. In the case of Talent, there is an insufficient level of housing of all types and without an increase in efficiencies within the City and without an expansion of the UGB this issue will

remain unchanged. It is important to note, that only increasing efficiencies within the City will not provide the City the necessary land to make inclusionary zoning successful. Other considerations for inclusionary zoning include a well-crafted program design and administration policy as well as adequate development incentives. Without adequate incentives, the costs of developing in accordance with the IZ policy outweigh the benefits and many developers will simply choose not to participate.

1000 Friends of Oregon

Key Issues: Assumed Capacity of Low Density Land Outside City Limits

The comments provided by 1000 Friends of Oregon cite concerns about the City’s methodology used to calculate the assumed density of property in the UGB, but outside the City limits (specifically the Railroad District Master Plan area). As noted in the comments provided, the City used an assumed density of 4.0 units per acre, rather than the required 6.6 units per acre. This was done simply because the slope in the Railroad District Master Plan area would not likely be able to accommodate that density. Staff has recommended that the City increase densities within the City limits to bring the average overall density of the City to the required 6.6 units per acre. The adopted RPS plan provides cities with this flexibility.

Suggested Resolution: Develop efficiency measures for the use of existing vacant and partially vacant land within the City limits; Focus on increasing densities on infill lands within the City limits to 6.6 units per acre.

RECOMMENDATION

Based on the findings for the amendments outlined in the Proposed Final Order, staff recommends approval of the amendments.

ATTACHMENTS

The following information was submitted regarding this application:

- Proposed Final Orders – Attachment A
- Final Draft Housing Element G (including redline version) – Attachment B
- Public Comment – Attachment C



Zac Moody, Community Development Director

February 2, 2017

Date

Staff has recommended these amendments for approval, but it will require at least one public hearing before the Planning Commission and one public hearing before the City Council for a decision. The Talent Zoning Code establishes procedures for legislative hearings in Section 8-3M.160.

A public hearing on the proposed action is scheduled before the Planning Commission on January 26, 2017 at 6:30 PM at 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.