
City of Talent

Housing Needs Analysis, 2017-2037

January 2017

Prepared for:
City of Talent

FINAL REPORT

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Acknowledgments

ECONorthwest prepared this report for the City of Talent. ECONorthwest and the City of Talent thank the many people who helped to develop the Talent Economic Opportunities Analysis.

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Table of Contents

SUMMARY	V
1. INTRODUCTION	1
FRAMEWORK FOR A HOUSING NEEDS ANALYSIS	1
ORGANIZATION OF THIS REPORT	3
2. RESIDENTIAL BUILDABLE LANDS INVENTORY	4
DEFINITIONS	4
DEVELOPMENT CONSTRAINTS	5
BUILDABLE LANDS INVENTORY RESULTS	5
3. HISTORICAL AND RECENT DEVELOPMENT TRENDS	9
DATA USED IN THIS ANALYSIS	10
TRENDS IN HOUSING MIX	11
TRENDS IN TENURE	13
VACANCY RATES	15
HOUSING DENSITY	16
GOVERNMENT-ASSISTED HOUSING PROGRAMS	17
MANUFACTURED HOMES	18
4. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN TALENT	19
DEMOGRAPHIC AND SOCIOECONOMIC FACTORS AFFECTING HOUSING CHOICE	20
REGIONAL AND LOCAL TRENDS AFFECTING AFFORDABILITY IN TALENT	38
SUMMARY OF THE FACTORS AFFECTING TALENT'S HOUSING NEEDS	45
5. HOUSING NEED IN TALENT	49
PROJECT NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS	49
NEEDED HOUSING BY INCOME LEVEL	58
NEED FOR GOVERNMENT ASSISTED AND MANUFACTURED HOUSING	59
6. RESIDENTIAL LAND SUFFICIENCY WITHIN TALENT	62
FRAMEWORK FOR THE RESIDENTIAL CAPACITY ANALYSIS	62
LAND NEEDED FOR PUBLIC AND SEMI-PUBLIC USES	64
RESIDENTIAL LAND SUFFICIENCY	67
CONCLUSIONS AND RECOMMENDATIONS	68
APPENDIX A: BUILDABLE LANDS INVENTORY	73
OVERVIEW OF THE METHODOLOGY	73
DEFINITIONS	73
DEVELOPMENT CONSTRAINTS	74
RESIDENTIAL BUILDABLE LAND INVENTORY RESULTS	77

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.

What are the key housing needs in Talent?

Following are several key issues identified in the housing needs analysis:

- **Talent’s housing market is strongly impacted by the housing market in the Rogue Valley.** Talent is relatively small, accounting for 3% of Jackson County’s population, and located between Medford (with more than 77,000 people) and Ashland (with more than 20,000 people). Most residents who live in Talent work in Medford or Ashland, and Talent residents’ incomes are generally lower than in Medford or Ashland.

Home sales prices in Talent are higher than in Medford but substantially lower than in Ashland. In comparison with other Jackson County cities, Talent has seen a particularly strong recovery since the housing market crash. Rental costs in Talent are higher than in Medford or 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 very few vacant multifamily units.

Given these factors, Talent will continue to have demand for affordable lower-income and workforce housing.

- **Demographic and economic trends will drive demand for relatively affordable attached single-family housing and multifamily housing in Talent.** 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.
 - *Baby Boomers.* By 2035, people 60 years and older will account for 36% of the population in Jackson County (up from 28% in 2015). As the Baby

Boomers age, 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.

- *Millennials.* Growth in this population will result in increased demand for both ownership and rental opportunities. Between 2017 and 2037, Millennials will be a key driver in demand for housing that is comparatively affordable and housing for families with children.
- *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.
- **Talent has an existing lack of affordable housing.** 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.
 - About half of Talent households cannot afford a two-bedroom apartment at HUD’s fair market rent level of \$858.
 - In 2016, a household needed to earn \$16.50 an hour to afford a two-bedroom rental unit in Jackson County.
 - Talent currently has a deficit of housing units that are affordable to households earning less than \$25,000.
 - About 49% of Talent’s households are cost burdened, with 56% of renters and 45% of owners paying more than 30% of their income on housing.

How much growth is Talent planning for?

A 20-year population forecast (in this instance, 2017 to 2037) is the foundation for estimating the number of new dwelling units needed. Exhibit 1 shows a population forecast for Talent for the 2017 to 2037 period. It shows that Talent’s population will grow by about 2,716 people over the 20-year period.

Exhibit 1. Population Forecast, Talent, 2017-2037

Source: ECONorthwest based on Talent’s official 2015-2035 population forecast from the Oregon Population Forecast Program.

2017 Population	6,575
2037 Population	9,291
Change 2017 to 2037	
Number	2,716
Average annual growth rate	1.7%

The housing needs analysis assumes that Talent’s population will grow by 2,716 people over the 2017 to 2037 period.

How much buildable residential land does Talent currently have?

Exhibit 2 shows buildable residential acres by plan designation, after excluding constrained and unbuildable land. The results show that Talent has about 124 net buildable acres in residential plan designations. Of this, about 28% are in tax lots classified as vacant, and 72% are in tax lots classified as partially vacant. Buildable land in medium and high density Plan Designations is limited, together comprising only 14% (17 acres) of total remaining buildable lands.

Exhibit 2. Buildable Residential Acres, Excluding Constrained and Unbuildable, City of Talent, 2016

Source: Appendix A, Table A-3

Inside Talent City Limits	
Residential Low Density	38 acres
Residential Manufactured Home	5 acres
Residential High Density	12 acres
Outside City Limits, within Urbanizing Area	
Residential Low Density	69 acres
Total	124 acres

How much housing will Talent need?

Talent will need to provide about 1,272 new dwelling units to accommodate forecast population growth between 2017 and 2037.

About 826 dwelling units (65%) will be single-family detached types, which includes manufactured dwellings. About 127 (10%) will be single-family attached, and 318 (25%) will be multifamily, which includes duplexes, structures with three to four dwellings, and structures with five or more dwellings.

This mix represents a shift from the existing mix of housing, in which more than three-quarters of the housing stock is in single-family detached housing. The shift in mix is in response to the need for a wider range of relatively affordable housing types, including housing types such as duplexes, townhouses, and apartments. In addition, Talent has need for relatively affordable smaller single-family detached housing.

How much land will be required for housing?

Exhibit 3 shows that Talent's 124 acres of vacant land has the capacity to accommodate 630 new dwelling units. It is the demand for the 1,272 new dwelling units with the capacity of land by plan designation in order to determine whether there is sufficient residential land within the Talent UGB to accommodate growth over the 2017 to 2037 period.

Exhibit 3 shows that Talent has a deficit of capacity in all residential plan designations:

- **Low-Density Residential:** Talent has a deficit of capacity for about 309 dwelling units, or 77 gross acres of land to accommodate growth over the 2017-2037 period.
- **Medium-Density Residential:** Talent has a deficit of capacity for about 128 dwelling units, or 17 gross acres of land to accommodate growth.
- **High-Density Residential:** Talent has a deficit of capacity for about 122 dwelling units, or 9 gross acres of land to accommodate growth.
- **Commercial:** Talent has a deficit of capacity for about 83 dwelling units, or 6 gross acres of land to accommodate growth.

Talent does not have enough land to accommodate residential growth over the 20-year period.

Exhibit 3. Comparison of capacity of existing residential land with demand for new dwelling units and land deficit, Talent UGB, 2017-2037

Source: Calculations by ECONorthwest, Exhibit 60
 Note: DU is dwelling unit.

Plan Designation	Dwelling Units Capacity of Buildable Land	Needed Dwelling Units (2017-2037)	Surplus or Deficit of Dwelling Units	Gross Density (du/acre)	Land Deficit (Gross Acres)
Low Density	428	737	-309	4.0	-77
Low Density (RL-CL)	152	324	-172	4.0	-43
Low Density (RL-UGB)	276	413	-137	4.0	-34
Medium Density (RM)*	38	166	-128	7.7	-17
High Density (RH)	164	286	-122	13.7	-9
Commercial	0	83	-83	13.7	-6
Total	630	1,272	-642		

What are the Conclusions of the Housing Needs Analysis?

The broad conclusion of the housing needs analysis is that Talent can take policy actions to address the deficit of land for residential development, 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.

- The City’s planned development densities do not meet the requirements of the RPS Regional Plan.** The RPS resulted in agreements from each city in the region about “committed densities” for residential development in land in areas within the UGB but outside the city limits and in the 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. The forecast for land need result in a density of 4.0 dwelling units per gross acre for land in RL-UGB, which is within the UGB but outside of the city limits. This does not meet Talent’s committed density of 6.6 dwelling units per gross acre through 2035. The recommendations in this section include suggestions to meet this target.
- Talent will need to address development constraints in the Railroad District Master Plan area.** Much of Talent’s vacant buildable land in Low Density Residential, about 84 acres and 78% of buildable lands, is in the Railroad District Master Plan area, located southwestern of Rapp Road.

Providing urban services will require extending water and wastewater services and making transportation connections with Talent’s transportation network. In addition, development of this area will be challenging because of steep slopes, about three-quarters of the unconstrained vacant buildable area in slopes of 5%

to 25%. Developing housing at densities consistent with the RPS committed densities for Talent will be a challenge, as well.

- **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.
- **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.
- **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 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. Developing a Medium Density Plan Designation can help Talent meet its RPS committed residential density of 6.6 dwelling units per gross acre on land within Talent’s UGB but outside of the city limits (specifically in the Railroad District).

- **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. Allowing higher density housing on commercial land can help Talent meet its RPS committed residential density of 6.6 dwelling units per gross acre on land within Talent’s UGB but outside of the city limits (specifically in the Railroad District).

1. Introduction

This report presents Talent’s Housing Needs Analysis for the 2017 to 2037 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 2017 and 2037.

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.

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).

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.

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. Maps produced for the buildable lands inventory used a combination of City GIS data, adopted maps and visual verification to verify the accuracy of County data. 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 4 shows residential land in Talent by classification (development status). The results show that Talent has 541 total acres in residential Plan Designations. Of the 541 acres in the UGB, about 363 acres (67%) are in classifications with no development capacity, and the remaining 178 acres (33%) have development capacity before development constraints are applied.

Exhibit 4. Residential acres by classification and Plan Designation, Talent UGB, 2016

	Plan Designation				Residential Low Density (RL)	Total	Percent of Total
	Inside Talent city limits			Outside of city limits, within urbanizing area			
Development Status	Residential Low Density (RL)	Residential Manufactured Home (RM)	Residential High Density (RH)	Residential Low Density (RL)	Total	Percent of Total	
Developed	168	61	106	2	337	62%	
Partially vacant	27	4	7	94	132	24%	
Vacant	33	3	9	1	46	9%	
Public	7	0	11	4	22	4%	
Undevelopable	2	1	0	1	4	1%	
Total	237	69	133	102	541	100%	
Percent of Total	44%	13%	25%	19%	100%		

Source: Appendix A, Table A-1.

Exhibit 5 shows land in all residential Plan Designations by development and constraint status. Talent has 541 acres in 1,797 tax lots in residential Plan Designations when public and undevelopable parcels have been excluded. About 65% of total residential land (352 acres) is built, 12% (65 acres) is constrained, and 23% (124 acres) is buildable.

Exhibit 5. Residential land by comprehensive Plan Designation and constraint status, Talent UGB, 2016

Plan Designation	Tax Lots	Total Acres	Built Acres	Constrained Acres	Buildable Acres
RL-City Limits	987	237	176	23	38
RL-Urban Growth Boundary	28	101	5	29	67
RM	203	69	63	1	5
RH	579	133	108	12	13
Total	1,797	541	352	65	124
Percent of Total		100%	65%	12%	23%

Source: Appendix A: Table A-2.

Vacant Buildable Land

Exhibit 6 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 124 buildable residential acres. Of this, about 28% are in tax lots classified as vacant, and 72% are in tax lots classified as partially vacant. 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 8 (on the following page) maps Talent’s vacant and partially vacant residential land with development constraints.

Exhibit 6. Buildable acres in vacant and partially vacant tax lots by Plan Designation, Talent UGB, 2016

Development Status	Plan Designation				Percent of	
	RL-CL	RM	RH	RL-UGB	Total	Total
Partially vacant	16	2	3	68	89	72%
Vacant	22	3	9	1	35	28%
Total	38	5	12	69	124	100%
Percent of Total	31%	4%	10%	56%	100%	

Source: Appendix A: Table A-3.

Note: Lots identified as undevelopable or publicly owned were not included in "total acres".

Most of the land in Talent is relatively flat, with a slope of less than 5%. The exception is the Railroad District, which is in the southern part of Talent. Most of the land in the Railroad District is within the UGB but outside of the city limits. Slopes in this area

vary from 0 to 5% slope to areas with a slope of 25% or more. Exhibit 8 shows that most of Talent’s vacant and partially vacant residential land is in the Railroad District.

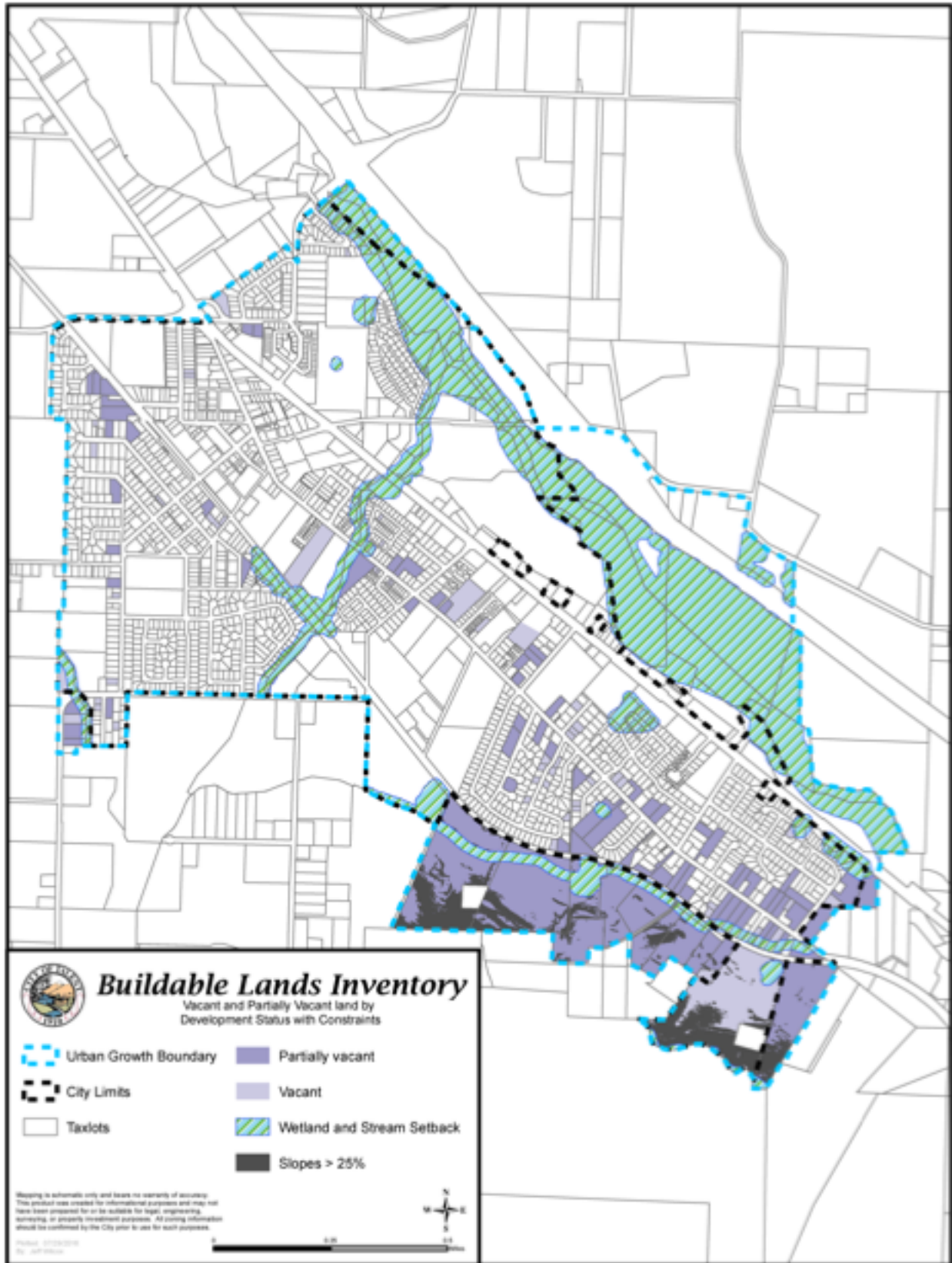
Exhibit 7 shows the vacant and partially vacant buildable land in the Railroad District by slope class and by Plan Designation. Nearly 7 acres of land in this area is on land with a slope of 5% or less, 27 acres on land with a slope of 5 to 10%, and 51 acres on land with a slope of 10 to 25%.

Exhibit 7. Buildable acres by Plan Designation and slope, Railroad District in Talent UGB, 2016

	Vacant and Partially Vacant Residential Land by		
	0-5% slope	5-10% slope	10-25% slope
Within City Limits			
RL-CL, zoned RS-5	1	5	11
Within UGB			
RL-UGB	5	22	40
Total	7	27	51

Source: City of Talent analysis of Jackson County GIS data
 Note: Lots identified as undevelopable or publicly owned were not included in "total acres".

Exhibit 8. 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. This report compares information in Talent to Medford, Phoenix, Jackson County, and Oregon. For key information, Talent is also compared to Ashland.

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 larger 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.

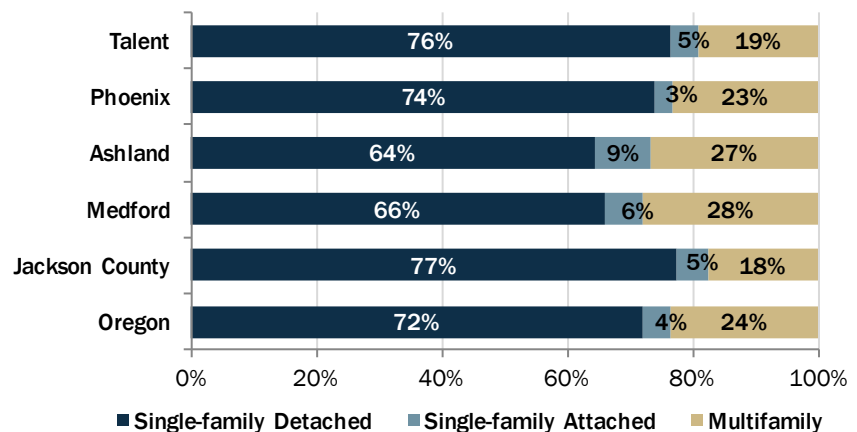
Housing Mix

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

In comparison, about 77% of the housing in Jackson County, and about 64% in Ashland are single-family detached.

Exhibit 9. Housing Mix, 2010-2014

Source: Census Bureau, 2010-2014 ACS Table B25024



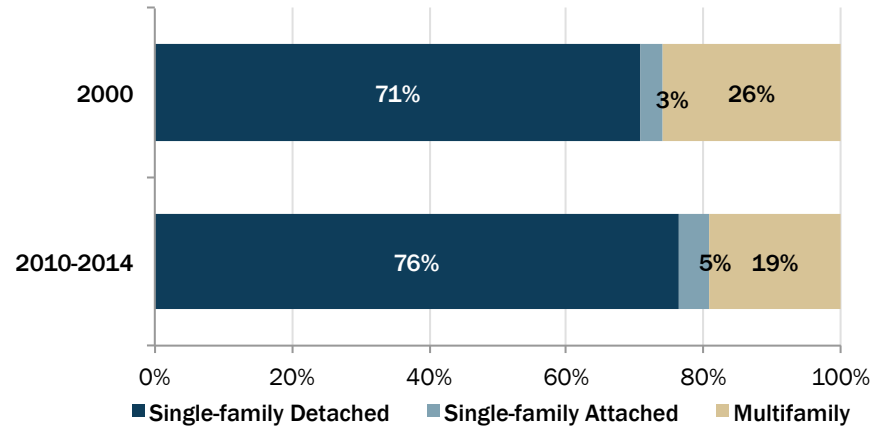
The mix of housing in Talent was largely stable between 2000 and 2010-2014.

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 10. Change in Housing Mix, Talent, 2000 and 2010-2014

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

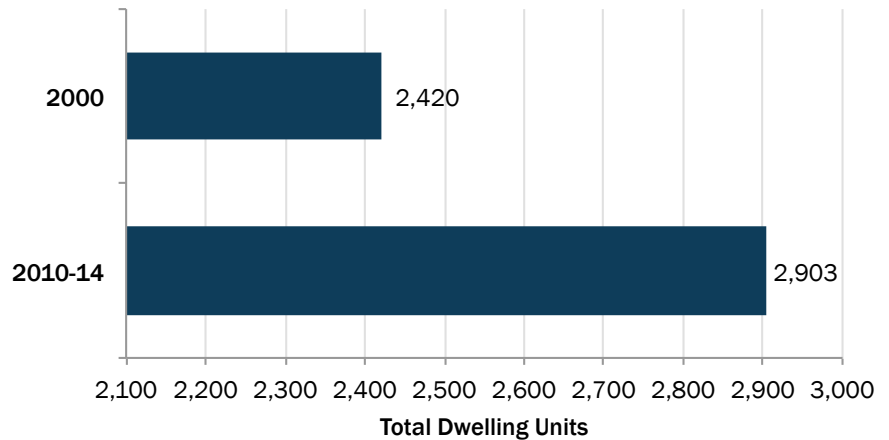


The total number of dwelling units in Talent increased by 483 dwelling units from 2000 to 2010-14.

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

Exhibit 11. Total Dwelling Units, Talent, 2000 and 2010-2014

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 12. 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 is 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.**

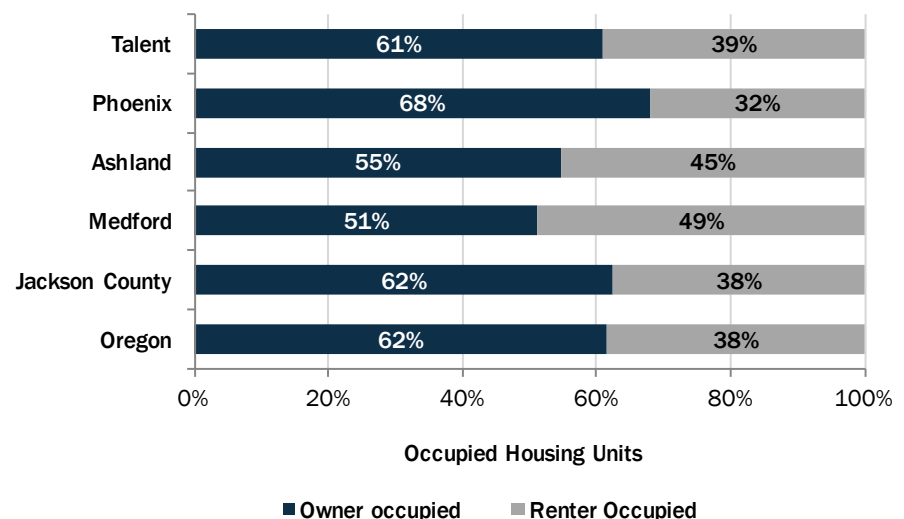
The implications for the forecast of new housing are: (1) opportunities for rental housing in Talent are limited, given that nearly half of renters live in multifamily housing and no new multifamily housing has been built in Talent since 2005 and (2) there may be opportunities to encourage development 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 Ashland are lower, at 55%.

Exhibit 13. Tenure, Occupied Units, Talent area geographies, 2010-2014

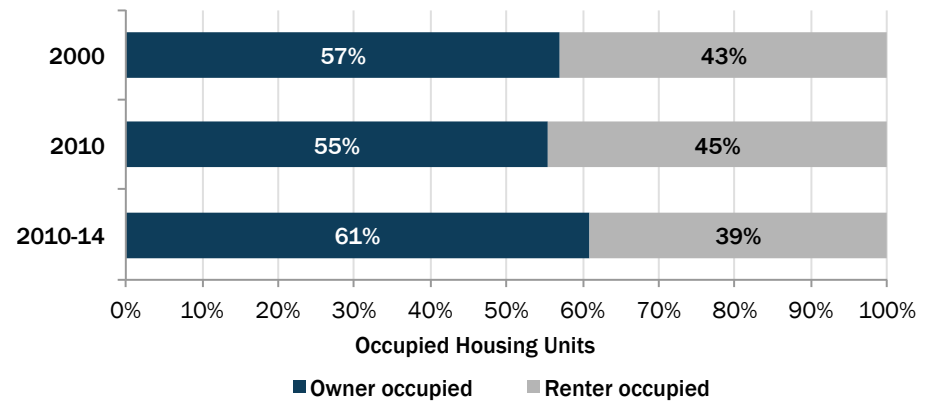
Source: Census Bureau, 2010-2014 ACS Table B25003



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

Exhibit 14. Tenure, Occupied Units, Talent, 2010-2014

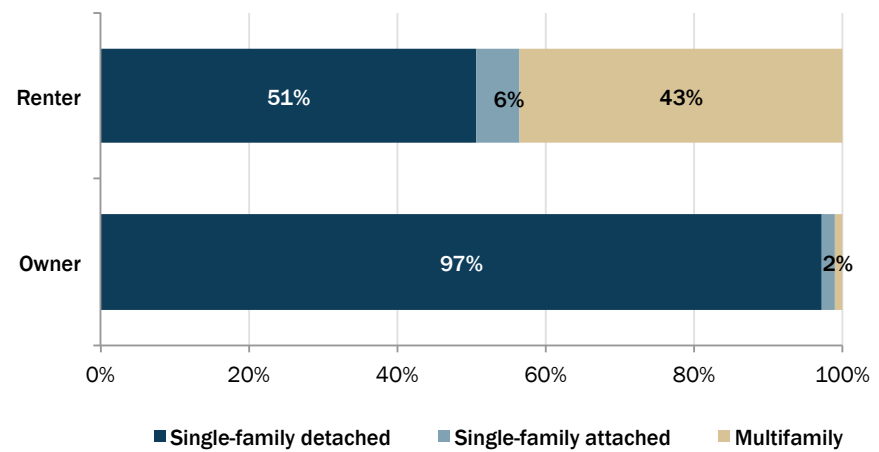
Source: Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2010-14 ACS Table B25003



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 15. Housing Units by Type and Tenure, Talent, 2010-2014

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 16. Percent of Housing Units that are Vacant, 2000

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

4.0% Talent	5.7% Ashland	5.6% Phoenix	4.6% Medford	5.6% Jackson County	8.2% Oregon
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From 2000 to 2010, Talent's vacancy rate rose to 6.6%, but still stood below that of the county and state.

Exhibit 17. Percent of Housing Units that are Vacant, 2010

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

6.6% Talent	10.0% Ashland	6.9% Phoenix	7.2% Medford	8.6% Jackson County	9.3% Oregon
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In the 2010-2014 period, the vacancy rate in Talent was below that of Jackson County and Oregon.

Exhibit 18. Percent of Housing Units that are Vacant, 2010-2014

Source: Census Bureau, 2010-14 ACS Table B25002

4.7% Talent	8.9% Ashland	5.0% Phoenix	8.0% Medford	9.1% Jackson County	9.7% Oregon
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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 46) 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.

The relatively high density of development since 2003 is in-part attributable to the fact that most land developed was relatively flat. Much of this development occurred as part of Planned Unit Developments, which allowed smaller than those allowed within some of Talent’s single-family zones. The Single-Family Low Density (RS-5) zone has an 8,000 square foot (5.4 dwelling units per net acre) minimum lot size. The Single-Family Medium Density (RS-7) zone has a 6,000 square foot (7.3 dwelling units per net acre) minimum lot size. Talent has since eliminated Planned Unit Development as a development option.

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.

Exhibit 19 shows the density for a sample of multifamily housing complexes in Talent. Multifamily developments shown in Exhibit 19 account for more than 80% of multifamily housing units in Talent. Exhibit 19 does not include condominiums. All of the multifamily complexes in Exhibit 19 were built prior to 1997.

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

Exhibit 19. Sample of Density of Multifamily Housing, Talent, 2016

Source: City of Talent staff

Development	Dwelling Units	Acres	Density (DU/Acre)
Anderson Vista	36	2.31	15.6
Anjou Club	170	13.78	12.3
Holiday Gardens	56	4.6	12.2
Parkside	123	10.32	11.9
Patio Village	64	5.25	12.2
Total	449	36.26	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.

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.

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, 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 20 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 20. 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	Residential Manufactured
Easy Valley Mobile Home Park	26	1	Commercial
Mountain View Estates of	164	0	Commercial
Shady Brook Mobile Home	60	0	High Density Residential
Talent Mobile Estates	99	4	Residential Manufactured

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 housing mix and density ranges for each Plan Designation and the average 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

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.

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).

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

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.

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.
- **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

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.

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.

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

- *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.

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.

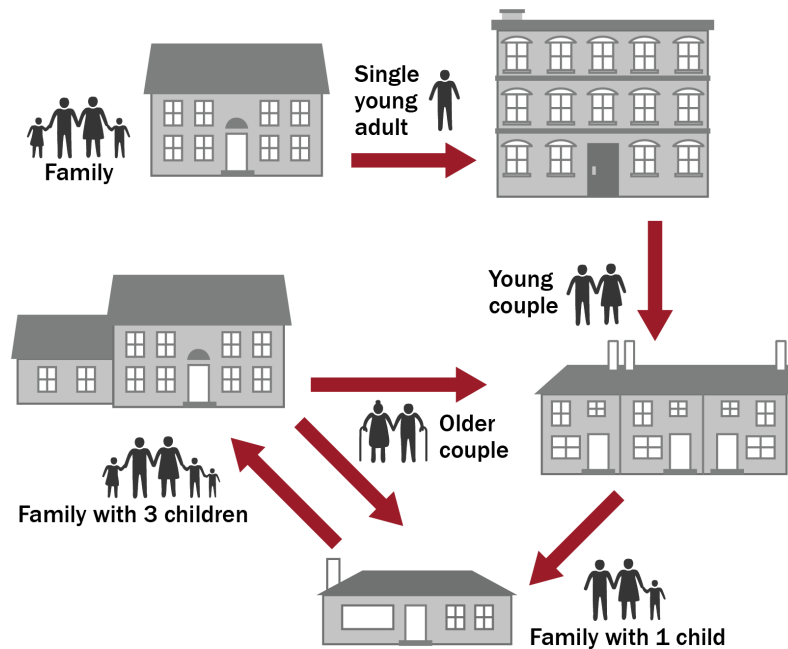
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Talent's population ages, different 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 21. 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.



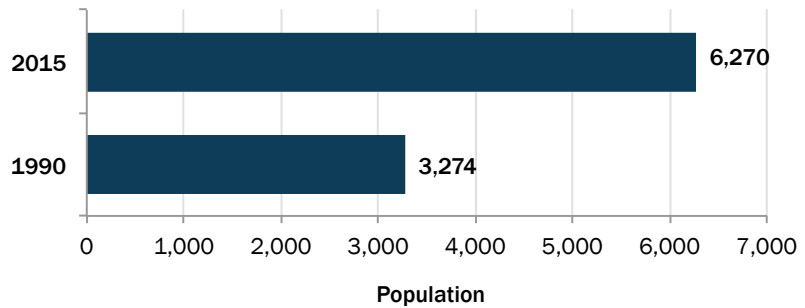
Growing population

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 22. 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 23. 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% Talent	42% Phoenix	65% Medford	44% Jackson County	41% Oregon
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Talent's population grew on average, at a faster rate to that of the county, region, and state.

Exhibit 24. 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% Talent	1.4% Phoenix	2.0% Medford	1.5% Jackson County	1.4% Oregon
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Talent is projected to grow by 2,716 people between 2017 and 2037, at an average annual growth rate of 1.7%.¹³

Exhibit 25. Forecast of Population Growth at the County-Level, 2017 - 2037

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

1.7% 2,716 people Talent	0.9% 43,604 people Jackson County
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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 2017 and the 2035 population to 2037 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

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.

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 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.

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.

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

Exhibit 26. Median Age, Years, 2000 to 2010-14

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

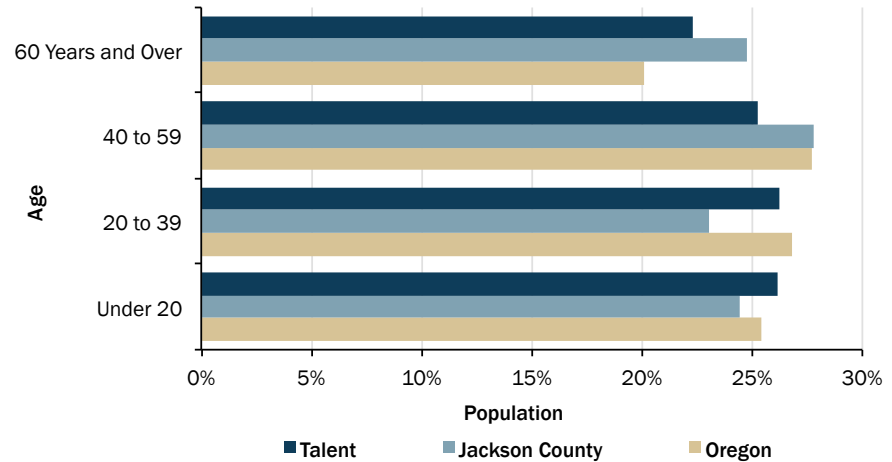
2000	34.3 Talent	41.0 Phoenix	37.0 Medford	39.2 Jackson County	36.3 Oregon
2010-14	40.5 Talent	48.8 Phoenix	37.9 Medford	42.7 Jackson County	38.9 Oregon

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 27. Population Distribution by Age, 2010

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

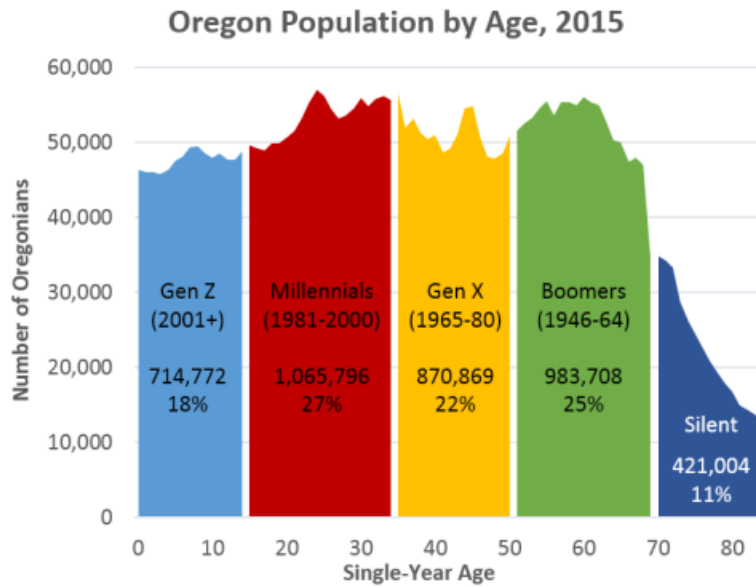


Oregon’s largest age groups are the Millennials and the Baby Boomers.

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

Exhibit 28. 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 29. Fastest-growing Age Groups, Jackson County, 2010 - 2035

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

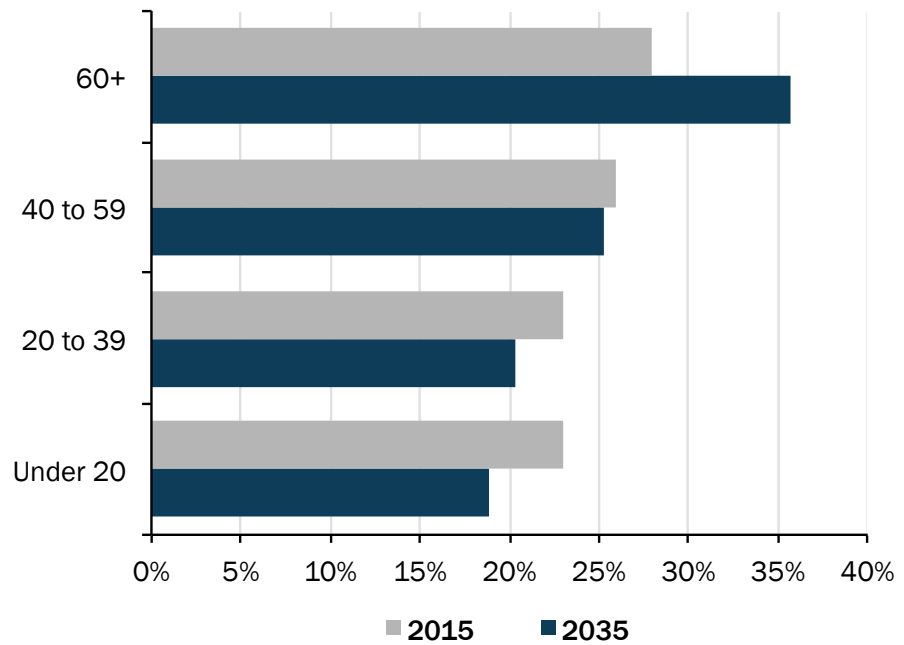
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs
1% Decrease -539 People	6% Increase 3,124 People	18% Increase 9,794 People	54% Increase 32,185 People

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 36% of Jackson County's population, compared to around 28% in 2010.

Exhibit 30. 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.

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.

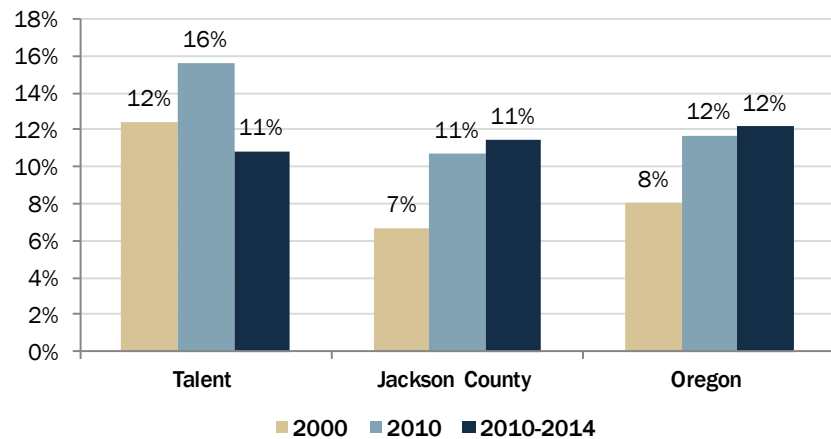
Talent's Hispanic population decreased slightly from 2000 to 2014.

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 31. 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.



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 32. Average Household Size, 2010-2014

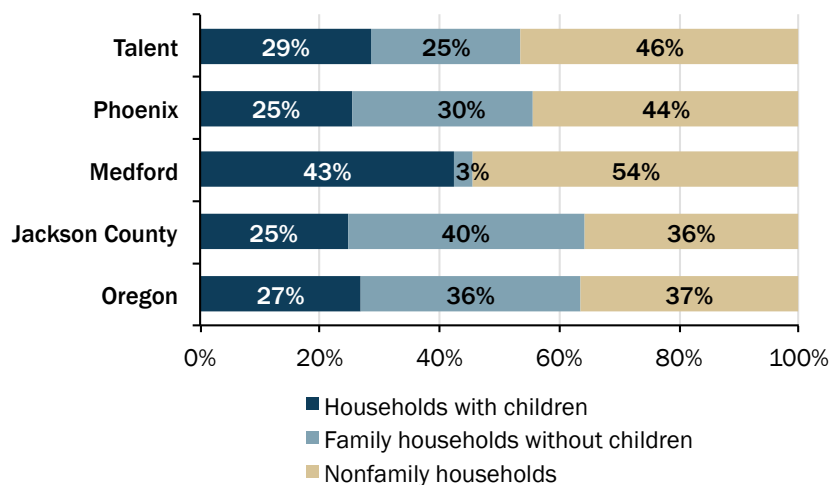
Source: US Census Bureau, 2014 ACS Table B25010.



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

Exhibit 33. 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.

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

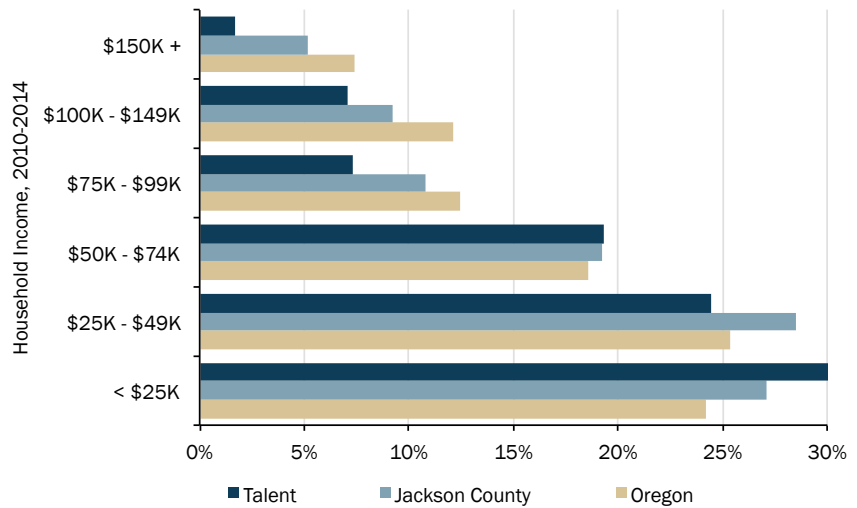
Exhibit 34. Median Household Income, 2010-2014

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

\$32,168 Talent	\$34,478 Phoenix	\$43,500 Ashland	\$42,366 Medford	\$44,086 Jackson County
\$50,521 Oregon				

Exhibit 35. Household Income, Talent, Jackson County, Oregon, 2010-2014

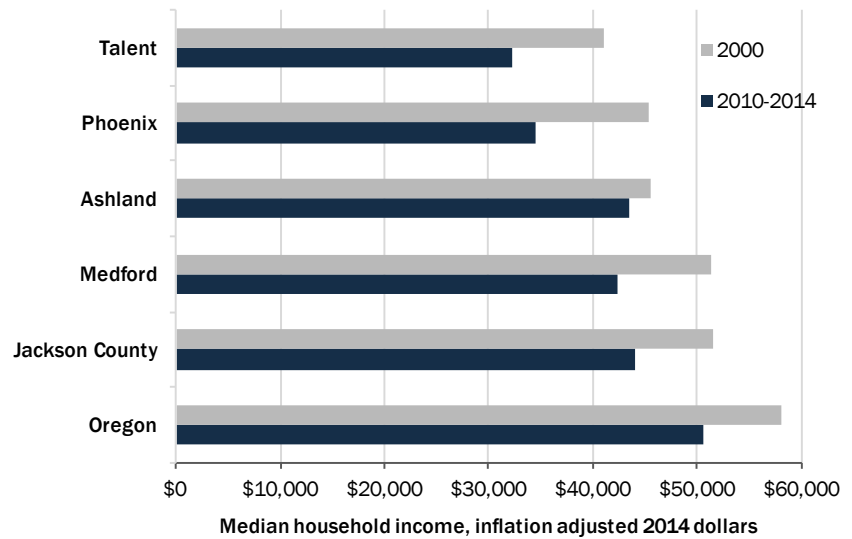
Source: US Census Bureau, 2010-2014 ACS, Table B19001



After adjusting for inflation, Talent's median household income decreased by 22% from 1999 to the 2010-14 period, from \$41,008 to \$32,168 per year.

Exhibit 36. Median Household Income, Talent area geographies, 2000 to 2010-2014, Inflation-adjusted

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



Commuting trends

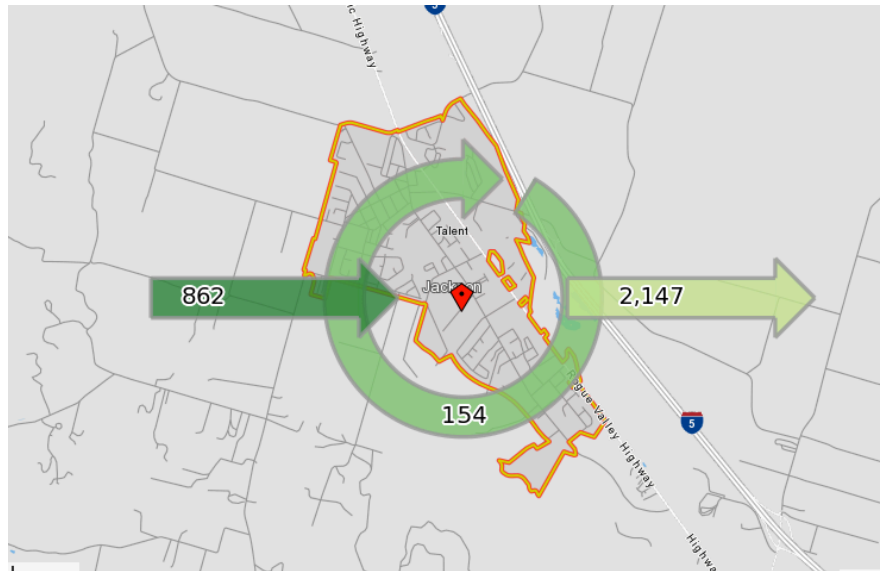
Talent is part of the complex, interconnected economy of Southern Oregon. Of the more than 1,016 people who work in Talent, more than 85% of workers commute into Talent from other areas, most notably Medford, Central Point, and Ashland. About 2,147 residents of Talent commute out of the city for work, 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 37. Commuting Flows, Talent, 2014

Source: US Census Bureau, Census On the Map.

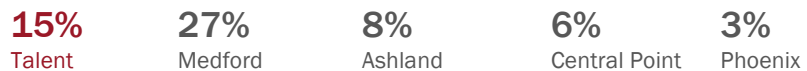


85% of workers at businesses located in Talent live in Jackson County, mostly in areas outside of Talent.

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 38. Places Where Workers at Businesses in Talent Lived, 2014

Source: US Census Bureau, Census On the Map.

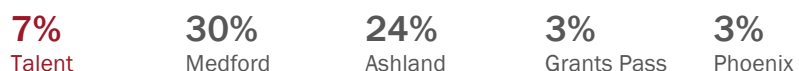


Three-quarters of residents of Talent work in Jackson County, most of them in cities outside of Talent.

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

Exhibit 39. Places Where Talent Residents were Employed, 2014

Source: US Census Bureau, Census On the Map.

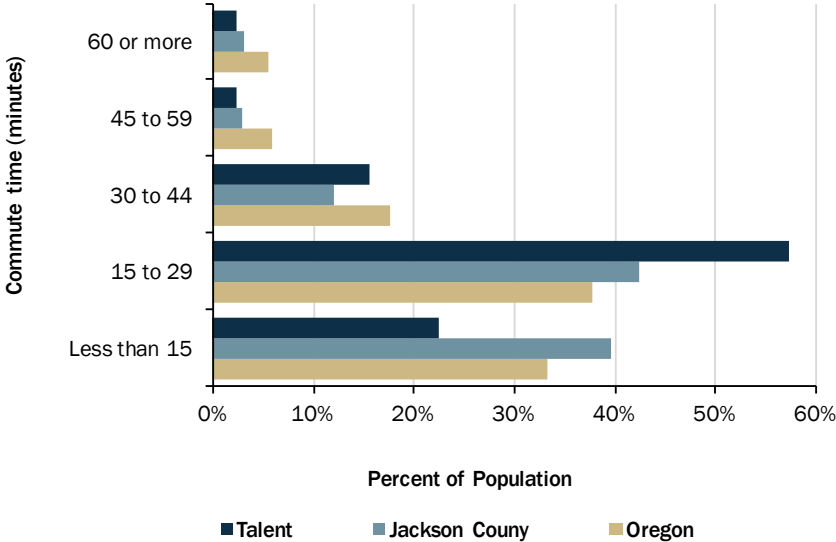


Most Talent residents have a commute time that takes less than 30 minutes.

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

Exhibit 40. Commute Times, 2010-14

Source: US Census Bureau, Census On the Map.



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 41. Median Home Sale Price, Talent area geographies, 2016

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

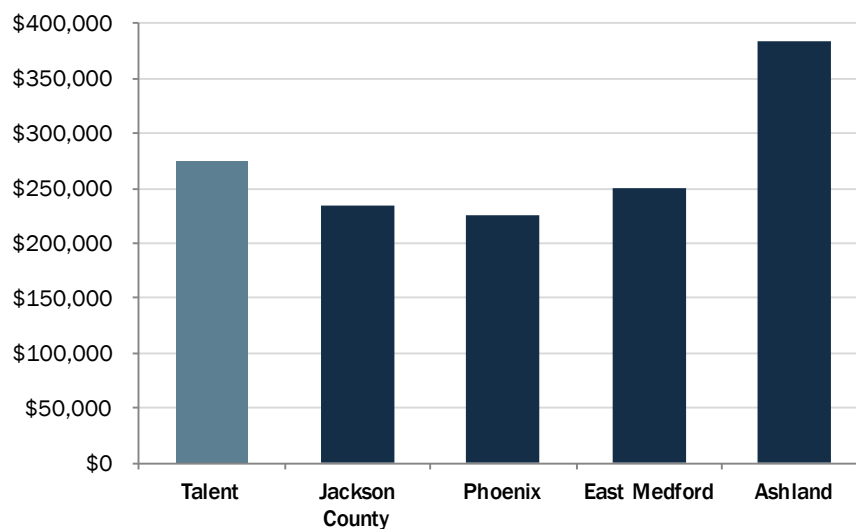
Note: When using Rogue Valley Association of Realtors estimates, Jackson County refers to the association's "Urban Totals" estimate for Jackson County.

\$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 42. Median Sales Price, Talent-area Geographies, 2016

Source: Rogue Valley Association of Realtors.

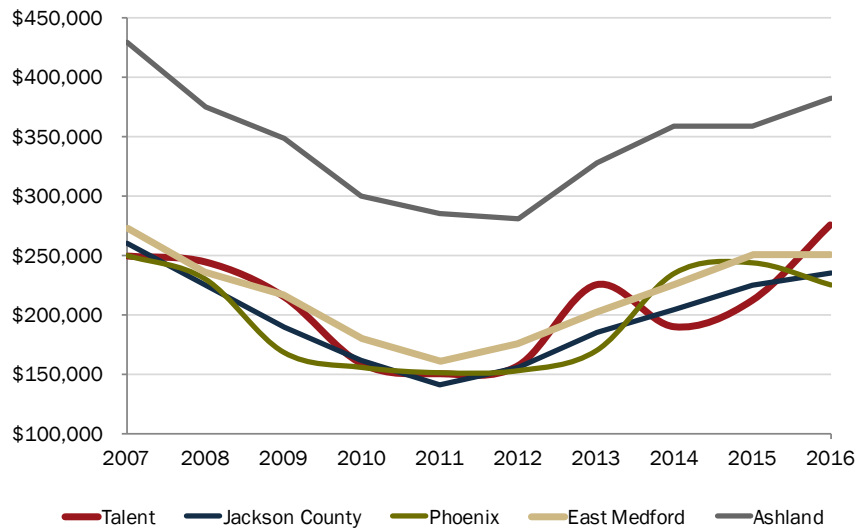


Median home sales prices in Talent have fully recovered from the 2007 housing market crash.

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 43. 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 44. Ratio of Housing Value to Household Income (Median to Median), 2000 to 2010-2014¹⁹

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 45. 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 46. 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.

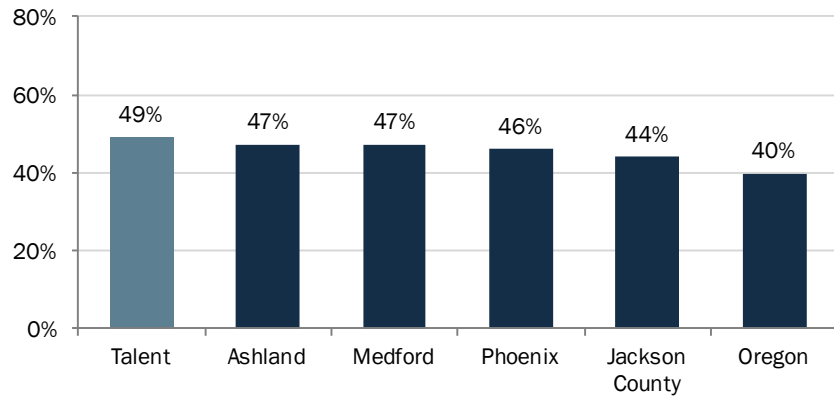
Cost Burden

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 47. Housing Cost Burden, All Households, Talent and comparison geographies, 2010-2014

Source: US Census Bureau, 2010-2014 ACS Tables B25091 and B25070.

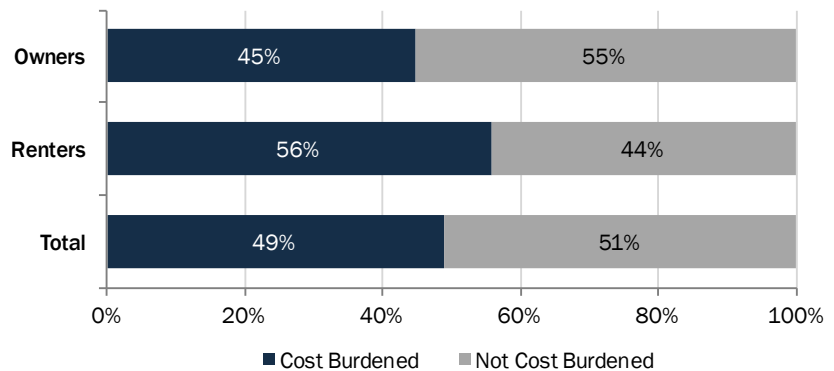


More than half of Talent's renters are cost burdened, compared to half of owners

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 48. Housing Cost Burden by Tenure, Talent, 2010-2014

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 49 shows housing affordability based on household income. Exhibit 49 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 49 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 49. 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 50 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 50 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 50 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 50. 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 2017 and 2037, the population in Talent's UGB is forecast to grow from 6,575 to 9,291, an increase of 2,716 people (41%). Jackson County is expected to grow by approximately 43,604 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

²⁰ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

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.

- **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 2037, 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).

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.

- **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.

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 2017 and 2037, shown in Exhibit 51. 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, 2017 to 2037) is the foundation for estimating needed new dwelling units. Talent will grow from 6,575 persons in 2017 to 9,291 persons in 2037, an increase of 2,716 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.

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 2017 to 2037 period, shown in Exhibit 25. ECONorthwest extrapolated the 2015 population to 2017 and the 2035 population to 2037 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.

The 2010-2014 American Community Survey shows that 0.5% of the City’s population was in group quarters. **For the 2017 to 2037 period, we assume that 0.5% of new population, 14 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 of the analysis. According to the 2010-2014 American Community Survey, the average household size in Talent was 2.28 people. **Thus, for the 2017 to 2037 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 2017 to 2037 period, we assume a vacancy rate of 7.3%.**

Talent will have demand for 1,272 new dwelling units over the 20-year period, with an annual average of 64 dwelling units.

Exhibit 51. Forecast of demand for new dwelling units, Talent UGB, 2017 to 2037

Source: Calculations by ECONorthwest

Change in persons	2,716
<i>minus</i> Change in persons in group quarters	14
<i>equals</i> Persons in households	2,702
Average household size	2.28
New occupied DU	1,185
<i>times</i> Vacancy rate	7.3%
<i>equals</i> Vacant dwelling units	87
Total new dwelling units (2017-2037)	1,272
Annual average of new dwelling units	64

New housing units needed over the next 20 years

Exhibit 51 presents a forecast of new housing in Talent's UGB for the 2017-2037 period. This section determines the needed mix and density for new housing developed over this 20-year period in Talent.

Exhibit 52 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 52 shows a forecast of needed housing in the Talent UGB during the 2017 to 2037 period. The projection is based on the following assumptions:

- Talent’s official forecast for population growth shows that the City will add 2,716 people over the 20-year period. Exhibit 51 shows that the new population will result in need for 1,272 new dwelling units over the 20-year period.

- The assumptions about the mix of housing in Exhibit 52 are:
 - Sixty-five percent of new housing will be single-family detached, a category which includes manufactured housing. Exhibit 10 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 10 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 10 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 52. Forecast of demand for new dwelling units, Talent UGB, 2017 to 2037

Source: Calculations by ECONorthwest

Needed new dwelling units (2017-2037)	1,272
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>	826
<i>Single-family attached</i>	
<i>Percent single-family attached DU</i>	10%
<i>equals Total new single-family attached DU</i>	127
<i>Multifamily</i>	
<i>Percent multifamily detached DU</i>	25%
<i>equals Total new multifamily DU</i>	318
Total new dwelling units (2017-2037)	1,272

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 53 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 53 shows:

- **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**²⁴ 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 8 to 12 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

²⁴ Talent does not currently have a Medium Density Residential Designation. This analysis assumes that Talent will replace the Residential Manufactured Home Designation with a Medium Density Residential Designation and that the Single-Family Manufactured Housing (RS-MH) zone will be one of the zones in the Medium Density Residential Designation. This analysis assumes that Talent will also develop a new zone that allows 8 to 12 dwelling units per net acre to the Medium Density Residential Designation.

Exhibit 53. Allocation of needed housing by housing type and Plan Designation, Talent UGB, 2017 to 2037

Source: ECONorthwest

*Note: Talent does not currently have a Medium Density Residential Designation. This analysis assumes that Talent will replace the Residential Manufactured Home Designation with a Medium Density Residential Designation and that the Single-Family Manufactured Housing (RS-MH) zone will be one of the zones in the Medium Density Residential Designation. This analysis assumes that Talent will also develop a new zone that allows 8 to 12 dwelling units per net acre to the Medium Density Residential Designation.

Note: Talent's existing Residential Manufactured Home designation is intended for development of manufactured homes in manufactured home parks.

Comprehensive Plan Designation	Residential Plan Designations				Commercial Designations	Total
	Low Density (RL-CL)	Low Density (RL-UGB)	Medium Density (RM)*	High Density (RH)		
Dwelling Units						
Single-family detached	324	413	64	25	-	826
Single-family attached	-	-	64	64	-	128
Multifamily	-	-	38	197	83	318
Total	324	413	166	286	83	1,272
Percent of Units						
Single-family detached	25%	32%	5%	2%	0%	65%
Single-family attached	0%	0%	5%	5%	0%	10%
Multifamily	0%	0%	3%	15%	7%	25%
Total	25%	32%	13%	22%	7%	100%

Exhibit 54 presents the assessment of future density for housing built in Talent over the 2017 to 2037 period. The assessment of 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 characteristics of vacant residential land, as described below, (4) the densities by type of Plan Designation described in OAR 660-038 Table 2,²⁵ and (5) the range of housing need by income identified in Exhibit 55, 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) 23% of land in the Low Density and Medium Density designations, based on empirical analysis of existing land used for rights-of-way in Talent²⁶ and (2) 24% in High Density and Commercial Designations, consistent with Talent's zoning code. Exhibit 55 shows the following densities, in net and gross acres:²⁷

- **Low Density:** 5.2 dwelling units per acre, with 23% of land used for rights-of-way, resulting in a density of 4.0 dwelling units per gross acre. This assumes average development of about 8,400 square foot lots, excluding land needed for rights-of-way. The Low Density designation includes land zoned R-5, which allows a minimum lot size of 8,000 square feet, and land zoned R-7, which allows a minimum lot size of 6,000 square feet.

Much of the City's vacant and partially vacant land in Low Density is in the Railroad District. About 40% (15 acres) of the Low Density land within Talent's city limits is in the Railroad district on slopes above 5%. This land is all zoned R-5. About 50% (62 acres) of the Low Density land in the UGB but not within the city limits is in the Railroad district on slopes above 5%. This land does not have a zoning designation. It is reasonable to assume that these areas may develop at lower densities than flat land.

These factors were considered in estimating future average density in the Low Density designation. While single-family (and 'plex) development in Talent between 2003 to 2012 had net densities over 7 dwelling units per acre (as

²⁵ While Talent does not use the methodology described in OAR 660-038, the City did consider the densities described in Table 2. Talent's future densities generally fit within the ranges described in Table 2.

²⁶ This assumption is based on empirical analysis of the land used for rights-of-way in developed residential land in the Low Density Designation in 2016.

²⁷ 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.

discussed in Chapter 3), the conditions that allowed these development densities no longer exist. As described above, much of Talent’s vacant Low Density land is zoned R-5 and is on slopes. In addition, Talent no longer allows Planned Unit Development, which resulted in development densities above those allowed in R-5 and at the top of R-7 densities.

- **Medium Density:** 10.0 dwelling units per acre, with 23% of land used for rights-of-way, resulting in a density of 7.7 dwelling units per gross acre. This assumes average development of nearly 4,400 square foot lots, excluding land needed for rights-of-way.
- **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. This assumes average development of approximately 2,400 square feet of land per dwelling unit, excluding land needed for rights-of-way.

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 12.4 dwelling units per gross 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. This assumes average development of 2,400 square feet of land per dwelling unit, excluding land needed for rights-of-way.

Exhibit 54. Estimated density for housing built in the Talent UGB, 2017 to 2037

Source: ECONorthwest

*Note: This analysis assumes that a Medium Density Residential Designation will replace the existing Residential Manufactured Home Designation.

Note: DU is dwelling unit.

Plan Designation	Average Net Density (du/acre)	Percentage for Rights-of-Way	Average Gross Density (du/acre)	Approximate Average Lot size (sq ft)
Low Density (RL-CL)	5.2	23%	4.0	8,380
Low Density (RL-UGB)	5.2	23%	4.0	8,380
Medium Density (RM)*	10.0	23%	7.7	4,360
High Density (RH)	18.0	24%	13.7	2,420
Commercial	18.0	24%	13.7	2,420

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 55 is based on American Community Survey data about income levels in Talent, using information shown in Exhibit 49. 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 55 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 55. Estimate of needed new dwelling units by income level, by Median Family Income (MFI) for Jackson County (\$53,300), Talent, 2017-2037

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 2017-2037	343	191	254	229	254
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,²⁸ 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 51 shows that Talent will grow by 1,272 dwelling units over the 2017 to 2037 period.
- Analysis of housing affordability (in Exhibit 54) shows that about 42% of Talent's new households will be low income, earning 50% or less of the

²⁸ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- 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.
 - 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 54 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 Residential Manufactured Home Designation, 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 2017-2037 period. It is, however, likely that manufactured homes will continue to locate on individual lots in Talent. The forecast of housing in Exhibit 52 assumes that no new manufactured home parks will be opened in Talent over the 2017-2037 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,²⁹ 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 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.

²⁹ 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.

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 2017-2037 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 2017-2037 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,”³⁰ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

³⁰ 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 54.

Exhibit 56 shows that **Talent’s 124 acres of vacant residential land has capacity to accommodate approximately 630 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.
- **Future densities.** The capacity analysis assumes development will occur at the densities shown in Exhibit 54.

Exhibit 56. 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: This analysis assumes that a Medium Density Residential Designation will replace the existing Residential Manufactured Home Designation.

Note: DU is dwelling unit.

Plan Designation	Buildable/ Suitable Acres	Gross Density (du/acre)	Dwelling Units Capacity
Low Density (RL-CL)	38	4.0	152
Low Density (RL-UGB)	69	4.0	276
Medium Density (RM)*	5	7.7	38
High Density (RH)	12	13.7	164
Total	124	5.1	630

The estimated capacity in Exhibit 56 does not include assumptions about development in commercial designations or redevelopment opportunities.

The assumed density of development in Exhibit 56 is 5.1 dwelling units per gross acre.

Land Needed for Public and Semi-Public Uses

Cities need to provide land for uses other than housing and employment. Public facilities such as schools, governments, churches, parks, and other non-profit organizations will expand as population increases. Many communities have specific standards for parks. School districts typically develop population projections to forecast attendance and need for additional facilities. All of these uses will potentially require additional land as a city grows.

Previous chapters estimated land demand for housing; this section considers other uses that consume land and must be included in land demand estimates. Demand for these lands largely occurs independent of market forces. In general, these land use needs can be directly correlated to population growth.

Public Land Needs (except parkland)

Discussions with stakeholders at the City of Talent indicate that the City does not have plans for significant expansions that will require new land beyond land that the agencies currently own.

Based on this information, we do not expect the City to need new residential land for public facilities.

Land Needed for Parks

The City of Talent's adopted *Parks Master Plan* (July 2006) describes existing conditions and future needs for parks over in Talent over the 2006 to 2030 period.

The City of Talent has adopted a level of service (LOS) ratio of 3.0 acres of developed parkland per 1,000 residents. This ratio provides guidance for determining the amount of parkland necessary for meeting current and future recreation needs. As of the 2006 Master Plan, the City of Talent had 17 acres of developed parkland, based on the extent of recreational amenities and improvements. In addition to the 17 acres of existing parkland, the City has prepared a concept plan for the development of a new 19.5-acre park on the Suncrest and DeYoung properties. These 19.5 acres are currently owned by the City and designated as parkland, but have limited recreational amenities.

Exhibit 57 shows that the addition of 19.5 developed park acres will allow Talent to meet its parkland LOS goal based on its projected 2037 population, with a surplus of 9 acres.

Exhibit 57. Projected Need for Developed Parkland

2037 LOS for Developed Parkland	
Projected 2037 population	9,291
LOS (developed park acres per 1,000 residents)	3.0
Total acres of developed park acres required to meet LOS	28
Developed and planned park land (acres)	36
Developed park acres as of July 2006	17
Planned park acres at Suncrest/DeYoung Property	19

Source: ECONorthwest, City of Talent 2006 Parks Master Plan, City of Talent Parks website

In addition to developed parkland, Talent’s park system also includes greenways and undeveloped open space. As of the 2006 Master Plan, the City of Talent owned about 19 acres of greenways and 22 acres of undeveloped parkland. Most of the undeveloped parkland is proposed for improvement as part of the 19.5 acre Suncrest Park. The 2006 Parks Master Plan does not identify a LOS standard for open space, natural areas, and greenways. However, it does identify priority sites for acquisition, including extension of the Wagner Creek Greenway and a conservation buffer near Ridgeline Trail.

The City may be able to satisfy its needs for parks, natural areas, and trails on undeveloped parkland that the City already owns or on vacant land within the UGB, if land is available for purchase at a price that the City can afford. The City may meet some needs for natural areas in areas with constraints, such as wetlands. Development of parks infrastructure, such as trails or playgrounds, in these constrained areas is subject to similar restrictions as other types of development (e.g., residential development).

In cases where the City cannot afford to purchase parkland within the UGB, the City may develop parks, natural areas, and trails outside of the UGB. These areas may remain outside of the UGB and serve the community’s recreational needs.

Based on this analysis, we conclude that the City has sufficient land within the UGB to meet the service standards in the 2006 adopted *Parks Master Plan*.

Land Needs for Schools

The Phoenix and Talent School District is working on an updated Facilities Plan. The District's plans for future schools do not include need for additional land for schools in Talent over the next 20-years.³¹

Semi-Public Land Needs

Land needed for semi-public uses includes land for churches, non-profit organizations such as fraternal organizations, and related semi-public uses. The analysis includes land need assumptions using acres per 1,000 persons for all lands of these types. Exhibit 58 shows that Talent has 10 acres of land used for semi-public uses, with 1.6 acres per 1,000 residents in Talent in 2015. These semi-public land uses are most likely to occur in Low Density Plan Designations.

Assuming that Talent will continue to need 1.6 acres of land per 1,000 people for semi-public uses in the future, Talent will need approximately 4 acres of land to accommodate growth of the 2,716 new population forecast for Talent in Exhibit 51. Land needed for these users can typically be provided within existing Plan Designations, including all residential designations, based on the uses that are permitted in the associated zone.

Exhibit 58. Semi-Public Land Demand, Talent UGB, 2017-2037

Category	Existing Semi-Public Land in 2015		Acres Needed 2016-2036
	Acres	Acres per 1,000 people	
Church	5	0.8	2
Other	5	0.8	2
Total Semi-Public	10	1.6	4

Source: ECONorthwest

Based on this analysis, we assume that Talent will need 4 acres of land zoned residential, most likely in the Low Density Plan Designation, for semi-public uses.

³¹ Based on discussions with Jon McCalip, the Director of Facility Maintenance for the Phoenix and Talent School District.

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 53) with the capacity of land by Plan Designation (Exhibit 56).

Exhibit 59 shows that Talent has a deficit of capacity in all residential Plan Designations:

- **Low Density:** Talent has a deficit of capacity for about 309 dwelling units, or 77 gross acres of land to accommodate growth over the 2017-2037 period, in both the RL-CL and RL-UGB zones.
- **Medium Density:** Talent has a deficit of capacity for about 128 dwelling units, or 17 gross acres of land to accommodate growth.
- **High Density:** Talent has a deficit of capacity for about 122 dwelling units, or 9 gross acres of land to accommodate growth.
- **Commercial:** Exhibit 59 shows a need for 83 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 59. Comparison of capacity of existing residential land with demand for new dwelling units and land deficit, Talent UGB, 2017-2037

Source: Buildable Lands Inventory from City of Talent; Calculations by ECONorthwest

*Note: This analysis assumes that a Medium Density Residential Designation will replace the existing Residential Manufactured Home Designation.

Note: DU is dwelling unit.

Plan Designation	Dwelling Units Capacity of Buildable Land	Needed Dwelling Units (2017-2037)	Surplus or Deficit of Dwelling Units	Gross Density (du/acre)	Land Deficit (Gross Acres)
Low Density	428	737	-309	4.0	-77
Low Density (RL-CL)	152	324	-172	4.0	-43
Low Density (RL-UGB)	276	413	-137	4.0	-34
Medium Density (RM)*	38	166	-128	7.7	-17
High Density (RH)	164	286	-122	13.7	-9
Commercial	0	83	-83	13.7	-6
Total	630	1,272	-642		

The analysis of semi-public land needs shows that need for land for semi-public uses, such as churches, increases Talent’s residential land deficit by about 4 acres. These semi-public uses are most likely to locate in the Low Density Plan Designation.

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 77 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 17 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 9 acres in High Density and 6 acres in commercial designations.

Need for land for semi-public land needs increases Talent's residential land deficit by about 4 acres. These semi-public uses are most likely to locate in the Low Density Plan Designation.

- **The City's density assumptions do not meet the requirements of the RPS Regional Plan.** The RPS resulted in agreements from each city in the region about "committed densities" for residential development in land in areas within the UGB but outside the city limits and in the 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.³²

The forecast for land need shown in Exhibit 56 result in a density of 4.0 dwelling units per gross acre for land in RL-UGB, which is within the UGB but outside of the city limits. This does not meet Talent's committed density of 6.6 dwelling units per gross acre through 2035. The recommendations in this section include suggestions to meet this target.

- **Talent will need to address infrastructure development constraints in the Railroad District Master Plan area.** Much of Talent's vacant buildable land in Low Density Residential, about 84 acres and 78% of buildable lands, is in the Railroad District Master Plan area, located southwestern of Rapp Road. While a master plan for this area was completed in 2007, no development has occurred in this area. The primary reason for the lack of development is constraints to developing urban infrastructure (e.g., water and wastewater service) in this area. 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

³² Greater Bear Creek Valley Regional Plan, page 2-11 to 2-12.

urban services will require extending water and wastewater services and making transportation connections with Talent's transportation network. In addition, development of this area will be challenging because of steep slopes, about three-quarters of the unconstrained vacant buildable area in slopes of 5% to 25%.

Given that this area accounts for a large percentage of Talent's buildable residential land, making this area ready for development should be a high priority for the City. If this area cannot be made ready for development, the City should consider ways to accommodate residential development elsewhere in the City.

- **Talent will need to address physical development constraints in the Railroad District Master Plan area.** This area accounts for more than three-quarters of the vacant buildable land in the Low Density Residential Designation in Talent. More than 90% of this land, about 78 acres, has slopes of 5% or more and 60% of this land (51 acres) has slopes of 10% to 25%.

Development densities on land with slopes is typically lower than on flat land. Steeper slopes generally decrease development density. Talent has little existing development on slopes to provide information development densities on sloped land. But it is reasonable to expect that some development may be reduced below the 4.0 dwelling unit per gross acre assumption used for Low Density land in this study. Some development may occur at densities closer to 3.3 dwelling units per gross acre (10,000 square foot lots) or 2.2 dwelling units per gross acre (15,000 square foot lots) on steeper slopes.

Much of this area is within Talent's UGB but outside of the city limits, where Talent is committed to meeting an average density of 6.6 dwelling units per gross acre.³³ Talent should consider planning for higher density development on the flatter areas of the Railroad District area, such as Medium Density Residential. The City may also want to consider planning for additional density in downtown or along commercial corridors to compensate for the lower density development on slopes in the Railroad District area.

- **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

³³ The RPS Plan allows cities to meet this target through increases of residential density for areas within the city limits.

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.
- **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. These policies can help Talent meet its RPS committed residential density of 6.6 dwelling units per gross acre on land within Talent's UGB but outside of the city limits (specifically in the Railroad District).
 - *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 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 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. Developing a Medium Density Plan Designation can help Talent meet its RPS committed residential density of 6.6 dwelling units per gross acre on land within Talent's UGB but outside of the city limits (specifically in the Railroad District).
- **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. Allowing higher density housing on commercial land can help Talent meet its RPS committed residential density of 6.6 dwelling units per gross acre on land within Talent's UGB but outside of the city limits (specifically in the Railroad District).

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 DLCD 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.

City staff performed a visual assessment of partially vacant land and identified parcels that could not be reasonably subdivided because of access issues that would make one or more of the subdivided lots inaccessible. These lots were

considered fully developed and not included in the inventory of partially vacant 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):

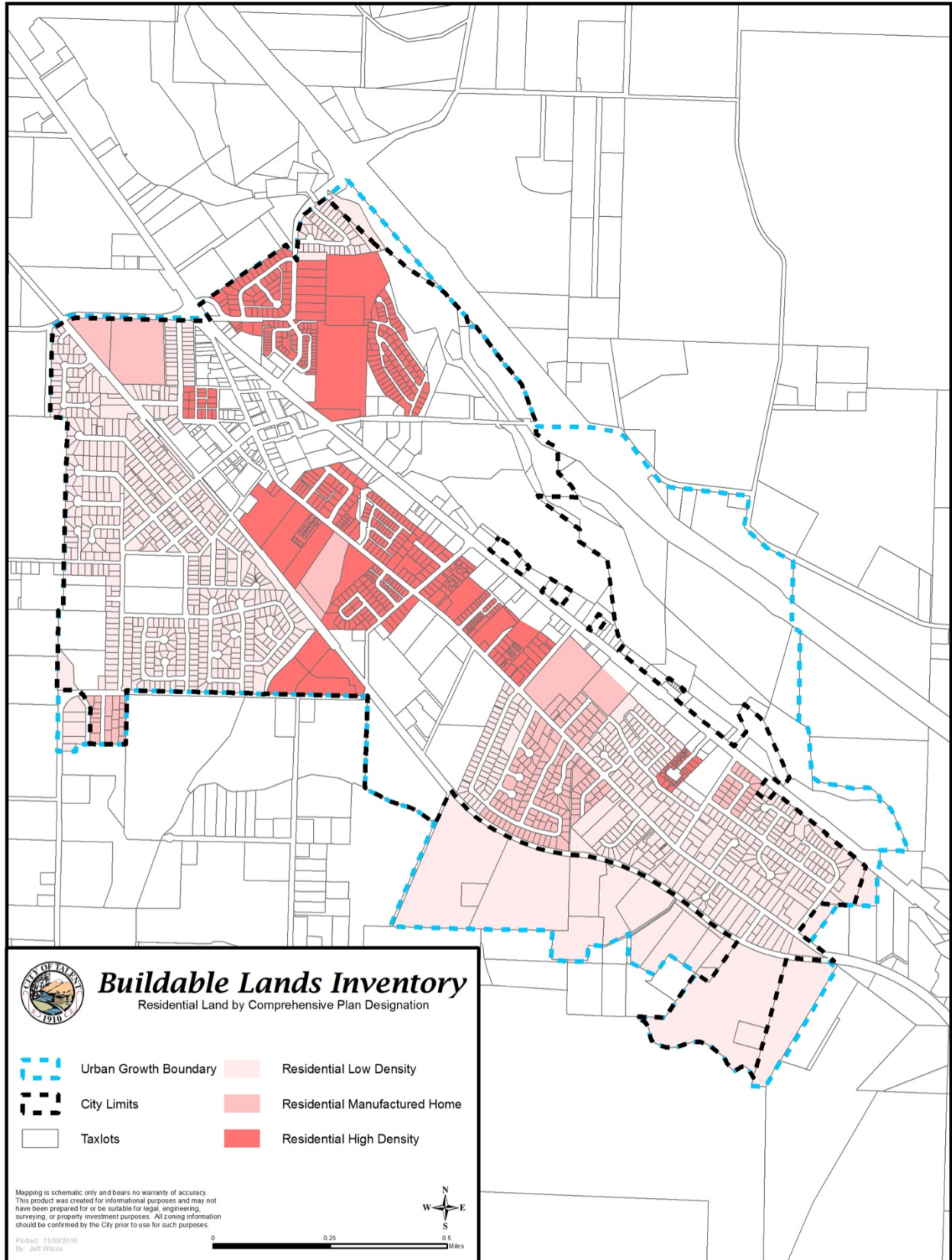
- Lands within floodways. We used FEMA FIRM maps to identify lands in floodways. No parcels with residential Plan Designations fell within a floodway. As a result, no land was deducted for this constraint.
- Lands in regulated wetlands. We used Talent Local Wetlands Inventory data (1997) to identify 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), which includes lands in the RS-5 zone and the RS-7 zone
- Residential Manufactured Home (RM), which includes land in the RS-MH zone
- Residential High Density (RH), which includes land in the RM-22 zone

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 541 total acres in residential Plan Designations. By classification, about 62% of the land is developed, 24% is partially vacant, 9% is vacant, 4% is public and 1% is undevelopable. About 25% of residential land is in the residential high density designation (RH); 13% in residential manufactured home designations (RM) and 63% in residential low density designations (RL).

Table A-1. Residential Land by Classification, Talent UGB, 2016

Development Status	Plan Designation			Outside of city limits, within urbanizing area		Total	Percent of Total
	Inside Talent city limits			Residential Low Density (RL)	Total		
	Residential Low Density (RL)	Residential Manufactured Home (RM)	Residential High Density (RH)				
Developed	168	61	106	2	337	62%	
Partially vacant	27	4	7	94	132	24%	
Vacant	33	3	9	1	46	9%	
Public	7	0	11	4	22	4%	
Undevelopable	2	1	0	1	4	1%	
Total	237	69	133	102	541	100%	
Percent of Total	44%	13%	25%	19%	100%		

Source: City of Talent analysis of Jackson County GIS data

Table A-2 shows land in all residential Plan Designations by development and constraint status. Talent has 541 acres in 1,797 tax lots in residential Plan Designations. About 65% of total residential land (352 acres) is built, 12% (65 acres) is constrained, and 23% (124 acres) is buildable.

Table A-2. Residential Land by Comprehensive Plan Designation, Talent UGB, 2016

Plan Designation	Tax Lots	Total Acres	Built Acres	Constrained Acres	Buildable Acres
RL-City Limits	987	237	176	23	38
RL-Urban Growth Boundary	28	101	5	29	67
RM	203	69	63	1	5
RH	579	133	108	12	13
Total	1,797	541	352	65	124
Percent of Total		100%	65%	12%	23%

Source: City of Talent analysis of Jackson County GIS data

Note: Lots identified as undevelopable or publicly owned were not included in "total acres".

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 124 buildable residential acres. Of this, about 28% are in tax lots classified as vacant, and 72% are in tax lots classified as partially vacant. Over half of all buildable residential land (69 acres) is in the residential low density Plan Designation and currently outside city limits. Thirty-one percent of the remaining buildable land is within the residential low density Plan Designation within city limits. Residential manufactured home 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

Development Status	Plan Designation				Percent of	
	RL-CL	RM	RH	RL-UGB	Total	Total
Partially vacant	16	2	3	68	89	72%
Vacant	22	3	9	1	35	28%
Total	38	5	12	69	124	100%
Percent of Total	31%	4%	10%	56%	100%	

Source: City of Talent analysis of Jackson County GIS data

Note: RL-CL is Residential Low Density in the city limits and RL-UGB is Residential Low in outside the city limits within the UGB.

Map A-5 shows slopes for land within the Talent UGB. Most of the land in Talent is relatively flat, with a slope of less than 5%. The exception is the Railroad District, which is in the southern part of Talent. Most of the land in the Railroad District is within the UGB but outside of the city limits. Slopes in this area vary from 0 to 5% slope to areas with a slope of 25% or more. Map A-3 and Map A-4 show that most of Talent’s vacant and partially vacant residential land is in the Railroad District.

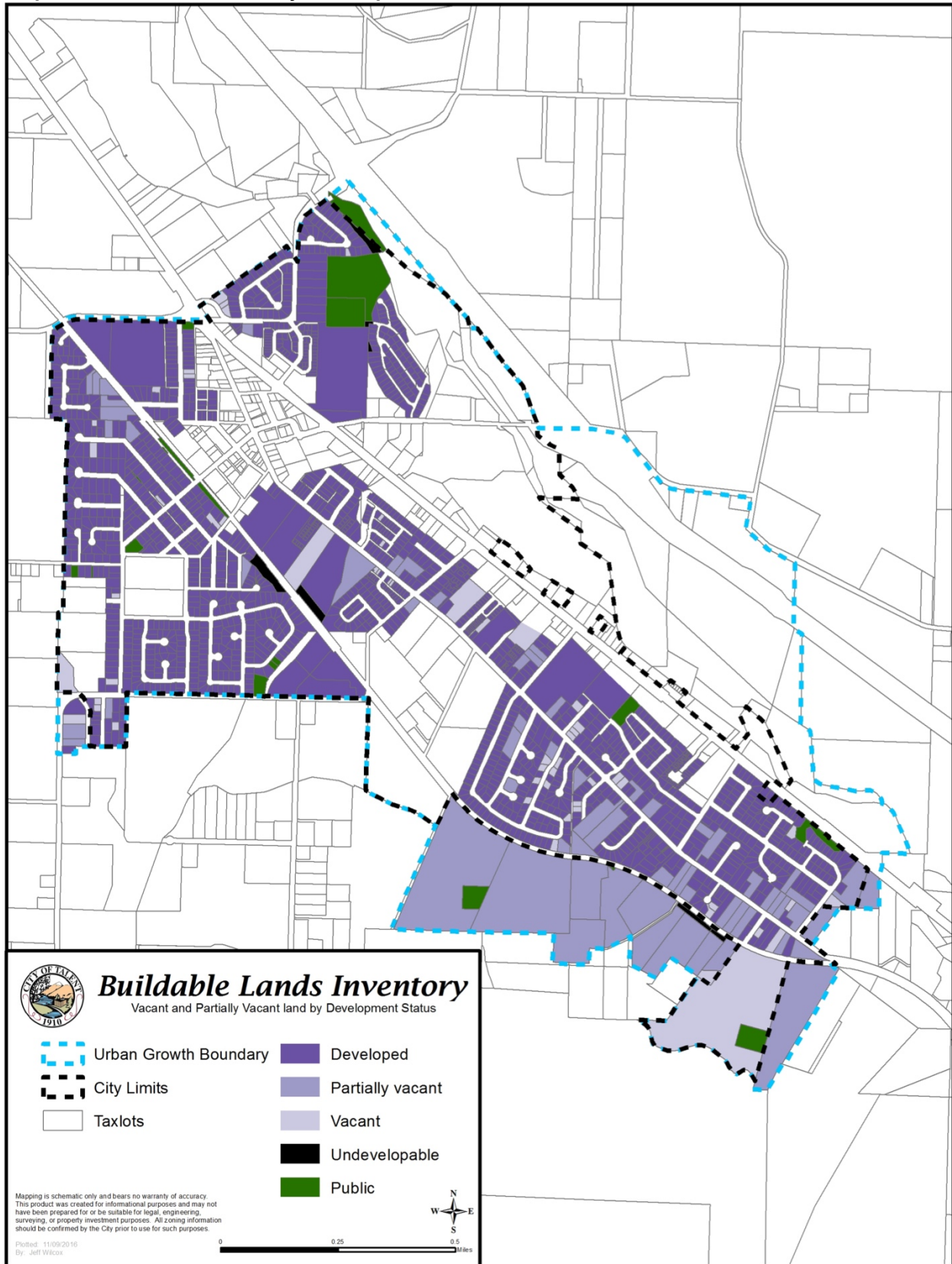
Table A-4 shows the vacant and partially vacant buildable land in the Railroad District by slope class and by Plan Designation. Nearly 7 acres of land in this area is on land with a slope of 5% or less, 27 acres on land with a slope of 5 to 10%, and 51 acres on land with a slope of 10 to 25%. Land with slopes greater than 25% are considered constrained and unbuildable, consistent with the assumptions in the buildable lands inventory.

Table A-4. Buildable acres by Plan Designation and slope, Railroad District in Talent UGB, 2016

	Vacant and Partially Vacant Residential Land by		
	0-5%	5-10%	10-25%
	slope	slope	slope
Within City Limits			
RL-CL, zoned RS-5	1	5	11
Within UGB			
RL-UGB	5	22	40
Total	7	27	51

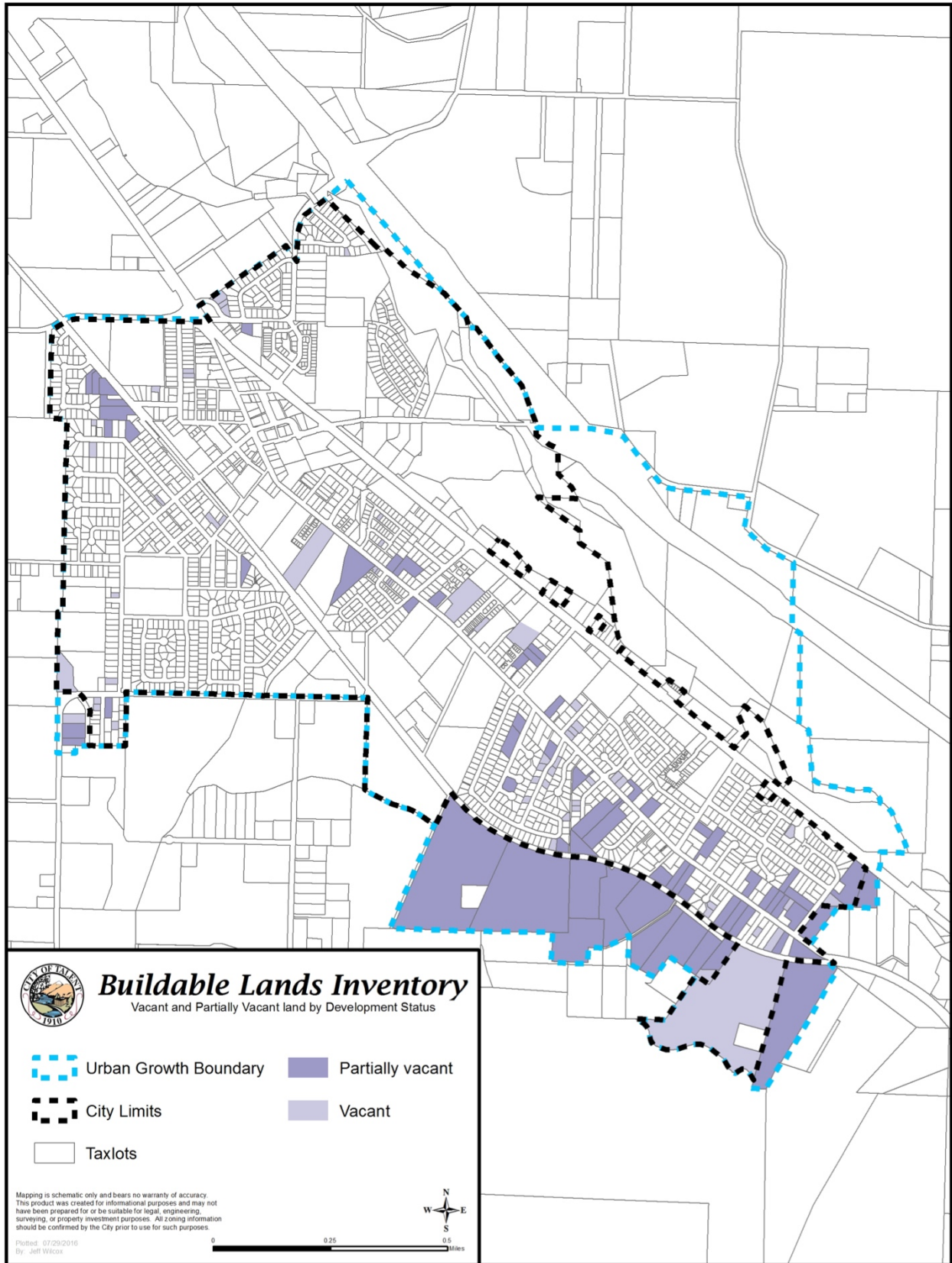
Source: City of Talent analysis of Jackson County GIS data
 Note: RL-CL is Residential Low Density in the city limits and RL-UGB is Residential Low in outside the city limits within the UGB.

Map A-2: Residential land by development status, Talent UGB, 2016



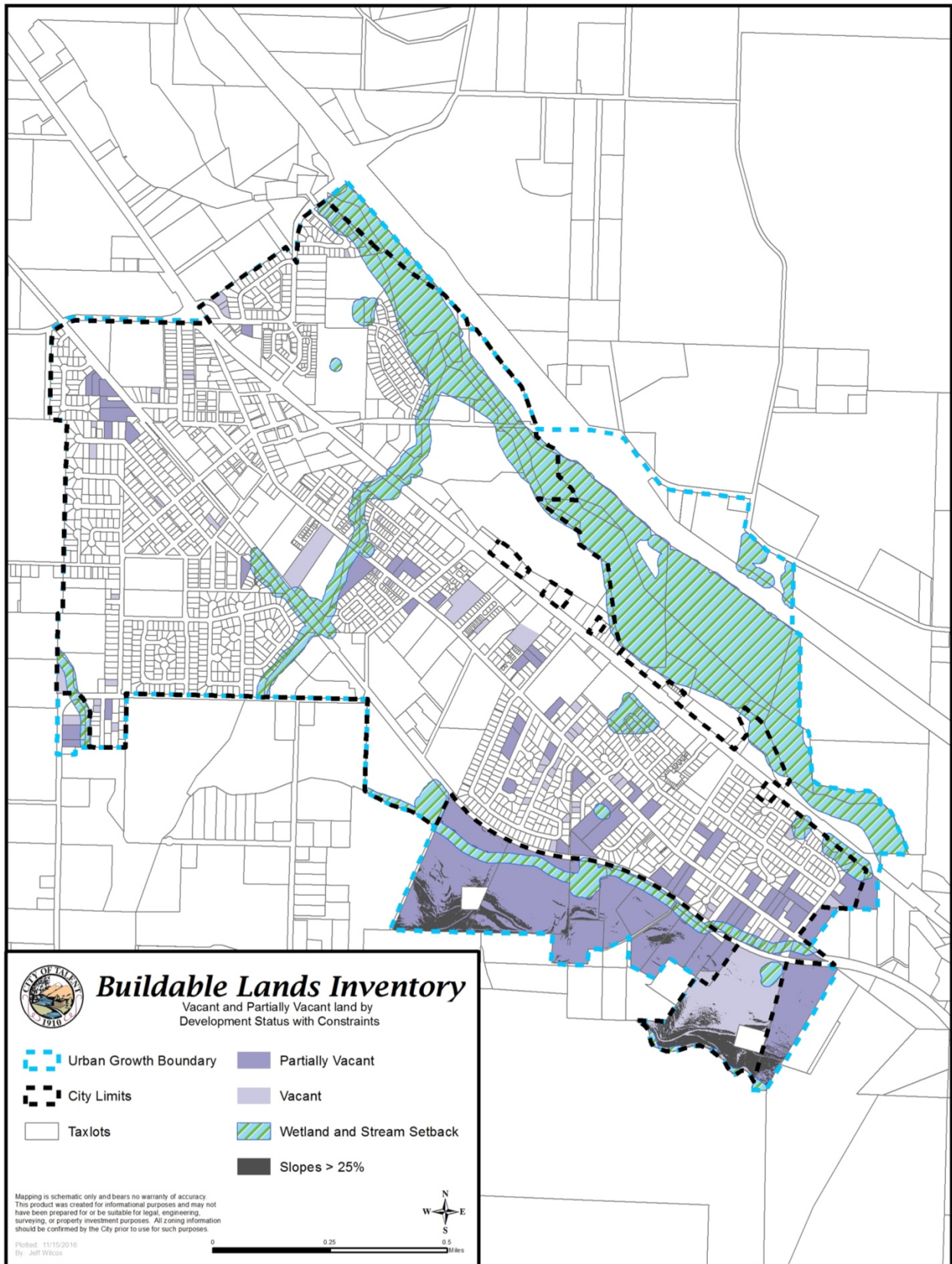
Source: City of Talent analysis of Jackson County GIS data

Map A-3: Vacant and partially vacant residential land, Talent UGB, 2016



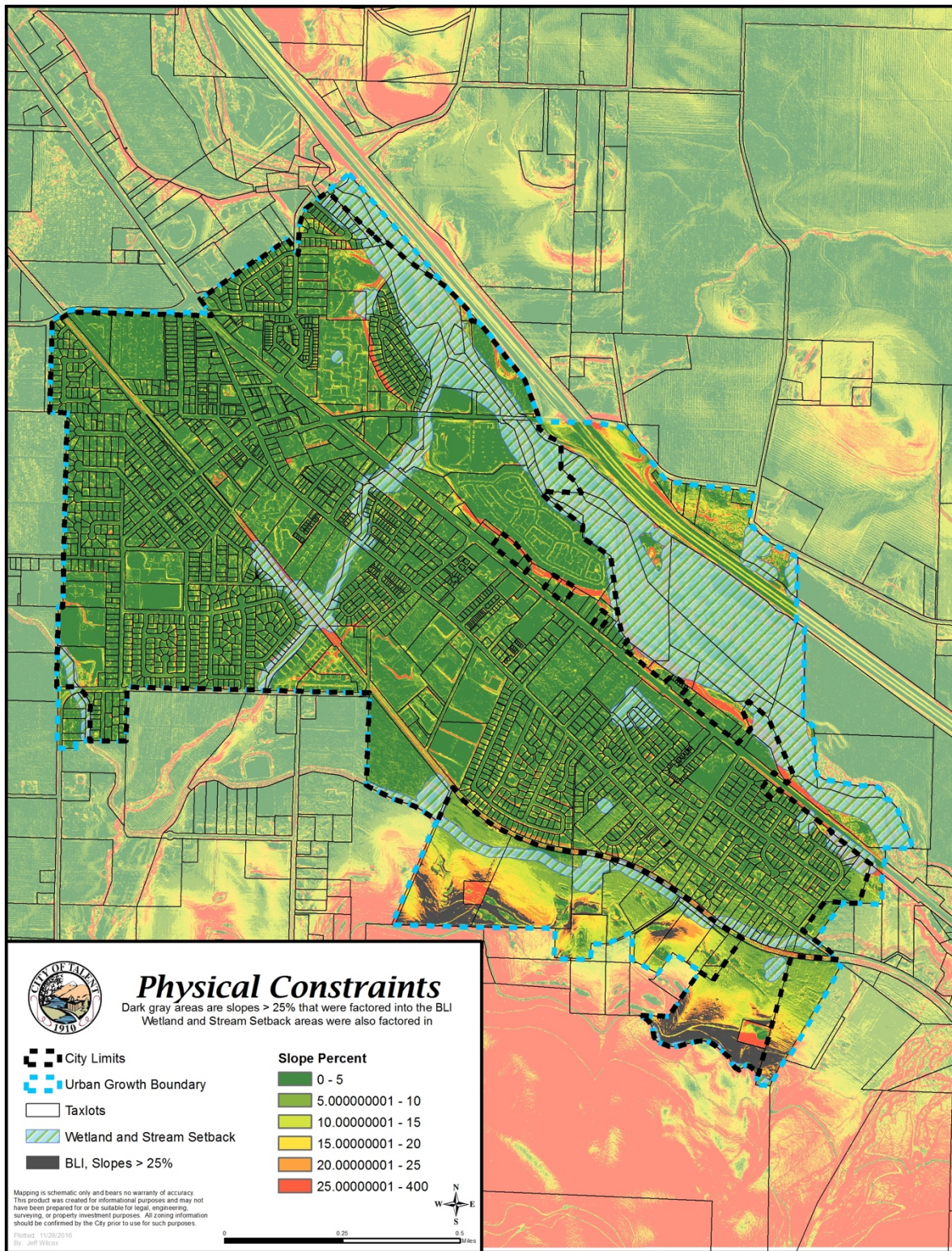
Source: City of Talent analysis of Jackson County GIS data

Map A-4: Vacant and partially vacant residential land and development constraints, Talent UGB, 2016



Source: City of Talent analysis of Jackson County GIS data

Map A-5: Slopes, Talent UGB, 2016



Source: City of Talent analysis of Jackson County GIS data