



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

IN THE MATTER OF PLANNING COMMISSION FILE NO. DCA 2018-)
002, AMENDMENTS TO THE TALENT ZONING AMENDING TITLE 8,)
CHAPTER 3, DIVISION J, ARTICLE 11 SUPPLEMENTAL PROVISIONS)
PROVIDING REVIEW PROCEDURES AND REGULATIONS FOR)
SHORT-TERM RESIDENTIAL RENTAL DWELLINGS, THE TALENT) ORDER
PLANNING COMMISSION FINDS THE FOLLOWING:)

1. The Planning Commission held a properly noticed public hearing on this matter on October 25, 2018;
2. Property owners potentially affected by the proposed amendments were provided notice as required by ORS 227.186 (Measure 56);
3. The Planning Commission requested that the Community Development Director present a staff report and a proposed final order with code language, findings and recommendations;
4. The proposed text amendments are consistent with the Talent Comprehensive Plan; and
5. At the public hearing evidence was presented by the Community Development Director and the public was given an opportunity to comment;

IT IS HEREBY ORDERED THAT based on the information presented in the staff report and the following findings of fact, the Talent Planning Commission recommends approval of the amendments to the Talent Zoning amending Title 8, Chapter 3, Division J, Article 11, Supplementary Provisions, providing review procedures and regulations for short-term residential rental dwellings.

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

TALENT ZONING CODE

8-3M.160(G) Decision-Making Considerations. The recommendation by the Planning Commission and the decision by the City Council shall be based on consideration of the following factors:

1. *The Statewide Planning Goals and Guidelines adopted under Oregon Revised Statutes (ORS) Chapter 197 (for Comprehensive Plan amendments only);*

FINDING: Not applicable as this is not a Comprehensive Plan amendment. A development code amendment is presumed to enact policies in the Comprehensive Plan; the findings validating that presumption are outlined below. **The provisions of this section are not applicable.**

2. *Comments from any applicable federal or state agencies regarding applicable statutes or regulations;*

FINDING: The City sent the full text of the proposed amendment to the Department of Land Conservation and Development (DLCD), which has exclusive oversight of code amendments to ensure compatibility with State Goals, Statutes and Administrative Rules. **The provisions of this section have been met.**

3. *Any applicable intergovernmental agreements; and*

FINDING: No intergovernmental agreements were found to be applicable to the proposed ordinance amendments. **The provisions of this section are not applicable.**

4. *Any applicable Comprehensive Plan policies and provisions of the Talent Zoning Code that implement the Comprehensive Plan. Compliance with Section 160 of this Article shall be required for Comprehensive Plan Amendments, Zoning Map, and Text Amendments.*

FINDING: All applicable Comprehensive Plan policies and provisions of the Talent Zoning Code have been addressed. **The provisions of this section have been met.**

TALENT COMPREHENSIVE PLAN

ELEMENT E: HOUSING

POLICY 5: Business Development: The City will plan for and nurture a favorable environment to attract and maintain new businesses.

Objective 5.3: Promote and support diversification of Talent’s economic base through growth, such as the types of businesses identified in the economic opportunities analysis.

Implementation Strategy 5.3a: The City should work with the Economic Development Commission to market commercial and industrial sites in Talent to encourage economic growth.

POLICY 7: Livability: The City recognizes that livability is an important factor in the location choices of some types of businesses, and the policy of maintaining livability for the benefits of City residents is further reinforced by the potential for economic benefits.

Objective 7.1: Create a community where people want to spend time beyond the exigencies of daily life.

Implementation Strategy 7.1a: Encourage businesses providing personal services to residents, businesses, and visitors to locate in Talent, such as financial services, entertainment, restaurants, coffee shops, and other pedestrian-oriented businesses.

Objective 7.2: Support development of urban amenities that contribute to Talent’s livability, such as the Parks Master Plan.

ELEMENT G: HOUSING

GOALS:

1. *Provide an adequate supply of residential land and encourage land use regulations that allow a variety of housing types that will be able to meet the housing needs of a range of age groups, income levels, and family types.*
2. *Encourage efficient land development patterns that minimize service and infrastructure costs.*
3. *Encourage land use patterns that provide livable neighborhoods; allow mixed uses, and allow a variety of housing types.*
4. *Encourage land use patterns that protect and enhance Talent's natural resources.*
5. *Facilitate new housing starts to ensure there is adequate opportunity and choice to acquire safe, sanitary, and affordable housing.*
6. *Maintain an attractive residential community in an appealing rural setting.*

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

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

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

FINDING: Talent rents have risen dramatically in the last few years, making it one of the more expensive rental markets in Southern Oregon. The Housing Needs Analysis adopted in 2017 identifies a clear lack of existing affordable housing. Currently, about half of Talent households cannot afford a two-bedroom apartment at HUD's fair market rent level of \$858 and nearly 49% of Talent's households are cost burdened, paying more than 30% of their income to housing. 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, and although short-term rentals are not common in apartment complexes, their saturation into the rental housing market has a ripple effect on the costs of rents for these housing types.

Talent's Housing Needs Analysis states that the City will need to build at least 1,272 new housing units through by 2037 in order to meet its housing needed. Nearly 788 of the units that would need to be built to meet the City's housing production goals in the next twenty years would need to be affordable to very low-, low-, and moderate-income households. However, despite the City's urgency to address the housing crisis, state and federal funding for affordable housing has declined over the last several decades. With the dissolution of these funds and major cuts to federal funding for affordable housing, there are fewer resources available to meet the growing need.

The improbability of the City being able to meet its HNA goals is even greater if housing units are being taken off the market to serve tourists. This is one reason why increases in short-term rentals in cities like Talent with housing shortages has become so problematic. Short-term rentals create a platform that allows landlords to choose tourist dollars against renter dollars. Thus, small cities like Talent have begun developing policies to regulate the short-term rental market

and protect the shrinking supply of housing, while still allowing property owners and lessees to produce income from their properties in a regulated fashion.

One way to address these issues is to require a rental property owner that chooses to operate a short-term rental to meet certain zoning requirements. In the recently adopted Accessory Dwelling Unit ordinance, the City took the first step protect the supply of smaller, more affordable units for use as long-term rentals, prohibiting the use of ADUs as short-term rentals. The legislation proposed under this ordinance provides clarity as to where short-term rentals are allowed, how they are operated and additional standards that must be met to receive approval to operate. The new provisions are geared toward allowing short-term rentals as an accessory use to a dwelling rather than as a primary use, reducing the number of dwellings used entirely as a short-term rental operation. The goal is to encourage the accessory use under circumstances that provide short-term rental opportunities in Talent and to allow homeowners or long-term lessees of a property to earn additional income, while still preserving housing stock for long-term use.

The legislation as proposed moves the City closer to achieving the goals of the Housing and Economic Elements of the Talent Comprehensive Plan and provides a balanced approach to addressing affordable housing while allowing short-term rentals as small economic operations. Additionally, these regulations allow the City to ensure that all short-term rentals are operating under the same rules, and provides the City with the tools necessary to address non-compliance issues.

As proposed, a rental property owner choosing to operate a short-term rental would be required to go through an annual land use review to obtain a business license from the City of Talent. As noted above, the land use review ensures that the short-term rental is owner-occupied, does not occupy the entire dwelling and that parking, signage and public health and safety issues are properly addressed. The regulations also provide remedies for short-term rentals that fail to meet the minimum requirements. Rentals greater than 30 days are subject to different regulations and are not part of the current legislation. **The provisions of this section have been met.**

Dave Pastizzo
Chairperson

Date

ATTEST

Zac Moody
Community Development Director

Date