

City of Stayton

MEMORANDUM

TO: Chairperson Larry McKinley and Planning Commission Members

FROM: Jennifer Siciliano, Director of Community and Economic Development

DATE: April 27, 2026

SUBJECT: Annexation – Kevin and Paige Butler (Shaff Rd)

120 DAYS ENDS: Not applicable – Annexation

ISSUE

The issue before the Planning Commission is a Public Hearing on an application for Annexation of an approximately 17-acre property located on Golf Lane (Tax Lot 091W03B001500). The applicant proposes annexation into the city limits and application of the High Density (HD) Residential zoning district.

At the February Planning Commission public hearing, a comment letter from the Oregon Department of Land Conservation and Development (DLCD) was entered into the record. The hearing was continued to April 27, 2026, to allow staff to incorporate DLCD's comments into the findings and draft order



BACKGROUND

The subject property is approximately 17 acres of vacant land, located in Marion County fronting on Shaff Rd, and currently zoned Urban Transition (UT-20). It lies within the Stayton Urban Growth Boundary (UGB) but outside the city limits. The surrounding area consists of a mix of City-zoned and County-zoned properties. The property to the north consists of a large-lot single-family home and is also used for agriculture. The properties to the east were annexed in 2020 and are zoned HD and Commercial General (CG). The HD property is a 100-unit multifamily development. The CG property is vacant. The properties to the south are a vacant 44-acre parcel, zoned Light Industrial and a 1.7-acre parcel not yet annexed, zoned Marion County UT-20 and developed with a

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single-family dwelling. The property to the west is outside of the Urban Growth Boundary and is a 44-acre parcel zoned Exclusive Farm Use by Marion County. This property is in the same ownership as the subject parcel.

ANALYSIS

Since the prior public hearing, the draft order has been updated to incorporate comments from the Oregon Department of Land Conservation and Development (DLCD) and to reflect current state law. DLCD's comments emphasize that, pursuant to House Bills 2001 and 2889, the City should utilize the Oregon Housing Needs Analysis (OHNA) when evaluating housing needs. The OHNA is a statewide methodology that allocates housing needs to local jurisdictions and requires that need to be accommodated within Urban Growth Boundaries. For the City of Stayton, the OHNA identifies a 20-year housing need of 1,058 dwelling units across a range of income levels.

This represents a shift from the City's prior reliance on the Buildable Lands Inventory, as the OHNA incorporates not only projected future growth but also existing unmet housing need resulting from underproduction. As a result, the analysis supporting this annexation has been updated to reflect the City's obligation to plan for and accommodate a broader range of housing types and affordability levels.

In addition to the OHNA framework, state housing law has evolved in a way that directly affects how residential zoning must be considered. Under current law, duplexes are now permitted on all residentially zoned parcels in cities of Stayton's size. This includes properties zoned Low Density (LD), Medium Density (MD), and High Density (HD). As a result, duplexes are also now permitted in the High Density Residential zone, where they were not previously allowed. This change reduces the distinction between residential zones in terms of allowed housing types and shifts the focus more toward overall capacity and density.

Based on these changes, the prior rationale for recommending Low Density zoning—primarily to limit housing type and intensity—is no longer supported by state. Instead, the City must ensure that its zoning designations provide sufficient capacity to meet identified housing needs under the OHNA framework. The High Density (HD) Residential zone, which allows a broader range of housing types and densities, better aligns with this requirement and supports the City's ability to accommodate its allocated housing needs.

Staff has also revised the draft order to reflect guidance from the City Attorney regarding annexations. Annexations are legislative decisions that must be approved or denied based on applicable criteria and should not include conditions of approval.

Overall, the revised draft order reflects DLCD's comments, incorporates the Oregon Housing Needs Analysis (OHNA), aligns with current state housing law. These updates result in a change to Staff's recommendation from Low Density (LD) Residential zoning to High Density (HD) Residential zoning.

RECOMMENDATION

Staff recommends that the Planning Commission approve the annexation and recommend application of High Density (HD) Residential zoning to the subject property. This represents a change from the prior recommendation of Low Density zoning and is based on the updated analysis incorporating DLCD comments, the Oregon Housing Needs Analysis (OHNA), and current state housing law.

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OPTIONS AND SUGGESTED MOTIONS

Staff has provided the Planning Commission with a number of options, each with an appropriate motion. The Community and Economic Development Department recommends the first option to continue the hearing as the applicant requested.

1. Approve the application, adopting the draft order of recommendation as presented.

I move the Stayton Planning Commission recommend the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and adopt the draft order of recommendation as presented by Staff.

2. Approve the application, adopting modifications to the draft order of recommendation.

I move the Stayton Planning Commission to recommend the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and adopt the draft order of recommendation with the following changes...

3. Continue the hearing until May 26, 2026.

I move the Stayton Planning Commission continue the public hearing on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) until May 26, 2026.

4. Deny the application, directing staff to modify the draft order of recommendation.

I move the Stayton Planning Commission to recommend denial of the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and direct staff to modify the draft order of recommendation to reflect the Planning Commission's discussion and bring a revised draft order of recommendation for Planning Commission approval at the May 26, 2026 meeting.

5. Close the hearing but keep the record open for submission of written testimony.

I move the Stayton Planning Commission close the hearing on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) but maintain the record open to submissions by the applicant until May 4, allowing 7 days for review and rebuttal and then an additional 7 days for the applicant to reply, with final closure of the record on May 26, 2026.

6. Close the hearing and record, and continue the deliberation to the next meeting.

I move the Stayton Planning Commission continue the deliberation on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) until May 26, 2026.