

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 – KSD Properties, LLC (Golf Lane)

120 DAYS ENDS: Not applicable – Annexation

ISSUE

The issue before the Planning Commission is a continued public hearing on an application for annexation of an approximately 21-acre property located on Golf Lane (Tax Lot 091W03B001500), with a proposed zoning designation of Medium Density (MD) Residential.

The Planning Commission previously held public hearings in November 2025 and February 23, 2026. At the February 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 21 acres, vacant, and located in Marion County fronting Golf Lane. It is currently zoned Urban Transition (UT-20) and lies within the Stayton Urban Growth Boundary (UGB) but outside the city limits. The surrounding area consists of a mix of City and County jurisdictions. The property to the north has been annexed into the City and is zoned Commercial General (CG), Golf Lane to the east is within the City limits, and the land across the roadway is owned by the Oregon Department of Transportation. The properties to the south remain under County jurisdiction and are developed with large-lot residential uses, while the property to the west is part of the Stayton Middle School campus.

City of Stayton

The applicant has proposed annexation of the property along with the application of Medium Density (MD) Residential zoning and has submitted a conceptual plan illustrating a 74-lot subdivision.

At the November 2025 hearing, the Planning Commission recommended approval of the annexation with Low Density (LD) Residential zoning. Since that time, additional information from DLCD, as well as changes and clarifications in state housing law, require reconsideration of that recommendation.

ANALYSIS

Since the February 23, 2026 hearing, staff has revised the draft order of recommendation to incorporate comments from 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 the needs 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, there is no longer a regulatory framework in which LD zoning can be characterized as exclusively single-family housing. 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 Medium Density (MD) 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. As a result, references to requiring a Transportation Impact Analysis (TIA) as part of the annexation have been removed. Transportation and infrastructure requirements will be addressed at the time of development through separate review processes, where a TIA and other studies can be required as applicable.

Overall, the revised draft order incorporates DLCD's comments, reflects the OHNA methodology, aligns with current state housing law, and removes annexation conditions consistent with legal guidance. These updates result in a change to staff's recommendations.

RECOMMENDATION

City of Stayton

Staff recommends that the Planning Commission approve the annexation and recommend application of Medium Density (MD) 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.

OPTIONS AND SUGGESTED MOTIONS

Staff has provided the Planning Commission with a number of options, each with an appropriate motion.

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

I move the Stayton Planning Commission recommend approval of the application for Annexation for KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) and assignment of Low Density Residential zoning to the property, adopting 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 recommend approval of the application for Annexation for KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) and assignment of Low Density Residential zoning to the property, adopting 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 KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) 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 KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) 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 KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) 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 KSD Properties, LLC for a 21-acre property on Golf Lane (Tax Lot 091W03B001500), (Land Use File #5-02/24) until May 26, 2026.