

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
FEBRUARY 5, 2009

**MEMBERS PRESENT:**

Lon Kellstrom      Mayor  
Bill Merrill      Councilor President  
Sharlene Weed    Councilor  
Pat Thompson     Councilor  
Jerry Bogart      Councilor

**STAFF PRESENT:**

Eric Porter      Comm. Dev. Director  
Brad Grimm      Public Works Director  
Lisa Young      Finance Director  
Kathy Nelson     City Recorder

**GUESTS:**

Susanna Julber    Planning Consultant, Sage Land Use

**ABSENT:**

Eileen Stein      City Manager

The meeting was called to order by Mayor Kellstrom at 8:00 a.m.

1. Presentation of Draft Housing Plan

**Susanna Julber, Housing Plan Consultant**, stated the process to create a Housing Plan began almost a year ago. She stated she is back to present the Council with a draft plan that includes recommendations and strategies to address the shortfall of work-force and affordable housing. She stated she is seeking input from the Council on these strategies that will be incorporated into the Comprehensive Plan amendments for the Housing Plan prior to it coming back to them for adoption in April. She stated the new Council's focus on economic development ties into the Housing Plan.

**Councilor Merrill** stated the concept of one in ten of housing units built as affordable is a random percentage included in the Comprehensive Plan. He stated that with the advent of the new hotel, Black Butte Crossing and resorts that may be developed nearby, there will be a number of people looking for employee housing which needs to be considered when developing the plan. He stated he has a problem that the area median income (AMI) figure is tied to Sisters Country as opposed to just the city of Sisters as it artificially inflates the figure since it includes Aspen Lakes, Black Butte Ranch and Cascade Meadows which are all developments that include very high-priced homes. He stated it is important to use information of the high and low home prices just within the city of Sisters when determining housing needs. Ms. Julber stated she used the multiple listing schedule (MLS) for her report and removed any of the data from outside the city limits.

**Councilor Weed** stated that the City of Ashland requires 25% of homes be affordable and includes a range of incomes that qualify. **Ms. Julber** suggested the City use the one in ten ratio until the new census figures become available.

**Ms. Julber** provided an overview of each strategy to be considered:

**Strategy 1: Develop Organizational Capacity to Implement Housing Programs and Strategies, and to Monitor Success in Achieving Housing Goals**

Discussion included consideration of a Housing Coordinator, developing a Housing Committee to provide input to the City and monitoring housing related activity. There was also discussion on examples of cities that have successfully used this strategy.

**Strategy 2: Develop a Housing Trust Fund, and Use Other Existing City Funding Sources on a Limited Basis**

Discussion included using urban renewal funds for the trust as well as setting up a General Fund transfer each year to increase a Housing Trust Fund. There was also discussion on developing a five to ten year Strategic Action Plan to identify the priorities for the allocation of funds.

**Strategy 3: Develop a Comprehensive Incentive Program for Developers of Affordable Housing**

Discussion included what types of incentives to offer developers who provide workforce (up to 120% of AMI) and low income (less than 80% of AMI) housing. There was discussion on crafting a Development Code annexation ordinance based on the needs of residents and to create a provision for providing incentives to property owners who provide affordable housing along with market rate housing when applying for a zone change or plan designation. There was also discussion on how, with the release of the 2010 Census data, to revise the Comprehensive Plan target of one in ten affordable units based on real data.

**Strategy 4: Examine Existing Public Policies to Ensure that Regulations do not Hinder Affordable Housing Efforts**

Discussion included amending the Development Code to remove barriers for developing affordable housing, amending or revising the City Charter to remove the reference to 80% of AMI and references to waivers only to system development charge (SDC'S) for projects with a 50 year affordability requirement.

**Strategy 5: Preserve Existing Housing Stock by Promoting Existing Housing Programs and Countywide Resources, which Generally Target Up to 80% AMI**

Discussion included a streamlined review process, planning and building fees waivers or deferrals for non-profit providers of housing within the community and development of a public information program on the existing programs and resources.

**Strategy 6: Support Statewide Efforts to Introduce Housing Legislation**

Discussion included support of HB 2225 that authorizes the Department of Land Conservation and Development (DLCD) to establish a pilot program that will allow a variation on land use rules for

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affordable housing projects. There was also discussion on applying to be one of the five cities chosen for the pilot project and supporting efforts to establish a document recording fee for the state to support the Oregon Housing and Community Services competitive funding cycle. This option will require a Housing Coordinator to represent Sisters who will be involved in regional discussions of potential projects.

The **Council** requested that Ms. Julber provide information on the inventory of rental housing. **Community Development Director Porter** stated that an update on rental housing will be provided to the Council. He stated the Housing Plan will go to the Planning Commission and then to the Council for final adoption. **Councilor Weed** asked for staff to also provide a prioritized list of the implementation steps that can be completed in the next fiscal year as well as a long term plan for the implementation of all the strategies.

2. Transportation and Growth Management (TGM) Grant Opportunity

**Senior Planner Pauline Hardie** informed the Council that jointly, the Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD) offer a Transportation Growth Management (TGM) grant that can be used to develop transportation and land use plans, Transportation System Plans (TSP), including updates, and pedestrian or alternative modes of transportation plans. She stated the update of the TSP includes a vision for a more pedestrian friendly environment in the downtown core and with that in mind she suggests the City apply for the grant to fund a Special Transportation Area (STA) and a downtown design plan. She stated the City would like to request a grant in the amount of \$75,000 that will require an 11% match.

**Councilor Merrill** asked if the City has the funds budgeted to meet the match. **Finance Director Young** stated there are funds available but it will require some additional steps if the grant is awarded since the match will require the use of urban renewal funds. **Mayor Kellstrom** asked if the grant will be awarded this fiscal year or next and **Senior Planner Hardie** stated it will be awarded during the next fiscal year.

**Councilor Weed** asked what an STA is and what benefit it provides the City. **Senior Planner Hardie** explained a STA will allow the City to deviate from ODOT standards on the design for Cascade Avenue and will insure that ODOT is supportive of the approved design. **Senior Planner Hardie** stated that part of the match can be in staff time. **Councilor Thompson** asked what type of consultant will be used for the streetscape design plan. **Public Works Director Grimm** stated a traffic engineer will be used to design the plan. The **Council** gave its support to moving forward with the grant application.

**Director Young** informed the Council that a grant policy is being implemented that will assist with budgeting for grants.

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3. Preview 02/12/09 Meeting Agenda

**City Recorder Nelson** provided an overview of the upcoming workshop and regular meeting scheduled for February 12<sup>th</sup>. She stated there will be two public hearings; one for an ordinance to amend the Development Code in order to strengthen enforcement rules, clarify density bonus and the time and duration for permit extensions and the second will be for a call up of the Planning Commission decision on the land use application for Black Butte Crossing. She stated a resolution in support of the Local Option Tax Levy for the Sisters School District will also be included to the agenda.

**Councilor Weed** asked for staff to research the answers to the following questions as they relate to an enterprise zone:

- Examples of other small cities that have an enterprise zone and the results those cities have experienced
- If the City can require a “living wage” salary for all employees from companies receiving enterprise zone benefits
- The actual cost to the City for the incentives given to a company that makes a \$50,000 investment in an enterprise zone
- If the City can require companies to follow “green” practices
- Information on how a hotel/motel option could benefit Sisters

The meeting was adjourned at 9:40 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor