

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

MEMBERS PRESENT:

Lon Kellstrom Mayor
Bill Merrill Council President
Sharlene Weed Councilor
Jerry Bogart Councilor

ABSENT:

Pat Thompson Councilor

GUESTS:

Andy High Central Oregon Builders Association

STAFF PRESENT:

Eileen Stein City Manager
Eric Porter Comm. Dev. Direct
Paul Bertagna PW Proj. Coordin.
Lisa Young Finance Director
Kathy Nelson City Recorder

ABSENT

Brad Grimm PW Director

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

1. Sisters Housing Plan Presentation

Community Development Director Porter stated the presentation was a follow-up on the first step of adoption of the Housing Plan, with the second step being implementation. He stated the three objectives for the workshop are to 1) summarize the strategies, 2) receive direction on the creation of a Housing Authority Board and 3) receive direction on the timing of the upcoming hearing.

Director Porter stated there are seven strategies identified for the Housing Plan with a labor component tied to each. He estimated it will require approximately 1,000 hours to implement the plan. He provided a summary of the strategies:

- Develop organizational capacity to implement housing programs and monitor the success of the housing goals;
- Establish a housing trust fund;
- Evaluate using existing sources of city funding on a limited basis for affordable housing;
- Develop an incentive program for developers of affordable housing;
- Adjust the Comprehensive Plan target of “1 in 10” affordable units based on the 2010 census data and determine actual needs;
- Look at existing city policies to make certain regulations don’t hinder affordable housing efforts;
- Preserve existing housing by promoting existing housing programs and regional resources;
- Support and monitor statewide programs that encourage all types of housing.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

Director Porter discussed the attachment to the report that listed details on the tasks and subtasks, estimated hours to complete the tasks and estimated cost for implementation. He stated he received help in identifying the subtasks from Housing Affairs Manager Christine Lewis at Housing Works. He stated the tasks could be performed by in-house staff.

Strategy #1 - Develop organizational capacity to implement housing programs and strategies:

- Appoint a part-time housing coordinator or designate a staff person to monitor housing related activity and represent Sisters at the regional level;
- Develop a Housing Advisory Board to assist the Housing Coordinator in developing strategies and providing input on housing related policies and activity within the City.

Councilor Merrill stated it is hard to know who should comprise the Housing Advisory Board without knowing what their charge will be. He suggested staff check on programs in other jurisdictions to see who sits on their boards. **Director Porter** stated he knew the City of Bend does not use its Planning Commission as its Housing Advisory Board. **Mayor Kellstrom** asked how other cities with housing plans and housing coordinators are set up. **Director Porter** stated that Bend has a full-time staff person while Redmond, Prineville and Madras do not. **Director Porter** stated he will research other small cities outside of Central Oregon to see how they implement and monitor their Housing Plans. **Manager Stein** stated the City of Springfield employs three to four people that act as a separate housing division. She suggested looking to other cities like Sisters that have high housing costs to use as comparators also.

Councilor Weed stated she feels it is important to have someone on staff be familiar with the plan because as the City moves into the future there are already platted lots that are designated for use as affordable housing. She stated someone will need to work with the developers on the deed restrictions that will apply and monitor the properties to ensure they stay affordable. She stated she supports the Planning Commission as the advisory board as its members are very excited at the prospect of serving as the board and they are already educated on the plan. She stated that Deb Price, Oregon Housing and Community Services, is interested in serving in an advisory role to the Board and suggested that other agency representatives act in advisory capacities also. She stated implementation could begin right away.

Strategy #2 – Establish a Housing Trust Fund and look into using other existing sources of City funds on a limited basis:

- Develop a Housing Trust Fund through a variety of funding mechanism;
- Use a limited amount of urban renewal funds;
- Develop a 5 to 10 year Strategic Action Plan identifying priorities for the allocation of funds through the Housing Advisory Board.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

Director Porter stated there are several non-profits that administer affordable housing loans for candidates. **Councilor Weed** stated the agencies have a pool of money that is used by qualifying people to finance the purchase of affordable homes. **Mayor Kellstrom** asked where the pool of money comes from. **Andy High of the Central Oregon Homebuilders Association** stated the City of Bend charges one third of a percent when building permits are issued. **Director Porter** stated where the money will come from has not yet been identified and would be a decision for the Council to make. **Councilor Weed** suggested allowing developers that already have a requirement to provide affordable housing to contribute to the trust fund instead as an option for collecting funds. She stated the advisory board could also flush out other ideas.

Strategy #3 – Provide an incentive program for developers of affordable housing

- Identify which incentives are appropriate for Sisters and tailor those to developers of low-income housing;
- Provide separate incentives for non-profit providers;
- Develop a comprehensive annexation ordinance;
- Provide incentives for affordable housing through zone changes or plan amendments when market rate housing is proposed.

Director Porter stated the incentives to offer need to be identified. **Mayor Kellstrom** asked what an annexation ordinance is and why it will be necessary. **Councilor Weed** stated the ordinance is necessary to put in writing the “1 in 10” requirement for affordable housing. **Councilor Merrill** stated the ordinance needs to encompass far more than just affordable housing. The **Council** discussed what an annexation ordinance will entail and agreed any proposed ordinance needs to be more clearly defined.

Strategy #4 – Revise affordable housing target of “1-in-10” based on the release of the 2010 census data:

Director Porter stated the City needs to research the actual need for affordable housing for the City after the 2010 census data is received. He stated the “1 in 10” requirement was an arbitrary set percentage and not based on actual need. **Councilor Weed** stated that today’s data would show that almost 50% of Sisters residents are in need of affordable housing. **Councilor Merrill** suggested using the same type of data that was used when the Comprehensive Plan was created in 2002 to determine need. He stated the data is based on population growth figures and approved for use by the City, County and State.

Councilor Weed stated that building another Tamarack Village-like development would take care of the citizens meeting only 30% of average median income (AMI) and solve the problem for many.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

Strategy #5 – Examine existing City policies to ensure that regulations do not hinder affordable housing efforts:

- Amend Development Code to remove barriers to affordable housing;
- Amend City Charter to change or remove reference for affordable housing with a 50 year requirement and 80% of average median income (AMI);

Director Porter stated the Development Code is currently under review by a technical advisory committee (TAC) and any barriers to affordable housing will be removed with the update. He stated the City Charter also needs to be amended to remove the requirement for 50 years of affordability as it is hard to ensure affordable on a home and to track that information for such a long period of time.

Strategy #6 – Preserve existing housing by promoting existing housing programs and resources:

- Streamline review processes and examine planning and building fee waivers for non-profit housing providers;
- Develop public information program on existing resources and programs;

Director Porter stated this will include researching county and state funding opportunities for revitalization, weatherization, grants and low interest loans.

Strategy #7 – Support and monitor statewide programs that encourage affordable housing:

- Support efforts to establish a document recording fee;

Director Porter stated this would best be monitored by a housing coordinator.

Cost Breakdown

Director Porter discussed the outline of the estimated cost to implement each strategy with the exception of Strategy #4, since the 2010 census data has not yet been collected. He stated the estimated cost for implementation at a rate of \$65.00 an hour is \$45,695, but stressed the number is very preliminary and Susanna Julber, Housing Plan consultant thought the cost could be as much as \$20,000 less. **Councilor Weed** stated it will likely take two to three years to complete implementation and therefore the cost will be spread out over time. **Director Porter** agreed but stated implementation will be more labor intensive at the front end off the project.

Councilor Merrill stated the estimated cost doesn't take into consideration that the implementation may not be performed by in-house staff. He stated the estimated 921 hours to complete the tasks in-house will mean that staff is not working on other tasks for the City. He

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

suggested it might be more cost effective to contract the job to an outside consultant. **Councilor Weed** suggested having the Planning Commission prioritize the strategies.

Councilor Bogart asked if the Planning Commission has adopted the Housing Plan. **Director Porter** stated it is not the job of the Planning Commission to adopt the plan but its members are recommending the City Council do so.

Manager Stein stated if the Council adopts the Housing Plan it will confirm the Council wants to use the recommended strategies. She stated the advisory board would come back with the specifics of the work program. **Mayor Kellstrom** countered the plan does not have enough definition to adopt it and stated it is not good policy for the Council to do so. He stated the plan can be interpreted in more than one way. **Manager Stein** stated the intent of adopting the plan will be to make a policy statement.

Mayor Kellstrom stated it would seem a logical step to first identify the members of the advisory board and define what they will do. He stated he is unsure if the Planning Commission is the right group of people to be the advisory board. He stated perhaps the best mechanism is to include some members of the Planning Commission along with individuals representing other agencies and interests. **Councilor Merrill** agreed with Mayor Kellstrom and stated Director Porter should evaluate who should be on the advisory board. **Manager Stein** stated that if the general concept of the strategies are acceptable to the Council then when the plan comes before the Council for formal adoption, the additional research on who staff recommends sit on the board could also be presented. **Mayor Kellstrom** asked staff to research how other small communities determine who sits on their housing boards, stating that Bend is too large to use as a comparator.

Director Porter stated the Comprehensive Plan establishes the frame work and background information for the Housing Plan. He stated that once strategies are in place the Comprehensive Plan will identify exact tasks and clarify direction. The **Council** stated that they did not see a reason to amend the Comprehensive Plan and suggested it should instead be called a work plan for the Housing Advisory Board.

Manager Stein stated the City has an adopted Comprehensive Plan that includes a housing element that states the City will have a Housing Plan. She stated that plan will be adopted by the Council to create the framework which includes the creation of a Housing Board. She stated that policy board will create a work program of which the Council will be kept informed. She stated creating the Housing Advisory Board will complete one of the tasks identified in the housing chapter of the Comprehensive Plan.

Councilor Bogart asked if the implementation is better suited to be performed by staff or a consultant. **Director Porter** stated the project will present a learning curve to staff but not too imposing if done in-house. He stated there is interest by staff to perform the work but admitted hiring a consultant will get the work done more quickly. He stated that with the Planning

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

Department's work load as such he would prefer to use a consultant but stated the project could be handled by staff if necessary.

Mayor Kellstrom asked why the City has not been actively pursuing having another Tamarack Village-like complex built since it focuses on affordable housing. **Councilor Weed** stated it is a land use issue and that there are other affordable housing developers beside Housing Works that would be interested in building affordable or senior housing. She stated that with the economic downturn land is more affordable and perhaps it is time to look for an appropriate site and pursue the possibility again. **Mayor Kellstrom** requested staff research the possibilities and **Manager Stein** stated she will invite Rob Roy of Pacific Crest Affordable Housing to address the Council.

Mayor Kellstrom recapped that staff will define who should sit on the Housing Advisory Board and research ideas from other small communities with successful housing plans before coming back to the Council. He stated there is no consensus from the Council to move forward with the adoption at this time without additional definition of what the plan will entail.

Councilor Merrill stated the Housing Plan should also address all levels of housing as defined in the Comprehensive Plan

2. Preview 08/13/09 Agenda

Manager Stein previewed the agenda for the August 13th regular meeting. She stated as there is not a topic for the upcoming workshop, the Council will not have one unless something comes up.

3. City Manager Update

Manager Stein updated the Council on Action 31 Area of the Whychus Creek Restoration and Management Plan, created by the Upper Deschutes Watershed Council (UDWC), as it relates to 370 North Timbercreek and the needed bank repair. She had earlier recommended the City participate financially in a fix to the creek bank if it is a holistic repair. She stated Jeff England of West Ridge Development Services has created a design that will be reviewed and approved by the Army Corps of Engineers. **Councilor Weed** asked if the City needs to be cautious about assisting with the funding as it could lead to other homeowners on Whychus Creek looking to the City for financial support. **Manager Stein** replied that this is an example of an environmental program, in addition to other needs such as the Housing Plan discussed earlier, which lend themselves to support by the General Fund if the Street Fund had its own funding source.

Councilor Merrill concurred and stated compliance with the Endangered Species Act (ESA) and the potential for a Carver Lake failure are other examples of programs needing General Fund support in the future. He asked about the purchase of a generator for City Hall and asked whether this means the City would become an emergency management center. **Manager Stein** replied that the purchase of the generator is intended to be able to operate City Hall in the event of an extended

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

power outage as had happened earlier in the year. **Councilor Merrill** asked whether there is a place in the community that is designated as an emergency management center. **Manager Stein** replied the new Fire Hall was designed with that in mind. She discussed where it is located in the building and commented that it is inadequate to handle a large number of people. Also, she reported the building wiring may be insufficient to handle a generator powerful enough to operate the type of radio and communications equipment needed in an emergency. She added a full powered generator creates the potential that City Hall could be a secondary emergency management location given that City Hall is located farther away from Whychus Creek. Which facility is used, she stated, will really depend on the nature of the disaster and that a community the size of Sisters should have a couple of options. Finally, she clarified that the generator will be paid for from the Reserve Fund. **Councilor Merrill** stated it really depends on which facility has the best capability; and, looking to the future if the City reestablishes its own police force, it would be natural to think that City Hall is a reasonable place from which to manage an emergency.

Manager Stein provided a status report on the Timber Creek Bridge stating construction on the bridge approach should be completed prior to the end of summer. She reported a meeting with representatives from the homeowners groups from Timbercreek and Creekside has been scheduled to discuss their concerns about increased traffic flow in the neighborhoods.

Manager Stein reported on the water flow modeling for Carver Lake. She stated the United States Geological Survey (USGS) is putting together funding to obtain topographical data to determine how and when the water would flow. She stated the USGS is looking to the City and Fire District to participate financially in the work. She recommended that given the benefit to the City such information will provide the City do so. She stated any type of preventive or early warning system will be a total and separate cost.

Councilor Weed stated she was not in favor of the Oregon Department of Forestry (ODF) relocating out by Highway 20 as discussed at the meeting with Economic Revitalization Team (ERT) the previous week. She stated she is opposed to the idea and asked if the City has any say in the possible relocation. **Manager Stein** stated the City has control over zoning but the State has control over the property. **Manager Stein** stated the OFD needs to modernize and expand its Sisters base and is also considering consolidating its Prineville operation to Sisters but any changes in location are very preliminary. **Councilor Merrill** stated that change could provide potential for jobs in Sisters.

Councilor Merrill asked about the Oregon Department of Transportation's (ODOT) possible relocation towards the east side of Sisters and his concerns of the impacts of the ODOT trucks on Cascade Avenue in the winter. **Manager Stein** stated where ODOT might relocate is also not a city decision to make and ODOT has reminded her that its trucks travel both east and west through Sisters in equal amount in the winter.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
AUGUST 06, 2009

Councilor Weed stated she was very disappointed at how the ERT meetings occurred with little notice and no ability to provide input on agenda topics. She asked that in the future all councilors be notified in an appropriate time and manner before a meeting. **Mayor Kellstrom** stated there was little warning that the meeting was going to take place and therefore not the luxury of a lot of notice to the Council.

The meeting was adjourned at 9:54 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor