

JOINT WORKSHOP MINUTES
SISTERS CITY COUNCIL/PLANNING COMMISSION
520 E. CASCADE AVENUE
OCTOBER 22, 2015

COUNCIL PRESENT:

Chris Frye	Mayor
Nancy Connolly	Council President Pro-Tem
David Asson	Councilor
Amy Burgstahler	Councilor
Andrea Blum	Councilor

STAFF PRESENT:

Andrew Gorayeb	City Manager
Patrick Davenport	CD Director
Lynne Fujita-Conrads	Finance Officer
Paul Bertagna	PW Director
Kathy Nelson	City Recorder

PLANNING COMMISSION PRESENT:

Roger Detweiler	Planning Commissioner
Jack Nagle	Planning Commissioner
Jeff Seymour	Planning Commissioner
Daryl Tewalt	Planning Commissioner
Bob Wright	Planning Commissioner

PLANNING COMMISSION ABSENT:

David Gentry	Chair
Ray Dean	Planning Commissioner

The meeting was called to order by Mayor Frye at 6:01 p.m.

A. Welcome and Introduction

Mayor Frye welcomed members of the Planning Commission and introductions were made.

B. Affordable Housing

Director Davenport reported on the draft policy recommendations to support affordable housing the Affordable Housing Committee had developed. He explained they would be included in Chapter 4 of the Housing Needs Analysis. He highlighted some of the recommendations that included appointing a Housing Coordinator, developing a Housing Policy Board, developing a Housing Trust Fund, and creating an incentive program for developers of affordable housing.

Manager Gorayeb reported the average fees paid for a three bedroom, two bath home single family residence in Sisters was \$13,000, whereas in Bend, those fees would be double that amount. He reminded the Council and Planning Commission that while system development charges (SDC's) could not be waived per the City's Charter, permit fees could. He also noted the City, per State statute, could only exact affordable housing from a developer if they were annexing property into the city or applying for a zone change. He stated the ultimate goal of the housing needs analysis was to clearly understand the current inventory, to understand what could be built in the future on existing land, the population broken down into categories relating to age and income level and to develop a plan for what housing was needed at present and what housing would be needed in the future.

Mayor Frye stated one of the biggest challenges was to define affordable housing and he was glad to see a definition included in the information. He noted that according to the 2010 census data, as it applied to Sisters, a home valued at \$155,687 would be considered affordable. He stated when

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looking at land prices, it was apparent it was almost impossible to build an affordable house in Sisters. **Manager Gorayeb** replied that single family residences might not be the answer for everyone. He stated condominiums, apartments or manufactured homes might also be options. **Commissioner Wright** noted he had recently spoken with realtors from Bend who had cited the same issue with land prices. He stated affordable housing issues were being experienced in communities across the entire state. He noted if a developer wanted to build five or more cottages or cluster homes, Sisters Development Code required the developer to also build a community center, which in turn raised the price of the homes significantly. He stated that condition needed to be removed to assist in making cottage homes more affordable.

Director Davenport stated there was not a lot of land in Sisters that didn't have entitlements already. He referred to the table in the staff report (Table 4.1) that illustrated dwelling units by type in Sisters, which indicated townhomes, apartments and condominiums only made up 14% of the city's housing stock. He added there was only one development that was considered a mobile home park. He stated it was important to incentivize builders for the types of development the city needed.

Commissioner Seymour reported on a conversation with contractor friend who builds multi-family developments. His friend had stated that without federal tax credits in place, it was not possible to build affordable housing. He stated he felt that most multi-family builders would feel the same way.

Councilor Burgstahler asked where assisted living fell into the equation. **Manager Gorayeb** replied that while the McKenzie Meadow Village (MMV) assisted living facility was required to have some units of affordable housing, the assisted living facility slated for Larch Avenue (The Lodge) was not. He explained the difference was the City had been able to negotiate the requirement with MMV when it was annexed into the city while the Larch Street property development was already within city limits and had not required a zone change.

Director Davenport directed the Council and Planning Commission to *Table 4.4 Residential Lands and Development Inventory Summary* noting estimates had been made to the best of staff's ability to determine the most likely buildout of all property within the urban growth boundary (UGB). He noted having this information was a requirement from the Department of Land Conservation and Development (DLCD). **Commissioner Wright** questioned how the housing income figures on Table 4.14 had been derived noting a lot of retired people lived in Sisters in relatively expensive homes that might indicate they had a higher income than they actually did. **Manager Gorayeb** replied it was actual data derived from tax returns that came from census data and not income levels relative to the cost of a home.

Mayor Frye asked what needed to be done and how the Council and Planning Commission could help to make the affordable housing policy happen. **Manager Gorayeb** replied to begin, a

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workshop with the Planning Commission would be held to walk them through the process. He stated there would also be ample opportunity for public input.

Councilor Connolly noted that vacation rentals did not show up on any of the tables and requested they be addressed as part of the affordable housing issue. She stated vacation rentals took homes from the market that might otherwise be deemed affordable. She stated she felt the City should be proactive in the matter. **Manager Gorayeb** suggested staff could find out how other cities approached the issue of vacation rentals and report back on the findings.

Commissioner Detweiler noted the original Housing Plan approved five years ago spoke of a 10% goal for affordable housing. He stated that goal had not been attained and in fact appeared to be far less. He stated it was a complex problem and volunteers did not necessarily have the impetus to move the program forward. He stated there needed to be a committed person working on the matter. **Manager Gorayeb** replied that was why appointing a part-time Housing Coordinator to monitor housing related activity and represent Sisters on a regional level was the first task listed on the proposed policy. **Mayor Frye** stated the City needed to research what it could do to encourage and incentivize affordable housing builders to come to Sisters.

Commissioner Detweiler stated he felt there were untapped revenue possibilities the City still needed to look into. **Mayor Frye** stated one area he was interested in was to increase the percentage room tax charged. He stated if the City were to increase the percentage even by one percent, even once the 70% of that increased amount that had to go to the Chamber of Commerce, it could raise an estimated \$25,000 a year that could be leveraged for affordable housing.

C. Food Carts

Director Davenport reported the issue of food carts needed to be addressed through the Development Code. **Mayor Frye** stated he would like to see a process that included seeking input, like the process the City used for formula foods, to see what the community wanted.

Commissioner Nagel stated it was important to get in front of the issue and get rules in place prior to it becoming a larger issue. **Commissioner Wright** agreed, noting he felt the Planning Commission spent too much time on quasi-judicial matters when it should be spending time on legislative issues and contributing to the Development Code and Comprehensive Plan. He encouraged other Planning Commissions to be more proactive in helping to solve problems.

Commissioner Seymour agreed there was a need to revive the discussion on food carts since, with the improved economy, more would be coming and the City needed to be prepared to deal with them. **Commissioner Detweiler** stated he felt it was helpful to the Planning Commission to know the Council's expectations so they knew what to address.

D. Comprehensive Plan Update

Director Davenport explained the Comprehensive Plan was a community vision and distributed a draft calendar for an update of the plan. He noted if the calendar was followed, the update would commence in December 2015 and culminate with adoption by the Council in February 2017.

E. Other Business

1. *Transportation System Plan Update*

Director Davenport reported the City did not receive the grant it had applied for to assist with the Transportation System, Plan update.

2. *Development Code Issues*

Director Davenport reported staff would like to create a formal process to be used when the City was the applicant on text amendments to the Development Code.

3. *Form Based Code*

Commissioner Wright gave a brief overview on Form Based Code that would allow for multiple uses in an area while still maintaining consistency and attractiveness in the community. He stated it would create corridors coming in and out of the City that were artistically appealing. He suggested bringing a speaker in to explain how to implement that type of code. He stated he would also like to look into "Smart Code".

The meeting was adjourned at 7:00 p.m.


Kathy Nelson, City Recorder


Chris Frye, Mayor