

CITY OF SISTERS LAND USE EFFICIENCY MEASURES REPORT

REVISED DRAFT

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Introduction

This report identifies and evaluates a number of “Efficiency Measures” that may help the City of Sisters utilize land within the adopted Urban Growth Boundary (UGB) more efficiently. This evaluation is part of the process required by (ORS) 197.296 for evaluating potential amendments to the UGB that may be needed to accommodate future growth, and as such the strategies listed in this report are primarily focused on the efficient use of land. A separate update of the City’s Housing Plan is being prepared that includes strategies to meet current and future housing needs, especially affordable housing needs.

Cities in Oregon are required to plan for growth based on population projections conducted by Portland State University’s Population Research Center, and the City of Sisters is forecast to grow from a 2020 population of 3,437 to 6,551 by the year 2040.¹ To accommodate this growth the City needs to add a total of 1,650 new housing units by 2040, which would roughly double current estimated supply.²

One way to meet demand for new homes and jobs is to expand the City’s adopted Urban Growth Boundary. The State of Oregon has a specified process for expanding (also called “amending”) the UGB of a city, laid out in Oregon Revised Statutes (ORS) 197.296. Evaluating ways to use land within the UGB more efficiently, – i.e., considering and implementing “efficiency measures” – is required prior to proposing a UGB Amendment. Consideration of efficiency measures is an early and important part of this process that the City of Sisters is undertaking after preliminary work completed during the 2021 Comprehensive Plan update.

State rules identify a variety of different types of efficiency measures (referred to as “strategies” for the remainder of this report) that cities can and should consider, including the following examples:

- a) Increases in the permitted density on existing residential land;
- b) Financial incentives for higher density housing;
- c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;
- d) Removal or easing of approval standards or procedures;
- e) Minimum density ranges;
- f) Redevelopment and infill strategies;
- g) Authorization of housing types not previously allowed by the plan or regulations;
- h) Adoption of an average residential density standard; and
- i) Rezoning or redesignation of nonresidential land to residential designations.

¹ Population projections are updated for each county in Oregon on a rotating three-year cycle. The 2022 update for Deschutes County is available at <https://www.pdx.edu/population-research/population-forecasts>.

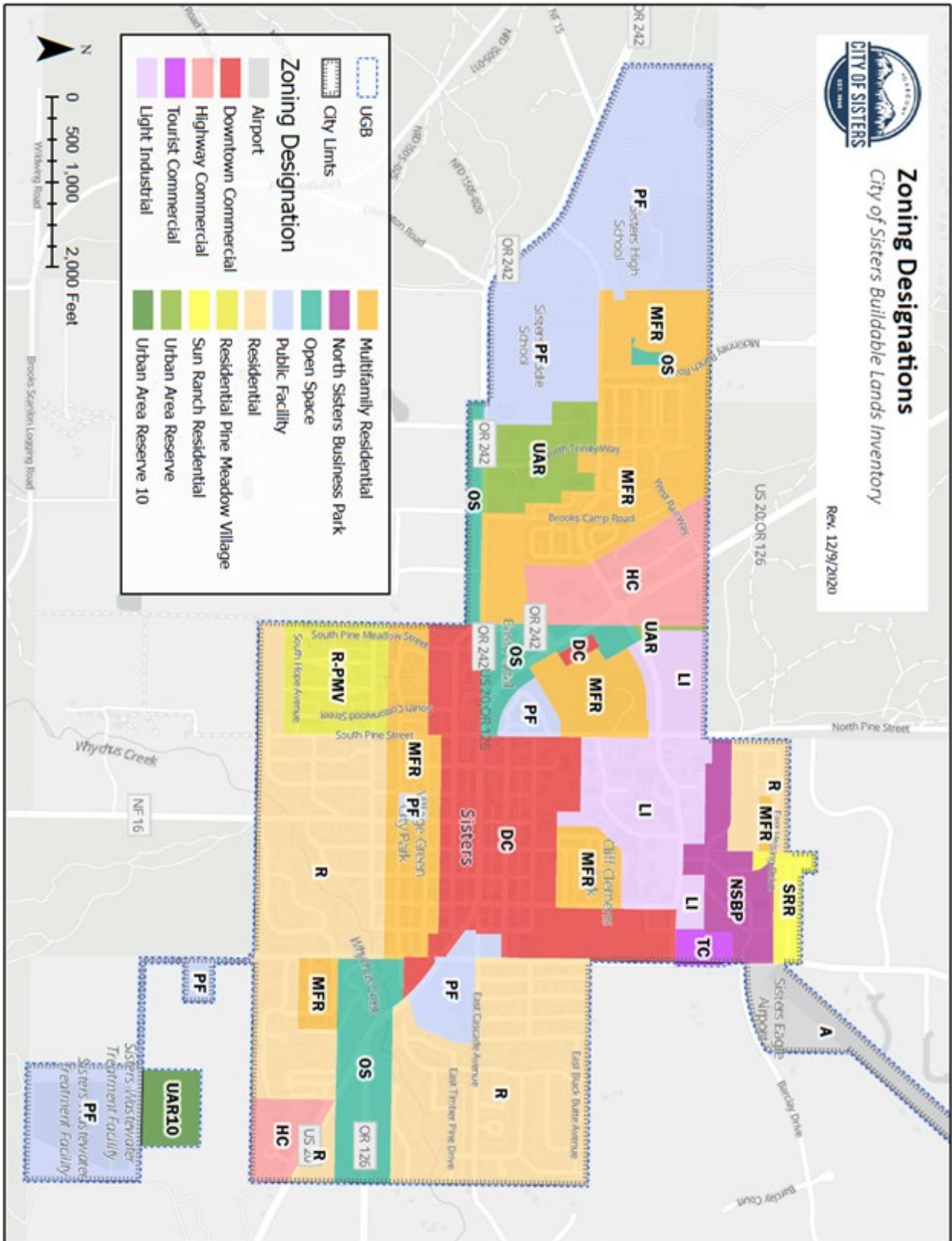
² The City of Sisters updated its Housing Needs Analysis as part of the 2021 Comprehensive Plan update. At the time, a need for roughly 1,100 new housing units by 2041 was estimated.



Zoning Designations

City of Sisters Buildable Lands Inventory

REV. 12/9/2020



Overall Recommendation

The following table summarizes the overall results of this evaluation and recommended efficiency measures. Detailed assessments of each strategy are provided in the following section.

STRATEGY	RECOMMENDATION	IMPACT ON LAND NEED
Strategy 1. Increase Minimum Density Requirements for Multi-Family Residential (MFR) Zone:	Strongly Recommended. This strategy is important for maintaining the supply of land for multifamily uses, most of which has already been developed with lower density neighborhoods.	High. Increase in capacity on MFR land from ~140 units (at 7 du/ac) to ~300 (at 15 du/ac).
Strategy 2. Increase Allowed Density in the MFR Zone	Strongly Recommended. This strategy is important for achieving densities required to create more affordable housing in Sisters, as well as for using limited MFR land more efficiently. Density standards should also apply to multifamily development in other zones (see other strategies).	High. Increase in capacity from ~400 units (at 20 du/ac) to 600 units (at 30 du/ac) or 1,000 units (at 50 du/ac)
Strategy 3. Adjust or Remove “Minor Conditional Use Permit” Requirement from MFR Zone	Recommended. Raising the density requirement at which the permit is triggered to 30 du/ac or higher would allow lower-density developments a more clear and objective path through permitting (versus the more discretionary process of a conditional use).	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 4. Reduce Required Minimum Lot Sizes for Housing in All Zones	Recommended. Minimum lot sizes are generally 6,000 sf today. While there is little vacant land in the City’s residential zones currently, this strategy would allow the City to use land potentially added to its UGB more efficiently, reducing the overall land need significantly.	High. Increase in capacity from ~180 units to 270 (at 4,000 sf) or 360 units (at 3,000 sf)
Strategy 5. Increase Height Limits in MFR Zone	Recommended. This strategy is important for achieving densities required to create more affordable housing in Sisters. Increasing the height limit of “habitable area” from 35 to 50 feet (which is currently only allowed for five or more attached units) would not change the overall visual impact of structures, compared to what is allowed today.	Moderate. May make higher density projects more feasible, but no direct impact.

EVALUATION OF STRATEGIES

STRATEGY	RECOMMENDATION	IMPACT ON LAND NEED
Strategy 6. Increase Height Limits in Other Zones	Recommended. To the extent that multifamily development is allowed/encouraged in other zones, it should be subject to the same requirements (see other strategies).	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 7. Reduce Off-Street Parking Requirements	Recommended. Community and decisionmaker concern about impacts. Minimal impact on land need. However, variances on a case-by-case basis would be appropriate for some developments – low income/senior housing in particular.	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 8. Allow Mixed Use Development in Other Zones	Recommended. Mixed use development is generally allowed where appropriate in the City of Sisters. However, the City could go further in partnering with developers to encourage mixed use development.	Moderate. Would also impact land need for non-residential uses.
Strategy 9. Encourage Mixed Use Development in the DC and/or HC Zone	Recommended. Simply allowing mixed use development (as is the case in the DC zone currently) may not be sufficient to see residential development. The City can go beyond encouraging this type of development by actively seeking/partnering with developers to create mixed use developments in these zones.	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 10. Allow Residential-Only Projects at MFR Densities in the DC Zone	Strongly Recommended. Significant impact on land need for multifamily units. Much of the City’s MFR land is developed or has land use approval today. Sites in the DC zone have been identified (outside of the downtown pedestrian zone) and community support is likely high.	High. Capacity for about 240 units (at 15 du/ac), and up to 800 units (at 50 du/ac) if combined with Strategy 2.
Strategy 11. Allow Duplexes as Outright Uses, Subject to Clear and Objective Standards in All Residential Zones	Recommended. This strategy would remove discretionary barriers to creating middle housing in Sisters. Modest impact to land need in the short term due to lack of vacant residential land, but may be developed as infill over time	Moderate. Little vacant land in residential zones today; infill over time possible.
Strategy 12. Allow Triplexes, Quadplexes, and Cottage Clusters as Outright Uses in Residential Zones	Recommended. This strategy would remove discretionary barriers to creating middle housing in Sisters. Modest impact to land need in the short term due to lack of vacant residential land, but may be developed as infill over time.	Moderate. Little vacant land in residential zones today; infill over time possible.
Strategy 13. Adopt Policy Language to Support Infill Development	Recommended. May be necessary as a policy basis for other items. Low impact on land need in the near term but may encourage infill and redevelopment over time.	Moderate. May make higher density projects more feasible, but no direct impact.

EVALUATION OF STRATEGIES

STRATEGY	RECOMMENDATION	IMPACT ON LAND NEED
Strategy 14. Allow Height Bonuses for Development Meeting Certain Affordability Requirements	Needs more discussion. Community and decisionmaker concern about impacts and separate development standards for affordable housing. Minimal impact on land need. However, it is another tool that could incentivize low/moderate income housing in Sisters.	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 15. Allow Density Bonuses for Development Meeting Certain Affordability Requirements	Recommended. Community and decisionmaker concern about impacts and separate development standards for affordable housing. Minimal impact on land need. However, it is another tool that could incentivize low/moderate income housing in Sisters.	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 16. Reduce Off-Street Parking Requirements for Development Meeting Certain Affordability Requirements	Not Recommended. Community and decisionmaker concern about parking impacts and separate development standards for affordable housing. Minimal impact on land need. If standards are updated as part of Strategy 7, further changes for affordable housing are likely not needed.	Moderate. May make higher density projects more feasible, but no direct impact.
Strategy 17. Rezone Vacant Land from Nonresidential to Residential Uses	Strongly Recommended. Significant impact to land need outside UGB. Initial evaluation suggests up to 27 acres of UAR (Urban Area Reserve) zoned land and upwards of 50 acres of PF land owned by the Sisters School District may be suitable for residential uses. This would generally reduce land need outside the UGB at a 1:1 ratio of land in these areas that is rezoned.	High. Direct impact on land need.

Evaluation of Strategies

This section lists several strategies that could allow the City of Sisters to utilize land within its existing Urban Growth Boundary more efficiently. These strategies are evaluated based on several criteria:

- **Impact on Land Need.** The purpose of the efficiency measures in this report is primarily to reduce need for land outside the City's adopted Urban Growth Boundary as required by state statute and administrative rules. This criterion evaluates the strategy's impact on that land need.
- **Consistency with Adopted Policies.** The City's Comprehensive Plan is its primary policy document, though there are others, including the Sisters Country Vision, the adopted and draft revised Housing Plan, and more. This criterion evaluates the consistency of the strategy with policies in these documents.
- **Administrative Burden.** Sisters is a small city with limited administrative capacity. This criterion evaluates the ability of Sisters staff to administer programs, funding sources, etc.
- **Costs.** This criterion evaluates costs associated with the strategy.
- **Legal Risk.** This criterion evaluates known legal risk with the strategy.
- **Community Support.** This criterion evaluates likely support from the Sisters community – in many cases these strategies will need to be part of a community discussion about shaping growth and the future of the City.

Strategy 1. Increase Minimum Density Requirements for Multi-Family Residential (MFR) Zone

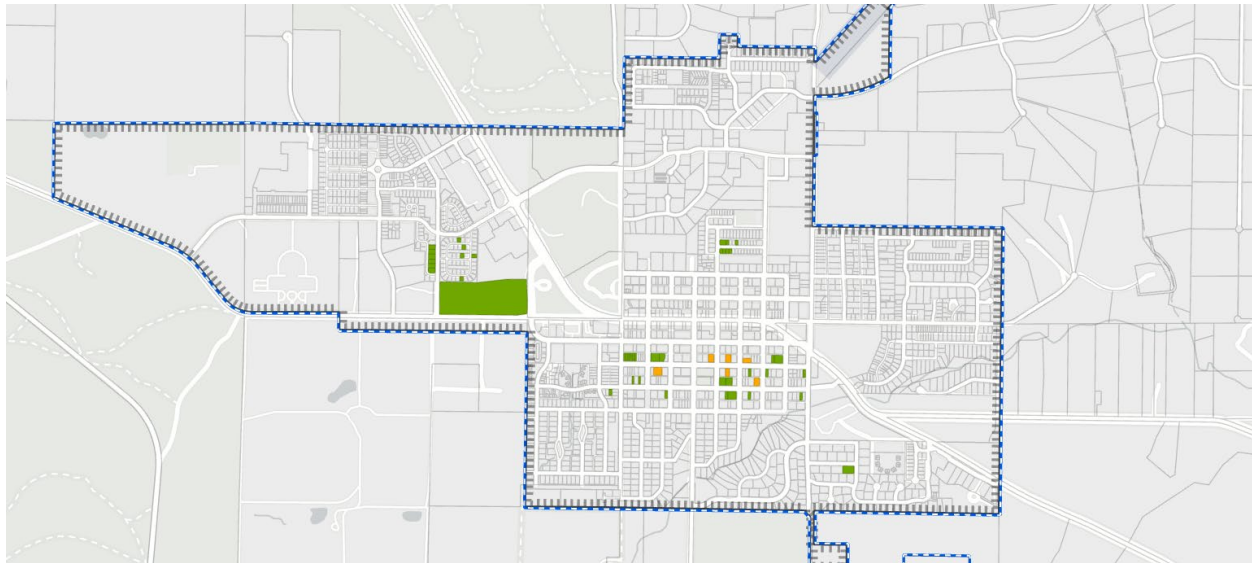
Description of Strategy:

The current minimum density in the City’s MFR zone is 7 dwelling units/acre, which can easily be achieved with all single-family homes on 6,000 square foot lots. Much of the land in the MFR zone has been developed with these types of homes. This strategy would raise the minimum density requirement in the MFR zone to ensure the remaining MFR land is used efficiently by mandating more attached and multi-family units.

Impact on Land Need:

A map of MFR-zoned land is shown in Figure 1. As of the 2021 Buildable Lands Inventory, there were about 79 acres of vacant or partially-vacant land in the MFR zone. Thirteen (13) acres of this land is already subdivided into lots ¼ acre or smaller, the 25 acres of MFR on The Sisters Woodlands site (formerly the Forest Service property) has a land use approval, and the McKenzie Meadows site is also under development. This leaves an estimated 20 that would be impacted by new density requirements. If these 20 acres were developed at the current minimum of 7 units/acre, the result would be 140 new dwelling units. At a higher minimum of 15 units/acre, this land could provide 300 new dwellings if developed to the minimum density standard.

Figure 1. Vacant (Green) and Partially Vacant (Orange) Land with MFR Zoning, 2021 BLI with Select Updates to Account for Recent Development



Even though the number of developable acres in the MFR zone is dwindling, higher density multifamily residences (and particularly rental units) are sorely needed in Sisters. Ensuring that there is land available to meet this need should be a priority for the city.

Note: The 2019 Buildable Lands Inventory estimated the capacity of the MFR zone at 15 units/acre, so this strategy on its own would not entail a direct reduction to land need based on that analysis.

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 4.2.4** - variety of housing types suitable for different income levels, ages, and lifestyles in new neighborhoods.
- **Policy 5.1.2** - design standards for all housing types, including single-family detached homes, “plexes,” townhomes, apartments, cottage cluster housing, accessory dwelling units, and manufactured homes on individual lots and in manufactured home parks.
- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

One-time code change required.

Costs: Low

Low. This would require a one-time change to the development code.

Legal Risk: Low

Measure 56 notices would be required to change characteristics of zoning designations. Should the City pursue a UGB amendment, failure to enact a strategy similar to this to use existing land more efficiently, would likely be grounds for objection from the state and others.

Community/Decisionmaker Support: High

Conversations to date have indicated that this strategy is generally supported by City leadership and the community. Identifying the appropriate minimum lot size for the MFR zone may be the subject of community discussion.

Strategy 2. Increase Allowed Density in the Multi-Family Residential (MFR) Zone

Description of Strategy:

The current maximum density in the City's MFR zone is 20 dwelling units (du)/acre (although developments greater than 15 units/acre require a Minor Conditional Use permit – see Strategy 3). Stakeholder conversations (local architects, affordable housing developers, etc.) have suggested a 30 du/ac to 50 du/ac or higher density limit is needed in order to help make multifamily developments economically viable.

Some examples of developments at various densities are provided on the following pages.



Above: Newer Sisters residences in the MFR zone developed at 8 units/net acre.



Above: Sisters Fir Street Apartments, 19 units at ~30 units per acre.

EVALUATION OF STRATEGIES



Above: Condominiums in Kirkland, WA at 27 DU/Net Acre



Above: Townhouses and Live/Work Units in Seattle WA at 44 DU/Net Acre

EVALUATION OF STRATEGIES



Above: Multifamily development Seattle, 54 units per acre

Below: Live/Work Units in Seattle, 8 units at 89 Units per Acre



Below: Multifamily Units in Seattle, 36 units per acre.



Impact on Land Need: High

As noted under Strategy 1, there are about 20 acres of land currently zoned MFR that are undeveloped and unparcelized, though this number is expected to decrease as additional development is permitted. Current residential capacity on these MFR lands is estimated at 140-400 units (at the current allowed range of 7-20 du/ac). This strategy could increase this capacity to as much as 600 units or more (see the following table). In addition to increasing the overall capacity of land within the UGB, developing a relatively small number of projects at this density could increase the supply of “workforce housing” and even more affordable units.

Net MFR Density	Estimated Units (on 20 net acres of Vacant Land)
7 du/ac	140
15 du/ac	300
20 du/ac	400
25 du/ac	500
30 du/ac	600
40 du/ac	800
50 du/ac	1,000

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 4.2.4** - variety of housing types suitable for different income levels, ages, and lifestyles in new neighborhoods.
- **Policy 5.1.2** - design standards for all housing types, including single-family detached homes, “plexes,” townhomes, apartments, cottage cluster housing, accessory dwelling units, and manufactured homes on individual lots and in manufactured home parks.
- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

One-time code change required.

Costs: Low

This would require a one-time change to the development code.

Legal Risk: Low

Measure 56 notices would be required to change characteristics of zoning designations. Should the City pursue a UGB amendment and not enact a strategy similar to this, an objection from the state and others would be likely.

Community/Decisionmaker Support: High

Conversations to date have indicated that this strategy is generally supported by City leadership and the community. Identifying the appropriate maximum density for the MFR zone, and its potential impacts on community character, will likely be the subject of community discussion.

Strategy 3. Adjust or Remove “Minor Conditional Use Permit” Requirement for Developments Greater than 15 units/acre in the MFR Zone

Description of Strategy:

This strategy is tied closely to Strategy 2. Currently, a Minor Conditional Use Permit is required for developments in the MFR zone that are greater than 15 units/acre.

The City’s development code for Conditional Use Permit Approval Criteria (Sisters Development Code 4.4.400) contains many subjective provisions related to “compatibility,” giving “consideration” to “scale, bulk, coverage, and density,” and “harmful effects...upon desirable neighborhood characteristics and livability.” These types of code requirements can be used to stall or block development of needed housing; jurisdictions in Oregon are required to have “clear and objective” standards for housing; while the City applies such standards for housing developed at 15 units per acre or less, those densities do not allow development of more typical forms of multi-family housing in a financially feasible manner.

Impact on Land Need: High

Achieving higher densities has a significant impact on the City’s land need for attached and multifamily housing. This strategy would help achieve the types of impacts described for Strategies 1 and 2.

Consistency with Adopted Policies. High

This strategy is consistent with the same Comprehensive Plan policies cited under Strategies 1 and 2.

Administrative Burden. Low

EVALUATION OF STRATEGIES

Removing this requirement would lessen administrative burden on the City as well as the burden for applicants to go through a conditional use process. A one-time development code change would be required.

Costs. Low

Aside from a one-time development code change, no direct costs are associated with this strategy.

Legal Risk: Low

The City's current code provisions may be in conflict with current state law or at least the spirit of the law, which requires clear and objective standards for needed housing; denial of a Minor Conditional Use Permit based on existing criteria could be subject of an appeal.

Community Support: Moderate

The Minor Conditional Use permit is a technical aspect of the development code that is unlikely to be of much concern to the Sisters community – however the broader issue of community control of development – and density - is certainly a concern.

Strategy 4. Reduce Required Minimum Lot Sizes for Housing in All Zones

Description of Strategy:

Minimum lot sizes in the City's residential zones are listed in the following table. This strategy would reduce the minimum lot size for the Residential (R) zone district – lot sizes in the MFR and SRR (Sun Ranch Residential) zones are less relevant for this strategy.

Zone	Minimum Lot Size
R	6,000 SF (SFD) 11,000 SF (Duplex) 5,500 SF (Townhouse)
MFR	4,500 SF (SFD) 7,500 SF (Duplex) 9,000 SF (Triplex) 10,000 SF (Fourplex) 12,000 SF (5+ Units)
SRR	2,000 SF (SFD)

Impact on Land Need:

In the R (Residential), R-PMV (Residential-Pine Meadow Village), and SRR (Sun Ranch Residential) zones there are 29 acres of land that are vacant but less than ¼ acre in size (and therefore unlikely to further subdivide), and about 26 remaining acres that are vacant/partially vacant in larger parcels throughout the City. Very little of this land is in the R-PMV and SRR zones, so changes would primarily affect land in the R zone. Based on existing minimum lot sizes, changes to the R zone would change the capacity of that zone from approximately 180 units to 270 (at 4,000 sf min size) or 360 (at 3,000 sf) if all remaining properties were developed at these lot sizes.

Although this strategy will have relatively limited impact on land efficiency, it would have an impact on feasibility of the development of middle housing types in particular (plexes and townhomes). Current minimum lot sizes for these forms of housing are not financially feasible in comparison to developing single-family detached homes. This strategy should be considered as part of the set of initiatives included in the updated Sisters Housing Plan.

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 4.2.4** - variety of housing types suitable for different income levels, ages, and lifestyles in new neighborhoods.
- **Policy 5.1.2** - design standards for all housing types, including single-family detached homes, “plexes,” townhomes, apartments, cottage cluster housing, accessory dwelling units, and manufactured homes on individual lots and in manufactured home parks.
- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

This strategy could be implemented with a one-time code change.

Costs: Low

Legal Risk: Low

Measure 56 notices would be required to make these changes to the City’s R zone.

Community Support: Moderate

Reductions in lot sizes citywide may be the subject of concern for the community, as they are smaller than what is currently allowed. This strategy could potentially be used for developments that provide affordable or workforce housing specifically, rather than as a blanket provision. Additionally, these changes would have the most impact on currently undeveloped areas rather than in built-out neighborhoods.

Strategy 5. Increase Height Limits in MFR zone

Description of Strategy:

Current regulations allow for a maximum height of 50' in the MFR zone; however, area above 35' may not include habitable space. This strategy would increase height limits to 50' for habitable area as well, or remove height limits altogether and use Floor Area Ratio standards (which is a ratio of the building square footage to the lot size) or other means to control building mass.

Impact on Land Need: High

Stakeholder interviews indicate that this "non habitable area" provision is not useful for residential developments and very few, if any, have taken advantage of it. Stakeholder interviews also indicated that increased building heights would allow multi-family projects to be more financially feasible. This strategy would allow developers to provide more units while potentially having a smaller building footprint.

This strategy would be one way of achieving the increased density in the MFR zone mentioned in Strategy 2. It could be applied to all housing in the MFR zone, or as an incentive for housing that is affordable to low- and/or moderate-income families or for protection of existing trees on a site. The impact of these strategy has not been quantified, but it would help the City achieve the types of development cited under Strategies 1 and 2.

Consistency with Adopted Policies:

Relevant policies include:

- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

Costs: Low

There are few direct costs to the City associated with this strategy, and it can be implemented with a one-time code change. Discussions to date with emergency responders have suggested that additional vehicles or equipment may be needed to provide adequate fire safety for taller buildings, but these costs are modest in the long run.

Legal Risk: Low

Community Support: Moderate

Building heights are likely to be a topic of interest and discussion for the Sisters community. Use of setbacks, architectural features, and other design attributes to address concerns related to increased building heights should be part of the conversation.

Strategy 6. Increase Height Limits in Other Zones

Description of Strategy:

Height limits in Downtown Commercial (DC), Highway Commercial (HC), and R zones are 35'. This strategy would increase height limits to 50' or remove height limits altogether and use Floor Area Ratio (FAR) standards or other means to control building mass.

Impact on Land Need: Moderate

Height limits in the DC zone limit the types of development that can occur in that zone. Increased height limit in DC zone would likely be necessary to support new residential over commercial development. As noted above, this could be applied for all housing or as an incentive for housing that is affordable to low- and/or moderate-income families. (Strategy 10 also addresses provisions of the DC zone). The HC zone also allows for mixed-use development, which would be more likely to be financially feasible with increased height limits. The unit capacity impact of this strategy has not yet been quantified.

In the City's R zones, lot size is a greater factor affecting land need than building height. An increase in height limits for these zones is not recommended, except in the MFR zone as discussed in Strategy 5.

Consistency with Adopted Policies:

Relevant policies include:

- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

Legal Risk: Low

Costs: Low

This strategy can be implemented with a one-time code change.

Community support: Moderate

Building heights are likely to be a topic of interest and discussion for the Sisters community. Use of setbacks, architectural features, and other design attributes to address concerns related to increased building heights should be part of the conversation.

Strategy 7. Reduce Off-Street Parking Requirements

Description of Strategy:

Space for parking personal vehicles consumes area that could be used to provide more housing units or other amenities, and is a fundamental part of the financial assessment in any new development. Parking requirements currently are 1 space per ADU (Accessory Dwelling Unit); 2 spaces per single-family detached home, manufactured home and townhome; and 1 space per studio/1br, 1.5 spaces per 2br, 3 spaces per 3br for duplexes, triplexes and multi-family housing

of four or more units. Stakeholder interviews suggested Sisters not “go too far” in reducing parking requirements, but a modest reduction to 1 space per unit overall, especially for an affordable product, would be appropriate. This could make land-efficient residential uses such as “middle housing,” mixed use developments, and multifamily developments more achievable. The City also has a fee-in-lieu option for the downtown parking district.

Impact on Land Need: Moderate

This strategy may help achieve the higher densities recommended in other strategies by requiring less site space be provided for vehicle parking; however, its more direct impact would be a reduction costs of development and greater ability to provide units at a lower cost.

Consistency with Adopted Policies: Moderate

Relevant policies include:

- **Policy 4.E** - Evaluate and address parking needs and address through a combination of off-street parking requirements, on-street parking supply and pricing, and other parking and travel demand management strategies.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low/Moderate

Identifying the appropriate reductions in parking and affordability thresholds, and ensuring they remain appropriate as conditions change over time, will require effort from the City and its partners.

Costs: Low/Moderate

Parking studies entail some costs.

Community Support: Low/Moderate

Parking is often a contentious issue, and stakeholders have indicated that Sisters residents tend to have more personal vehicles than some other communities. Using this strategy as an incentive for housing affordability (see Strategy 16) rather than a blanket provision may be appropriate and may result in a lower level of concern.

Strategy 8. Allow Mixed Use Development in Zones Other Than the DC Zone to Create More Residential Units

Description of Strategy:

Other than the DC zone, mixed use development is currently allowed in the HC (Highway Commercial) district; the City’s development code includes relatively few specific standards for this type of development. Similarly, mixed use development is allowed and encouraged in the NSBP (North Sisters Business Park) Zone. Residential uses generally are not allowed in the LI (Light Industrial) and PF (Public Facility) districts, with some exceptions, which is appropriate.

Impact on Land Need: Low

Mixed-use development is allowed in other zones today, and expanding this allowance into other employment zones would be unlikely to yield developments of greater intensity that reduce the City's overall land need. Other limitations, such as density maximums, height limits, and parking requirements are likely the limiting factors for this type of development in these areas.

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

Costs: Low

Community Support: Low/Moderate

Allowing mixed use development in the City's employment zones are likely not a priority for the Sisters community.

Strategy 9. Encourage Mixed Use Development in the DC and/or HC Zone

Description of Strategy:

The Downtown Commercial (DC) zone and Highway Commercial (HC) zone currently allow for mixed-use development as part of commercial structures. This strategy entails either requiring mixed residential/commercial use (rather than strictly commercial development) or actively seeking/partnering with developers to create mixed use developments in these zones.

Impact on Land Need: High

There are about 89 acres total in the DC zone, including about 48 vacant or partially vacant acres. The HC zone encompasses about 57 acres in total and has 15 vacant/partially vacant acres. Use of this land for residential development could accommodate a significant amount of housing at multifamily densities. For example, if about 30 acres of this land were to

develop/redevelop at 25 units/acre, the result would be 750 units in the City's walkable commercial areas.

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Moderate

Depending on the types of incentives and partnerships involved, the City may need to serve in an ongoing coordination and administrative role to support continued mixed-use development.

Costs: Moderate/High

Code requirements have a low cost but economic and political factors suggest that merely requiring mixed use development could be an impediment to development overall, as the demand for new commercial is low. Public/private partnerships or investments in certain projects help the City guide outcomes, but comes at a direct cost.

Legal Risk: Low

Support: Medium/High

City policy and code already support mixed use development in these areas. Depending on the specifics of the incentives and partnerships involved, City decisionmakers and the broader community may have a greater role in determining the types and characteristics of new development than the private market would provide ordinarily

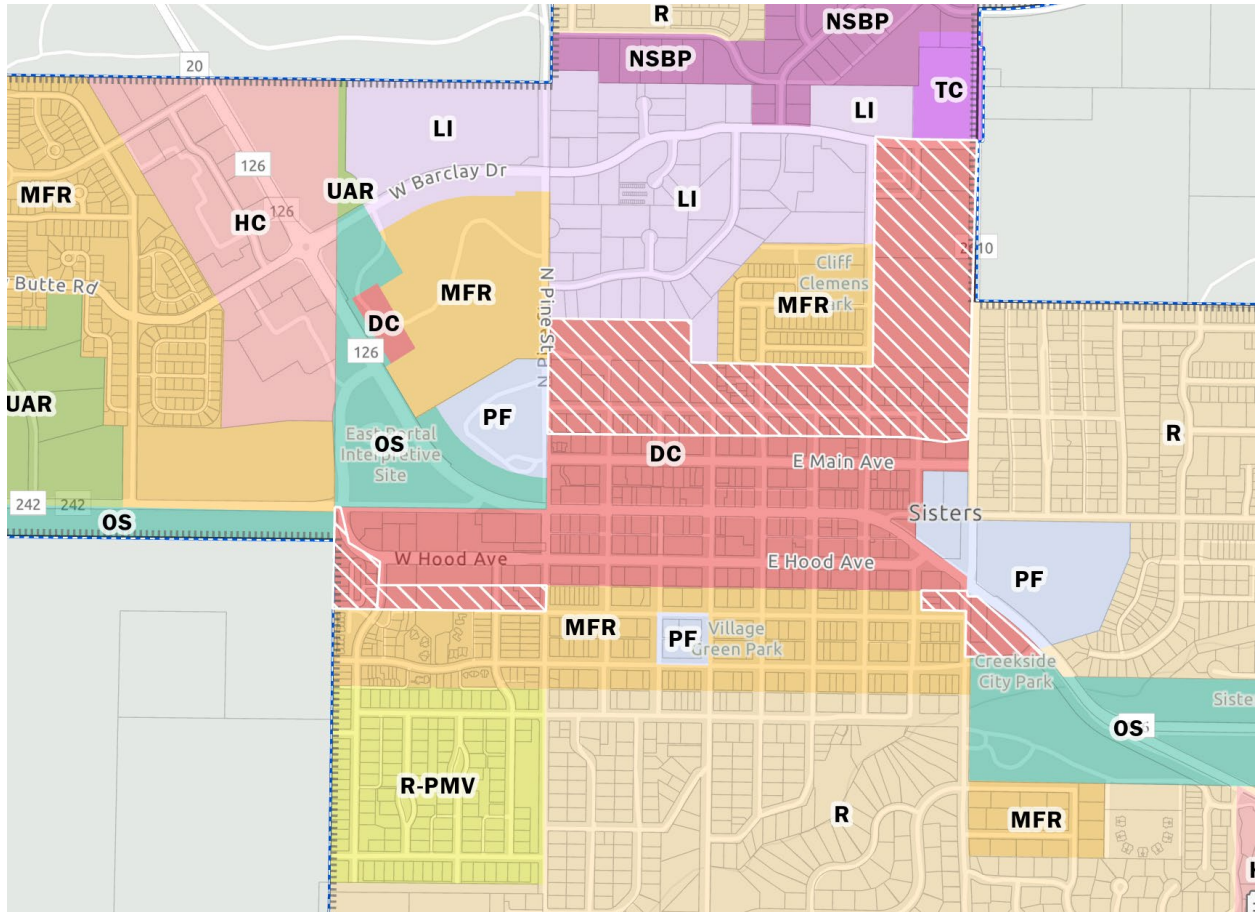
Strategy 10. Allow Residential-Only Projects at MFR Densities in the DC Zone

Description of Strategy:

The DC zone applies to nearly 90 acres of land north of Washington Ave and west of Locust St. Currently the City of Sisters requires a commercial component as part of residential projects in the DC zone. This strategy would remove the requirement to have a commercial use associated with the residential use (i.e., mixed use) and could apply to all properties within the DC zone, or

properties that lack frontage on key block faces that are priorities for commercial activity. Figure 2 shows the recommended area for residential-only uses, generally north of Main Ave. and south of Hood Ave. This strategy could also be used to incentivize projects that provide some amount of workforce or affordable housing.

Figure 2. Portion of Downtown Commercial Land Suitable for Residential Uses (Shown in white hatching)



Impact on Land Need: High.

In the area shown in Figure 2, DC Land: At least 16 acres appear to be vacant. If developed at 15 units/acre, this would provide capacity for 240 units. Redevelopment of some underutilized parcels in this area may also occur, resulting in even greater capacity.

Consistency with Adopted Policies: High

Relevant policies include:

Policy 5.1.3 - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.

Policy 5.2.1 - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.

Policy 5.2.2 - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.

Policy 5.3.2 - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Costs: Low

Costs include a one-time change to the development code.

Administrative Burden: Low/Moderate.

A one-time code change could enable this kind of development. However, if this strategy is applied to and used to incentivize housing affordable to low- and moderate-income households, including workforce housing, additional administrative resources will be needed to ensure that developments meet affordability requirements.

Legal Risk: Low

Community Support: Moderate

The DC zone applies to a greater portion of the City of Sisters than many community members or decisionmakers may realize. Concern about development is unlikely to focus on whether a commercial component is provided, but rather the density and visual characteristics of the site.

Strategy 11. Allow Duplexes as Outright Uses, Subject to Clear and Objective Standards, in All Residential Zones

Description of Strategy:

Duplexes are allowed in the R zone today, but require a minor conditional use permit and have high minimum lot size requirements that tend to make them infeasible to build from a market perspective. Parcels that are platted, but not yet constructed may be able to develop as duplexes if this strategy is implemented.

Impact on Land Need: Low

As of the 2021 BLI, there are about 200 parcels with residential designations that are either vacant or partially vacant in the City of Sisters, though this number is likely lower today due to ongoing development activity. Most of these parcels are platted at residential densities and are unlikely to further subdivide. If a significant proportion of these (say, 20%) were to develop as duplexes rather than as single detached homes, the result would be about 40 additional units. The redevelopment or subdivision of existing homes into duplexes is another possibility, though State Statute generally requires cities to consider an increase in density of only 3% to account for middle housing.

Consistency with Adopted Policies: High

Relevant policies include:

- **Policy 4.2.4** - variety of housing types suitable for different income levels, ages, and lifestyles in new neighborhoods.
- **Policy 5.1.2** - design standards for all housing types, including single-family detached homes, “plexes,” townhomes, apartments, cottage cluster housing, accessory dwelling units, and manufactured homes on individual lots and in manufactured home parks.
- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.
- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low

After a one-time code change, clear and objective standards for duplexes would be straightforward to administer.

Costs: Low

Costs would include a one-time code change.

Community Support: Moderate/High

Middle housing is the subject of community discussions throughout the state. Duplexes are the middle housing form most similar to Single Detached housing, but blanket allowances may still face pushback in Sisters.

Strategy 12. Allow Triplexes, Quadplexes, and Cottage Clusters as Outright Uses in Residential Zones

Description of Strategy:

Similar to Strategy 11, this strategy would allow other “Middle Housing” types in the City’s residential zones. Middle housing describes a range of multi-family or clustered housing types that are compatible in scale with single-family or transitional neighborhoods. Middle housing can provide homeownership opportunities at a higher density than detached homes, as well as rental opportunities. However, permitting these housing types does not ensure that they will be created or that they will be affordable to households in specific income ranges.

Impact on Land Need: Low/Moderate.

As of the 2020 BLI, there are about 200 parcels with residential designations that are either vacant or partially vacant in the City of Sisters, though this number is likely lower today due to ongoing development activity. Most of these parcels are platted at residential densities and unlikely to further subdivide. If a significant proportion of these (say, 20%) were to develop as plexes or cottage clusters rather than as single family detached homes, the result would be about 80-160 additional units. The redevelopment or subdivision of existing homes into middle housing units may occur over time, though State Statute generally requires cities to assume an increase in density of existing neighborhoods of only 3% to account for middle housing.

Administrative Burden: Low.

After a one-time code change, clear and objective standards for these housing types would be straightforward to administer.

Costs: Low

Costs would include a one-time code change.

Community Support: Moderate.

Middle housing forms provide a lower-intensity alternative to multifamily development. Cottage Clusters in particular have been popular in Central Oregon communities. Community conversation about architectural design, tree preservation, views, lighting, and other elements would be needed.

Strategy 13. Adopt Policy Language to Support Infill Development

Description of Strategy:

The City could adopt additional policy language to support continued infill of residential areas in the City.

Impact on Land Need: Low.

Policy language alone may not have much direct impact but could help support future code amendments and rezones. Capacity of residential land is subject to State regulations, and policy language is not generally a factor in determining capacity.

Consistency with Adopted Policies: Moderate

Relevant policies include:

- **Policy 5.1.3** - encourage development of residential land in a manner that is compatible with existing neighborhoods and that promotes the creation of mixed income neighborhoods.
- **Policy 5.2.1** - provide flexibility through Development Code requirements for innovative housing types to meet the need for the full range of housing types in the City.

- **Policy 5.2.2** - accommodate the housing needs of people in all life stages through housing design, types, and locations that accommodate aging in locations within walking distance of commercial areas and other services.
- **Policy 5.3.2** - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low.

Costs: Low to Moderate

Costs would include a one-time change to Comprehensive Plan policy language.

Legal Risk: Low

Community Support: Low/Moderate

Infill development can be a contentious issue. A policy discussion could help identify ways to accommodate additional units while maintaining characteristics of the community that are valuable to existing residents.

Strategy 14. Allow Height Bonuses for Development of Housing that Meets Affordability Targets

Description of Strategy:

See previous discussion of height limits in Strategy 5 and Strategy 6. This strategy would allow increased height limits only for projects that achieve a specific affordability target.

Impact on Land Need: Low

This strategy may enable or improve a number of affordable housing projects in the City, however it is not expected to significantly affect the citywide need for residential land.

Consistency with Adopted Policies: Moderate

Relevant policies include:

Policy 5.3.2 - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low/Moderate.

Identifying the appropriate height bonus and affordability thresholds, and ensuring they remain appropriate as conditions change over time, will require effort from the City and its partners.

Costs: Low

Costs would include a one-time code change.

Legal Risk: Low

Lead: City Lead, support from affordable housing partners.

Community Support: Low/Moderate

Building height may be a contentious issue in Sisters. Allowing greater building height only for projects that achieve community goals (rather than for all market-rate development) may help alleviate the concern.

Strategy 15. Allow Density Bonuses for Development of Housing that Meets Affordability Targets

Description of Strategy:

See previous discussion of density requirements in Strategy 1 and Strategy 2. This strategy would allow increased density only for projects that achieve a specific affordability target.

Impact on Land Need: Low

This strategy may enable or improve a number of affordable housing projects in the City, however it is not expected to significantly affect the citywide need for residential land.

Consistency with Adopted Policies: Moderate

Relevant policies include:

Policy 5.3.2 - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low/Moderate.

Identifying the appropriate density bonus and affordability thresholds, and ensuring they remain appropriate as conditions change over time, will require effort from the City and its partners.

Costs: Low

Legal Risk: Low

Lead: City Lead, affordable housing partners.

Community Support: Low/Moderate

Density may be a contentious issue in Sisters. Allowing greater density only for projects that achieve community goals (rather than for all market-rate development) may help alleviate the concern.

Strategy 16. Reduce Off-Street Parking Requirements for Development of Housing that Meets Affordability Targets

Description of Strategy:

See previous discussion of parking requirements in Strategy 7.

Impact on Land Need: Low

This strategy may enable or improve a number of affordable housing projects in the City; however, it is not expected to significantly affect the citywide need for residential land.

Consistency with Adopted Policies: Moderate

Relevant policies include:

Policy 5.3.2 - reduce barriers to the creation of housing units for low- and moderate-income households and to encourage creating mixed income neighborhoods.

Administrative Burden: Low/Moderate.

Identifying the appropriate reductions and affordability thresholds, and ensuring they remain appropriate as conditions change over time, will require effort from the City and its partners.

Costs: Low/Moderate

Parking studies entail some costs.

Legal Risk: Low

Community Support: Low/Moderate

Parking can be a contentious issue; however, requiring less parking only for projects that achieve community goals (rather than for all market-rate development) may help alleviate the concern. In addition, research shows that low-income households have lower average rates of vehicle ownership, miles traveled, and associated parking demands.

Strategy 17. Rezone Vacant Land from Nonresidential to Residential Uses and/or Allow Residential-Only Uses in Parts of the DC and PF Zones.

Description of Strategy:

The City of Sisters has land in at least two designations that may be appropriate for re-designation to residential uses in order to meet the City's needs. These areas are shown on the following maps and described below.

- Seven parcels with "Urban Area Reserve" classifications along N. Trinity Way, totaling about 27 acres. This land is owned by several religious organizations and contains churches and associated parking lots, along with a significant amount of undeveloped land. This area is shown on Figure 2.
- Several parcels with DC zoning generally located north of Main and south of Hood. Much of this land is vacant and near the downtown core of Sisters. Shown in Figure 3.
- Sisters School District-owned property in various locations. Shown in Figure 4.

EVALUATION OF STRATEGIES

Figure 3. Urban Area Reserve land

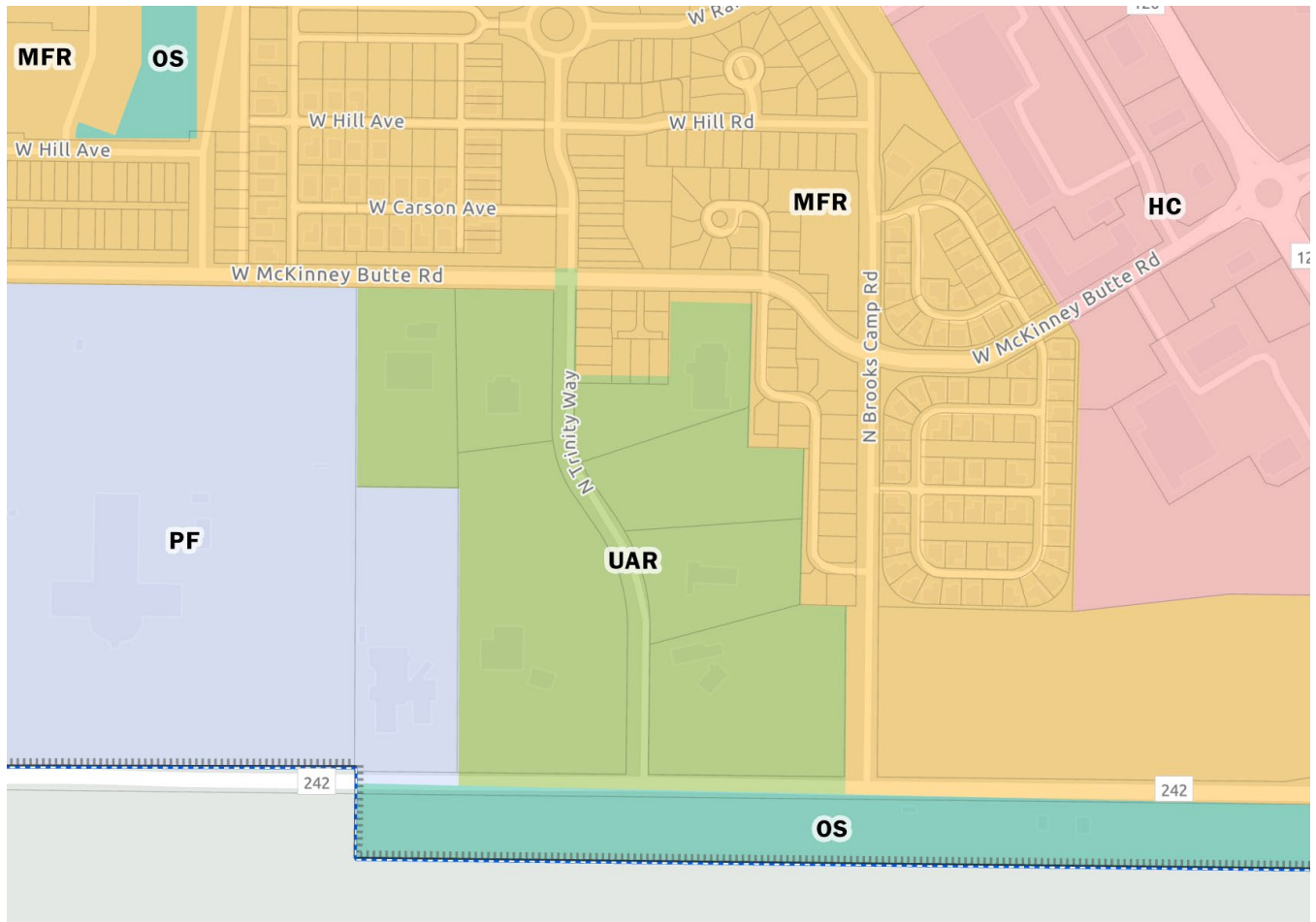
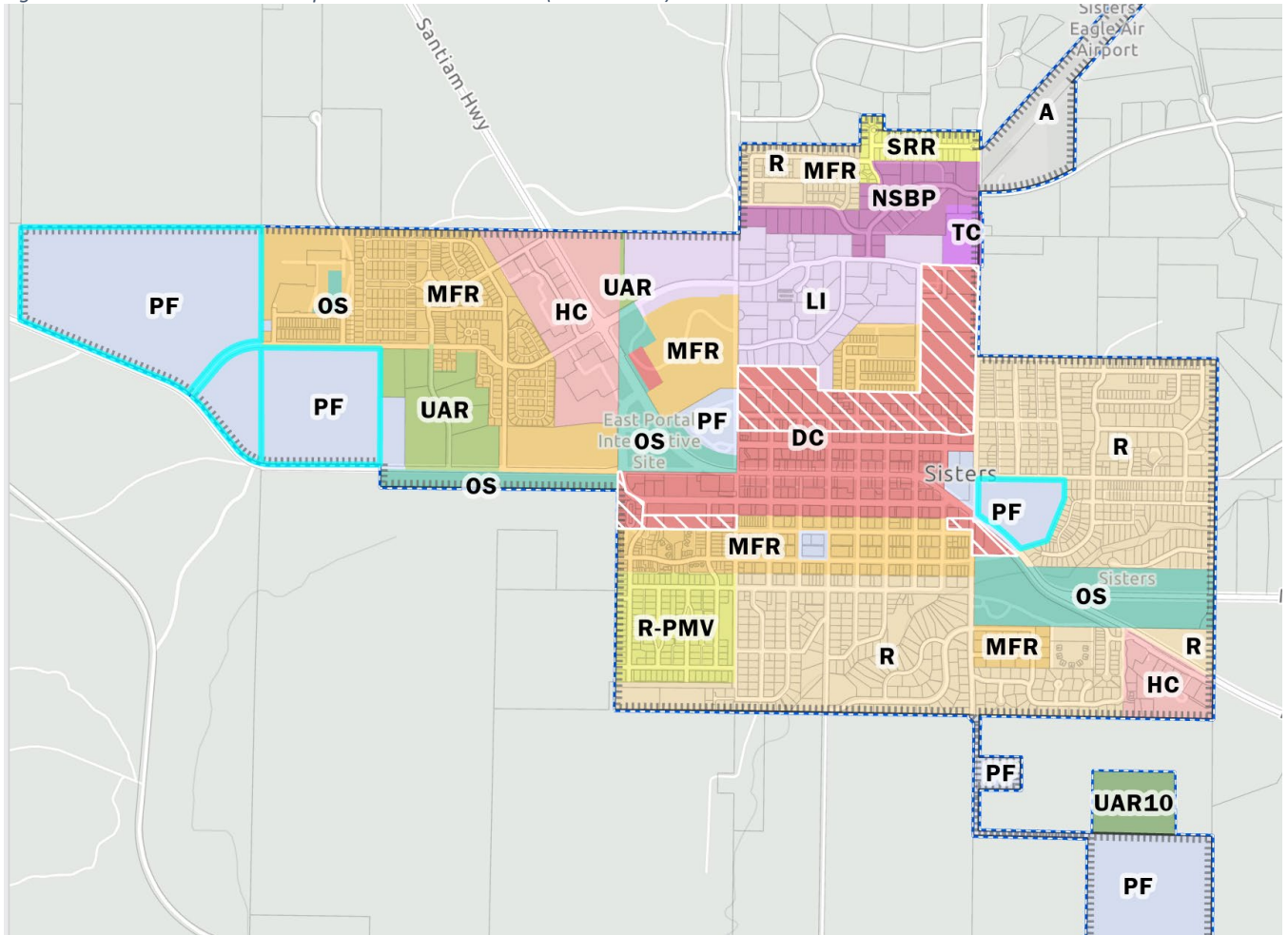


Figure 4. School District Ownership on PF Land within UGB (Blue Outline)



Impact on Land Need: High.

The 2021 Buildable Lands Inventory did not assume residential capacity in these areas. This strategy would directly impact the land needed for residential uses outside the UGB at a ratio of 1:1, generally.

- UAR Land: 27.3 Acres in Total. If developed at 15 units/acre, capacity for up to 410 units.
- PF Land: 12 acres at Elementary School site, roughly 40 acres unoccupied by structures or fields at Middle and High School sites. If developed at 15 units/acre, capacity for 780 units.

Consistency with Adopted Policies: Moderate/High

Relevant policies include:

EVALUATION OF STRATEGIES

- **Policy 3.1.1** - The City shall manage the UGB to maintain the potential for planned urban development on urbanizable lands to accommodate forecasted housing and employment growth and accommodate other supporting facility and land needs, including open space.

Administrative Burden: Low/Moderate

A one-time zoning/comprehensive plan change could be city-led (legislative) or property owner-initiated. These processes can be complex and contentious, however once complete they require no ongoing effort.

Costs: Low

Legal Risk: Low/Moderate

Ideally this strategy would be applied on land with willing property owners. Otherwise, there could be legal risk depending on the details of the situation.

Community Support: Moderate/High

Based on conversations to date, there is support for the re-designation of certain sites for residential uses. However, this outcome could be achieved through a change in the zoning map or a change in the permitted uses within other zones (such as the DC zone). Overall, the need for residential land must be balanced with the need for other types of land within the City, such as employment land, park land, etc.

Conclusions & Next Steps

The strategies in this report will be the subject of discussion with the City's Planning Commission and City Council. Should the City seek an amendment to its UGB, this report will provide information for documenting efficiency measures that affect the overall size of the needed amendment.