



memo

to City of Sisters
from Andrew Parish, Matt Hastie, and Brandon Crawford, MIG
re Update to the City of Sisters Urban Growth Boundary Sufficiency Report
date 11/21/2023

EXECUTIVE SUMMARY

The purpose of this memorandum is to document updates to City of Sisters Buildable Land Inventory (BLI) and Land Sufficiency Analysis, which were originally prepared in 2020/2021 as part of updates to the City’s Comprehensive Plan. MIG|APG and Johnson Economics have updated the prior analysis to account for development that has occurred in the intervening years, an updated population forecast from Portland State University’s Population Research Center (PSU PRC), and recently adopted land use regulations aimed at using land in the City more efficiently. The results of this analysis are summarized in the following tables. Additional details follow in the body of this memorandum.

Presentation materials and minutes for the 10/19/23 joint Planning Commission/City Council meeting are also attached at the end of this document.

Residential and Employment Demand

Table EX-1 describes the latest population projection for the City of Sisters from PSU PRC and translates that projection into needed households and housing units. The number of housing units is significantly higher than the number of households due to the large vacancy rate in Sisters, which is the result of the number of second homes in the City. **Table EX-2** describes the forecasted employment growth, based on the City’s most recent Economic Opportunities Analysis.

Table EX-1. Updated Population and Housing Needs Projections (2023)

	2023	2043	Growth	% Growth
Population:	3,649	7,108	3,459	95%
Households:	1,624	3,163	1,539	95%
Housing Units	2,081	4,054	1,973	95%

Source: Portland State University Population Research Center, Johnson Economics

Table EX-2. Updated Employment Growth and Needs Forecast (2023)

	2023	2043	Growth	% Growth
Jobs:	2,099	3,850	1,752	83%

Source: Johnson Economics

Land Supply

Table EX-3 summarizes the projected need for residential and employment land in the City of Sisters over the next 20 years compared to the land available to accommodate this growth. It also provides an estimate of land need for other uses, including schools, utilities and public facilities, and parks. This analysis shows that the City has a shortage of land for low density residential uses and a modest surplus of land for high density residential. A key outcome of recent work on Residential Efficiency Measures in the City of Sisters was ensuring that higher density zones are not used for low density development – therefore a surplus of high density land should not necessarily be considered available to meet low-density residential needs. However, this potential mismatch between the supply of lands for these types of developments may need to be addressed further as part of a potential UGB expansion process and/or by continuing to monitor the relative supply of each type of land in the future. As a result, the acreage need is shown as a range for purposes of this report.

Table EX-3. Overview of Land Needs and Supply (2023-2043)

Land Type	Demand (Net Acres)	Supply (Net Acres)	Net Acreage Need*	Gross Acreage Need**
Residential Land*	183.8	73.6	110.3-136.3	137.9-170.4
Low Density Residential	158.9	22.6	136.3	170.4
High Density Residential	24.9	50.9	-26.0	-32.5
Employment Land	106.0	64.6	41.4	51.7
Schools	-	-	15.0	15.0
Parks	-	-	2.0-19.0	2.0-19.0
Total	289.8	138.2	168.8-211.7	206.6-256.15

* The surplus of high density land should not necessarily be considered available to meet low-density residential needs. This potential mismatch between the supply of lands for these types of developments may need to be addressed further as part of a potential UGB expansion process and/or by continuing to monitor the relative supply of each type of land in the future. As a result, the net acreage need is shown as a range for purposes of this report.

** Gross acreage includes additional land area in order to account for needed infrastructure. This consists of new rights-of-way (20%) and stormwater/other infrastructure needs (5%).

Introduction

The purpose of this memorandum is to document updates to City of Sisters Buildable Land Inventory (BLI) and Land Sufficiency Analysis, which were originally prepared in 2020/2021 as part of updates to the City's Comprehensive Plan. MIG|APG and Johnson Economics have updated the prior analysis to account for development that has occurred in the intervening years, an updated population forecast from Portland State University's Population Research Center (PSU PRC), and recently adopted land use regulations aimed at using land in the City more efficiently. The study area for this analysis is the Sisters city limits, and the time horizon is the 20-year period from 2023 to 2043.

Residential Capacity

The City of Sisters' residential capacity is calculated based on a Residential Buildable Lands Inventory (BLI) and assumptions about the types and densities of residential uses expected to occur on developable land.

Updates to the Residential BLI

The 2023 BLI update uses the same methods and assumptions as the 2020, revised to account for development that has occurred in the intervening years and recently adopted changes to the City's development code changes that affect the likely pattern of development in Sisters.

Table 1 shows the estimated amount of vacant residential land shown in the 2020 BLI compared to the results of the 2023 BLI, as well as the net change between the two. Overall, the City's available residential land decreased by about 45 acres between 2020 and 2023. Most of the loss in acreage was in the Residential (R) and Multi-Family Residential (MFR) zones and was due to the development of individual platted lots and subdivision of larger parcels.

Table 1. 2020 Residential Parcels and Vacant Acres

Zoning Designation	2020				2023				Change 2020-2023
	Partially Vacant*	Vacant	Total	Net Vacant Acres**	Partially Vacant*	Vacant	Total	Net Vacant Acres**	
R – Residential	3.0	35.8	38.8	33	4.9	22.6	27.5	19.3	-13.7
MFR – Multi-Family Residential	1.3	70.4	71.7	63	1.3	44.5	45.8	34.3	-28.7
SRR – Sun Ranch Residential	-	7.1	7.1	5.0	-	3.3	3.3	2.4	-2.6
R-PMV – Pine Meadow Village	-	1.4	1.4	1.0	-	1.4	1.4	1.0	0.0
Total	4.3	113.3	115	102	6.2	71.7	77.9	57.1	-44.9

* Partially Vacant land includes parcels that have some improvements but are considered available for further residential uses.

** Acreage in large parcels is given a 25% reduction to account for future right-of-way and other needs. Small lots are not subject to this reduction.

Updates to Residential Unit Capacity

The capacity for residential development on each residential parcel is estimated based on the density regulations of the site’s zoning designation and/or approved development applications with a specific number and type of future housing units. For each zone, a projected density (units per acre) is calculated based on the minimum lot size standards of the zone and the housing types (single-family, duplex, multi-family, etc.) that are permitted in the zone. Where information about approved development is available, that information is used rather than an average density for a particular property.

As shown in Table 2, the 2021 analysis estimated capacity for 996 housing units, primarily in the Multi-Family Residential zone. Since that time, the City of Sisters has adopted changes to the development code as part of an analysis of potential “Efficiency Measures.” These amendments include changes to the lot size and density regulations for residential zones, as follows:

R – Residential Zone

Changes to the R - Residential Zone included the following:

- Minimum lot sizes were reduced from 6,000 sf to 4,500 sf for single-family detached homes.
- Duplexes were permitted outright, with a minimum lot size of 3,000 sf per dwelling.
- Townhomes, triplexes and fourplexes were permitted as minor conditional uses, with a minimum lot size of 2,500 sf per dwelling.

In estimating the average density of development in the R zone for capacity purposes, the project team assumed an average net density of 8.5 units per acre, equivalent to an average lot size of about 5,000 square feet (sf). This is based on the following assumptions:

- The current minimum lot size in the R zone is 4,500 sf. Many developers will likely build homes on lots of this size to reduce costs, increase the value of their investments, and meet the needs of residents who desire smaller lots. This also will help the City produce housing that is affordable at a lower cost (relative to similar homes on larger lots).
- There continues to be a market and desire among some segments of the population for larger individual lots (e.g., 5,000-7,000 sf) and some developers will build at these densities to capture this portion of the market.
- The R zone also allows smaller units at higher densities (e.g., townhomes, duplexes, triplexes and fourplexes on lots of 2,500 sf per dwelling). However, these types of housing are expected to make up a relatively small portion of the overall share of development and will not bring the density up (or average lot size down) to a significant degree.
- On average, recent development in Sisters has occurred at below maximum densities in projects where smaller lots are allowed due to market expectations and parking and height restrictions that preclude the maximum densities from being achieved.

The combination of the factors above is anticipated to lead to development that exceeds minimum densities but does not achieve maximum densities on average.

MFR – Multi-Family Residential Zone

Changes to the MFR zone included the following:

- Minimum density requirements were increased from 7 dwelling units per acre to 15 dwelling units per acre.
- Maximum density requirements were changed from 15 dwelling units per acre to 30 dwelling units per acre (40 dwelling units per acre with a Minor Conditional Use permit and up to 50 dwelling units per acre with inclusion of affordable housing).

In estimating the average density of development for capacity purposes, the project team assumed a density of 25 dwelling units per acre – greater than the minimum density and lower than the maximum – density for the following reasons:

- Most developers will build to maximum densities when possible to reduce costs, maximize return on their investment, and produce housing that is affordable at market rates.
- Maximum densities frequently cannot be achieved because they also are affected by other development standards, including off-street parking requirements, allowable building heights, required setbacks, and other standards that reduce development capacities.

The combination of the two factors above typically leads to development that exceeds minimum densities but frequently does not achieve maximum densities.

DC – Downtown Commercial Zone

Changes to the DC zone included the following:

- Within selected portions of the DC zone, residential development is now allowed without a commercial component.

In estimating the capacity in the DC zone, the project team assumed the following mix of development:

- Between Hood Avenue and Adams Avenue, and Pine and Locust Streets (the downtown core), 70% commercial and 30% residential because that zone has traditionally developed with a higher percentage of commercial use.
- North of Adams Avenue and South of Hood Avenue: 50% commercial and 50% residential, except On the large undeveloped parcel, approximately north of Adams Avenue and between Locust and Larch Streets, 30% commercial and 70% residential, as this parcel is farther from the downtown core and unlikely to support a higher percentage of commercial and is more appropriate for residential.

These changes led to higher projected density assumptions for the 2023 analysis, as shown in Table 3.

Overall Residential Capacity

The following tables describe residential capacity within the City by zoning designation. Table 2 lists the results of the prior (2020) analysis, while Table 3 shows the results of the updated analysis and compares the current capacity estimate to the 2020 results.

Table 2. 2020 Residential Capacity

Zoning Designation	Net Vacant Acres	Projected Density (for unplatted lots)	Projected Housing Capacity*
R – Residential	33	5 units/acre	211
MFR – Multi-Family Residential	63	15 units/acre	750
SRR – Sun Ranch Residential	5	4 units/acre	35
Total	102	--	996

** The City of Sisters has many parcels that have been platted but are currently vacant. These subdivisions are assumed to develop at one unit per parcel. Where available, more specific information is used (such as an approved land use application). While these assumptions differ somewhat from the overall projected density for a given zone, they provide a more accurate picture of the City's projected housing capacity.*

Table 3. 2023 Residential Capacity

Zoning Designation	Net Vacant Acres	Projected Density (for unplatted lots)	Projected Housing Capacity* (includes approved and platted lots)**	Approved /Platted Capacity	Net Change in Capacity, 2020-2023
Residential Districts					
R – Residential	19.2	8.5 units/acre	151	-	-60
MFR – Multi-Family Residential	34.3	25 units/acre	651	348	-99
SRR – Sun Ranch Residential	2.4	4 units/acre	17	-	-18
R-PMV – Pine Meadow Village	1.0	5 units/acre	8	8	8
Mixed Use Districts					
DC – Downtown Commercial***	16.6***	25 units/acre***	401	-	401
Total	73.6	--	1,228	356	232

* Projected housing capacity is calculated on a per-parcel basis and rounded down to the nearest full unit.

Therefore, the projected housing capacity is the sum of each parcel’s rounded down capacity, which yields a different result from the product of the aggregate net vacant acres multiplied by projected density. Parcels that are calculated to have less than one unit capacity are rounded up to one unit (e.g., 0.2 net vacant acres X 4 units/acre = 0.8 units, round up to 1 unit).

** The City of Sisters has several parcels that have been platted but are currently vacant. These subdivisions are assumed to develop at one unit per parcel. Where available, more specific information is used (such as an approved land use application). While these assumptions differ somewhat from the overall projected density for a given zone, they provide a more accurate picture of the City’s projected housing capacity.

*** DC is a mixed-use zone that now allows residential development without a commercial component. This analysis assumes that a variable percentage of available DC land, depending on specific location, will develop with residential uses at 25 du/ac. The site east of N Larch St. at E Black Butte Ave. is a specific site likely to take advantage of this allowance.

Figure 1 and Figure 2 show the residential development status for 2020 and 2023, respectively. Numerous properties have been subdivided since 2020 – namely in the Northwest area of the city, which represents most of the development activity and loss of residential capacity. The large property in the center of the City (Sisters Woodlands) was also subdivided, however it remains mostly vacant. Several more properties were developed in eastern areas of the City. Many additional properties are now shown as vacant or partially vacant in the central city due to the DC zone allowing some standalone residential uses, which was not the case for the 2020 BLI.

Figure 1. 2020 Sisters Residential Development Status

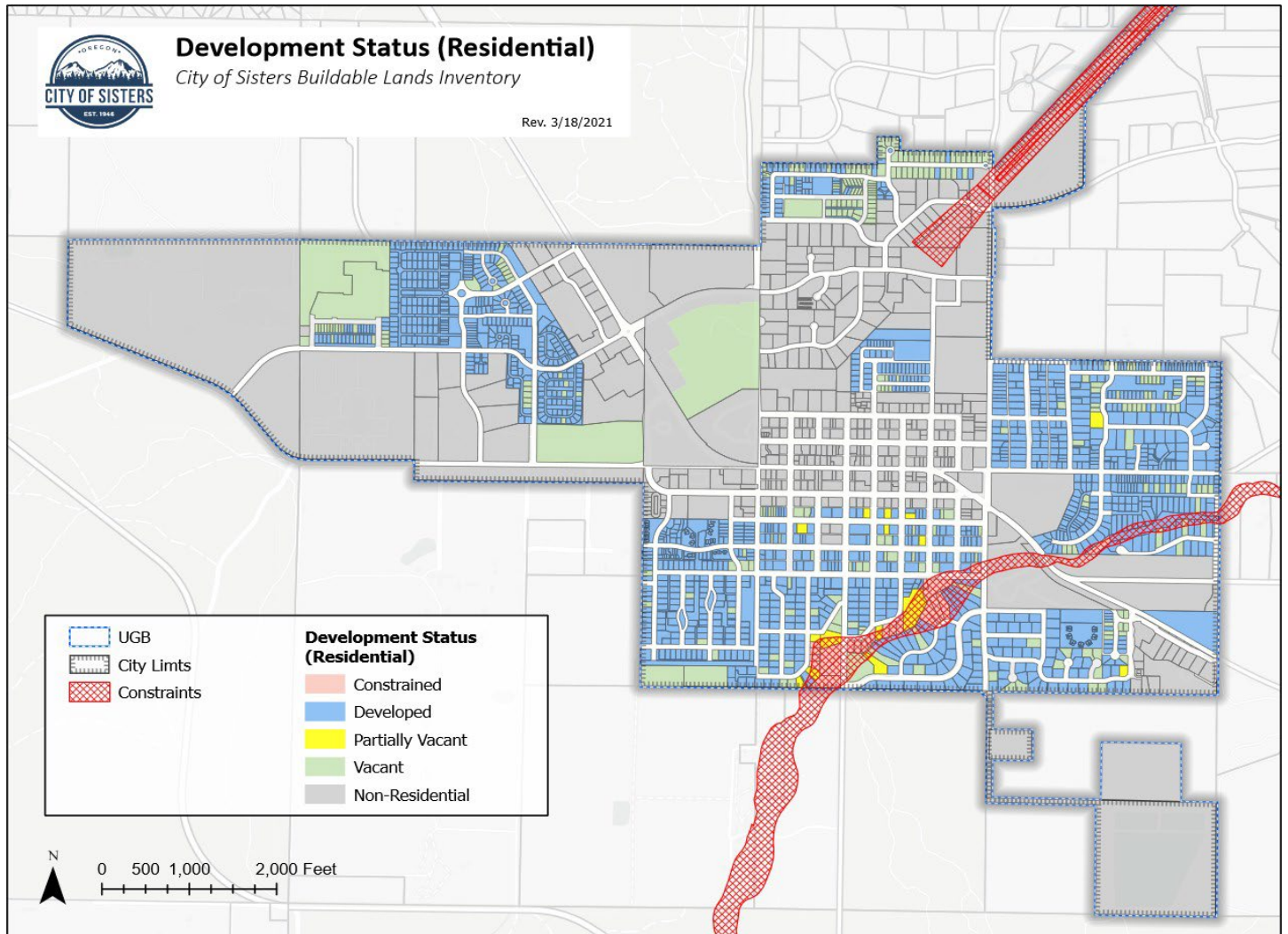
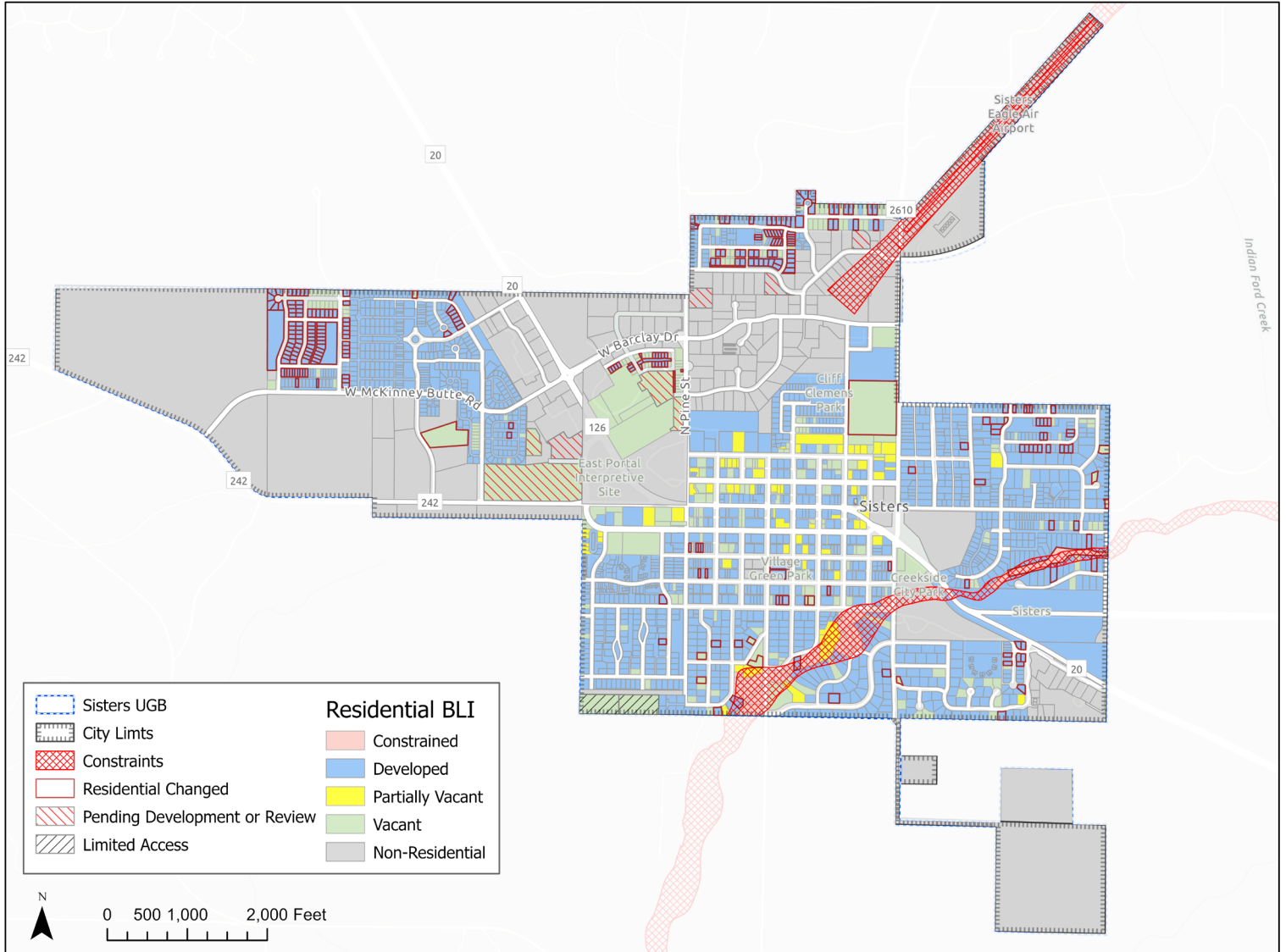


Figure 2. 2023 Sisters Residential Development Status (Change from 2020 inventory outlined in red)



Employment Capacity

Updates to the Employment BLI

Table 4 and Table 5 show the results of the 2020 and 2023 Employment BLI analyses, respectively. There has been some development of Light Industrial properties since 2020, but some properties in other employment designations have experienced increasing land values and unchanged improvement value, shifting them to a “partially vacant” (i.e., redevelopable) status.

Table 4. 2020 Buildable Employment Land

Zoning Designation	Vacant or Partially Vacant Parcels	Unconstrained Acres	Net Vacant Acres
DC - Downtown Commercial	110	41.9	38.2
LI - Light Industrial	10	25.4	23.3
NSBP - North Sisters Business Park	20	14.1	14.1
HC - Highway Commercial	13	14.8	13.6
TC - Tourist Commercial	1	4.3	3.3
Total	154	100.5	92.9

Table 5. 2023 Buildable Employment Land

Zoning Designation	Vacant or Partially Vacant Parcels	Unconstrained Acres	Net Vacant Acres	Change in Net Vacant Acres (2020-2023)
DC - Downtown Commercial	116.0	22.9	21.9	-16.3
LI - Light Industrial	24.0	17.8	14.8	-8.5
NSBP - North Sisters Business Park	20.0	14.5	12.3	-1.8
HC - Highway Commercial	15.0	13.0	12.3	-1.3
TC - Tourist Commercial	1.0	4.6	3.3	0.0
Total	176.0	72.8	64.6	-28.3

The following figures depict the 2020 employment BLI (Figure 3) and the updates made as part of this analysis (Figure 4).

Figure 3. 2020 Employment Development Status

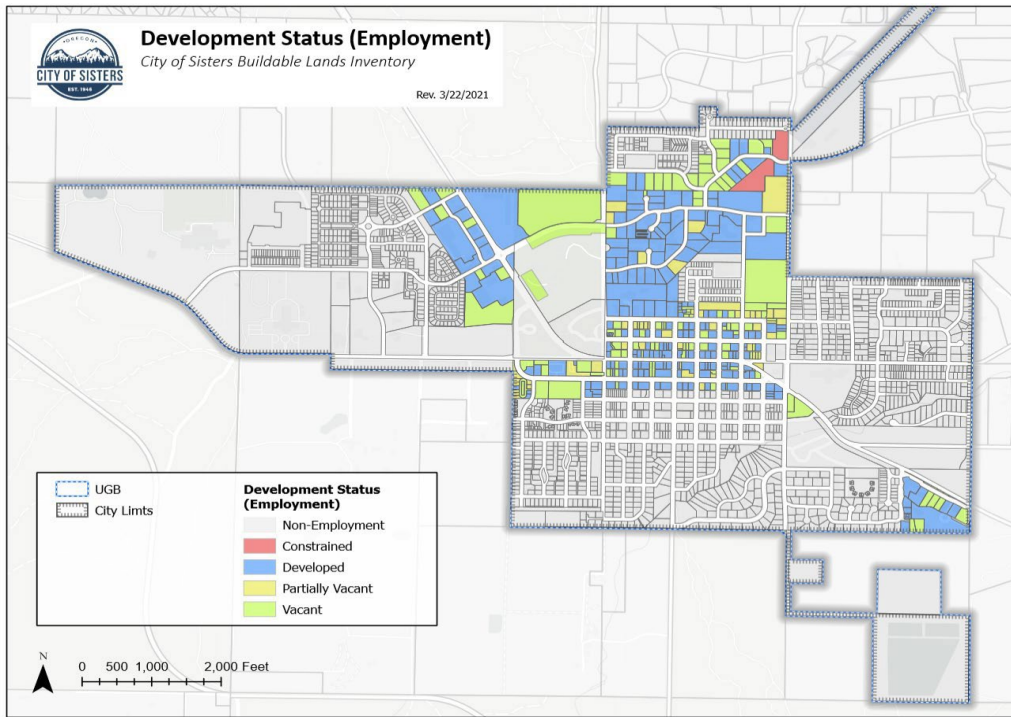
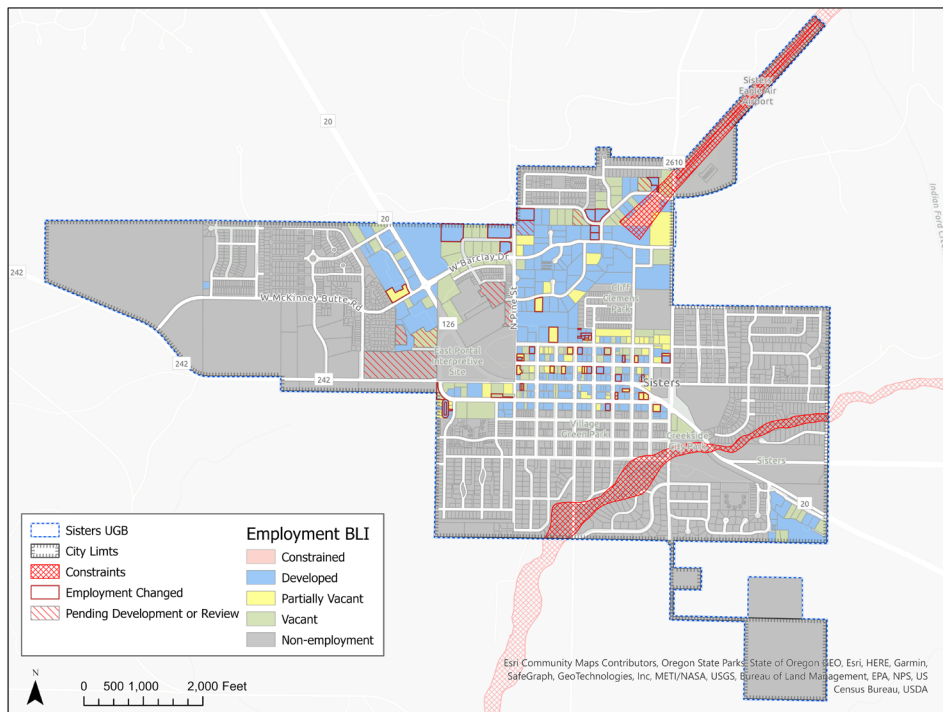


Figure 4. 2023 Employment Development Status (Changes shown outlined in red)



Demand for Residential and Employment Land

Residential Demand

The most recent Sisters Housing Needs Analysis (HNA) was adopted in 2021. Since that time, Portland State University has released new population projections for the City of Sisters. According to these new projections, the City’s population is projected to nearly double by 2043, which corresponds to an estimated need for an additional 1,973 housing. About one-third of those units are expected to be multi-family units, while the remaining two-thirds are expected to be single-family units based on past demographic information gleaned through the HNA. The number of needed housing units in Table 6 below is greater than the number of households due to the large vacancy rate in the City of Sisters.

Table 6. Updated Population and Housing Needs Projections (2023)

	2023	2043	Growth	% Growth
Population:	3,649	7,108	3,459	95%
Households:	1,624	3,163	1,539	95%
Housing Units	2,081	4,054	1,973	95%

Land Use Category**	Unit Need	Avg. Net Density	Net Acreage Need	Projected Housing Capacity	Net Vacant Acres	Unit Surplus/ Deficit	Net Acres Surplus/ Deficit**
LDR	1,351	8.5	158.9	176	22.6	-1,175	-136.3
HDR	622	25	24.9	1,052	50.9	430	26.0
Total:	1,973	10.7	183.8	1,228	73.6	-745	-110.3 to -136.3

Source: Johnson Economics

* For the purposes of estimating housing need projections, unit need is distinguished between “low density” (LDR) and “high density” (HDR) residential needs. For this exercise, we assume low density residential needs are served by the City’s R, SRR, and R-PMV, and the high-density residential needs are served by the MFR and DC zones.

**This analysis shows that the City has a shortage of land for low density residential uses and a modest surplus of land for high density residential. A key outcome of recent work on Residential Efficiency Measures in the City of Sisters was ensuring that higher density zones are not used for low density development – therefore a surplus of high density land should not necessarily be considered available to meet low-density residential needs. However, some portion of this area could be converted to capacity for low density land in the future.

Comparison of Residential Need and Supply

As described in the residential BLI update, the City has capacity for an additional 1,228 units on about 73.6 acres of residential land within the existing UGB. Based on this analysis, the City’s UGB contains a deficit of about 110 acres and 745 units over the next 20 years. Per the 2021 Housing Needs Analysis, most of the City’s deficit is for low-density residential (LDR), which represents a shortage of an estimated 1,175 units and 136 acres. Conversely, the City has a surplus of high density residential (HDR) capacity, with a surplus of 430 units and 26 acres.

Employment Demand

As shown in Table 7, the City's employment is expected to grow by an estimated 1,752 additional jobs by 2043, which translates to a need for an additional 106 acres of land to accommodate the forecasted growth.

Table 7. Updated Employment Growth and Needs Forecast (7/25/23)

	2023	2043	Growth	% Growth
Employment:	2,099	3,850	1,752	83%

	Net Acreage Need	Gross Acreage Need*	Percent	Net Vacant Acres	Net Acres Surplus/ Deficit
Commercial	73.2	91.5	70%	37.5	-35.7
Industrial	32.8	38.5	30%	27.1	-5.7
Total:	106.0	130.0		64.6	-41.4

Source: Johnson Economics, Oregon Employment Department

As discussed in the BLI updates, the City has about 65 acres available for employment growth within the existing UGB. According to this analysis, the City's UGB has a deficit of about 41 acres of employment land over the next 20 years.

The 2021 Economic Opportunities Analysis (EOA) found a need of about 68.6 net employment acres. The 2023 forecast estimates a need for 106 acres to accommodate the 20-year employment growth, which is an increase of nearly 40 acres over the 2021 estimate. This increase may largely be attributed to the city's rapid population growth and accelerated development activity of commercial and industrial properties. The Oregon Employment Department (OED) forecasts estimate an increased rate of employment growth for Deschutes County.¹ The increased demand for employment land coupled with the decline of available employment land due to development (~28 acre decrease) has flipped the city's surplus of employment land in the 2021 analysis to a deficit in the current assessment.

¹ Oregon Employment Department. <https://www.qualityinfo.org/pubs>

Additional Land Needs

The 2020 Land Sufficiency Analysis identified the additional needs beyond residential and employment land. These include lands needed for the following:

- Schools
- Public facilities
- Roads and basic utilities (power and telecommunications)
- Parks and recreation facilities
- Faith-based and fraternal organizations

The following is a summary of estimated land needs for these facilities.

Schools

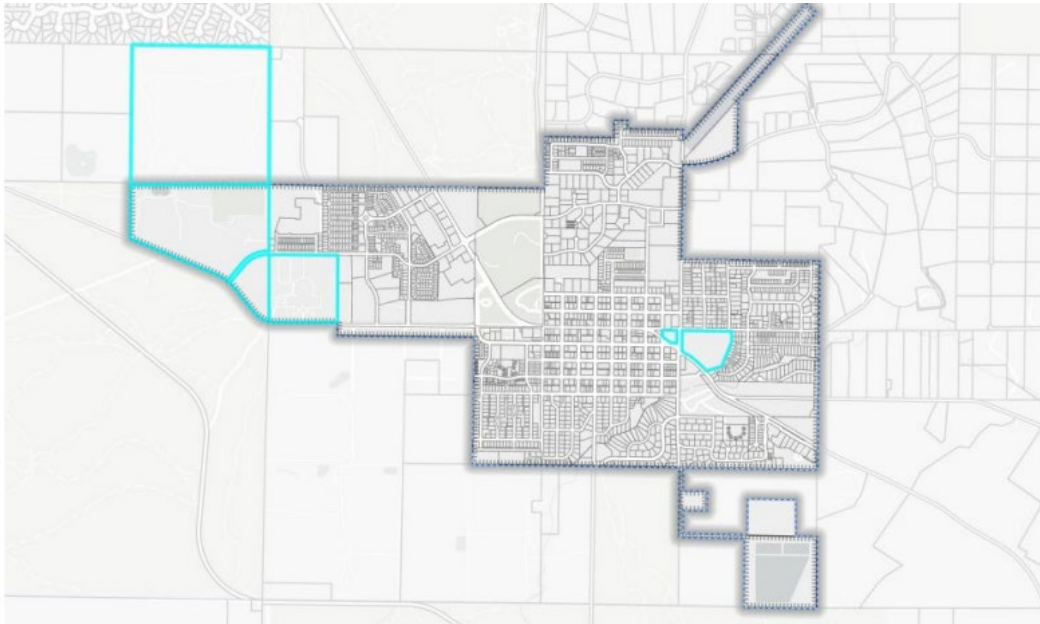
City staff and the consultant team met with Sisters School District Superintendent Curtiss Scholl in September 2023 to discuss expected growth in Sisters and surrounding areas served by the District.

Based on initial estimates of the future population, percentage of school aged children in the District, and the capacity of existing school facilities and sites to accommodate additional students, the District expects to require an additional elementary school to serve a significantly higher population in Sisters. The location of this school is currently unknown, though a location central to new neighborhoods would be appropriate.

The school district owns other property, such as the Frisbee Golf area, that could be used to accommodate further growth if needed, and discussions about workforce housing have been taking place in recent years.

The map below shows land owned by the Sisters School District, highlighted in turquoise. A significant piece of this land lies outside the existing UGB and is encumbered by a conservation easement.

Per Superintendent Scholl and typical school planning needs assessments, the typical acreage for a new elementary school is roughly 15 acres. This includes land for buildings, playgrounds, playing fields, parking, and other ancillary uses.

Figure 5. Property owned by Sisters School District (highlighted in blue)

Public Facilities

Based on conversations with the City of Sisters Public Works department, there is limited need for additional land for these types of facilities. Facility master plans for water and wastewater facilities which were updated in 2023 using current population forecasts did not identify the need for additional land for the expansion of water or wastewater treatment facilities at the City's existing sites. The current site of the Public Works Shop (see Figure 5) was added to the Sisters UGB in 2006² after the previous Public Works headquarters was sold to the Sisters Camp Sherman Rural Fire Protection District. The current location is part of a larger 160-acre site owned by the city and used for on-site sprinkler application of treated wastewater, but the updated facility master indicate that this site is adequate for any needed expansion of these facilities within the planning horizon. Similarly, the plans did not indicate the need for additional water storage facilities (e.g., reservoirs) within the existing UGB.

Some land will be needed for pump stations or similar water or wastewater facilities in future growth areas outside the UGB and those needs should be factored into estimated land needs for a future expansion. This need is addressed in the 25% conversion factor used when identifying gross residential and employment land need.

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https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/16471/COUNTY_2006_Deschutes%20County_006-05_.pdf?sequence=1

Figure 6. Public Works Shop Location

Roads and basic utilities (power and telecommunications)

Land for utilities and future rights of way is addressed through the net to gross conversion of 25% in this analysis. A future UGB expansion analysis may include additional information about the proportion of land set aside for these uses in the City of Sisters specifically.

Parks and Recreation Facilities

The City recently completed an update to the Sisters Parks Master Plan (SPMP). Based on projected population growth for Sisters, the SPMP identifies a need to increase total park acreage by at least 6.34 acres in order for the City to maintain its current level of service (LOS) for parks by 2040. The City currently owns 4.55 acres of vacant property that may be developed and maintained as parks or open space (not including Future Northwest Park, which is planned to become a special use park). In addition, the SPMP notes that the City's current parks LOS is below the national average for small jurisdictions, and the City should therefore consider increasing park acreage beyond the 6.34 additional acres needed to maintain current LOS. The SPMP also acknowledges the caveat that Sisters is surrounded by public land that is accessible and frequently used by residents for recreation purposes, which may contribute to the relatively low parks LOS within the City.

In the recommendations section of the SPMP, it directs the city to identify future park land acquisition opportunities in potential urban growth boundary (UGB) expansion zones, including land for future park facility development (active recreation) and for conservation of natural resources and trail development (passive recreation).

The City may wish to consider an increase to its LOS to 5.0 park acres per 1,000 residents, in which case the City will require about 26 acres of additional park land over the next 20 years. Subtracting the existing 4.55 acres of undeveloped park land, the City will need to acquire and develop roughly 19 acres of additional park land to meet the target.

Faith-based and fraternal organizations

Religious and fraternal institutions can generally develop property in residential zones by right, using land that would otherwise accommodate additional housing units. The need for this land is generally accommodated within the 25% net to gross conversion for residential land, though a future UGB expansion may incorporate an analysis of property owned by faith-based groups in the City to further refine this need.

Overall Comparison of Land Needs and Supply

The following table provides an overview of the 20-year land need and available supply based on the assumptions outlined in this analysis.

Table 8. Overview of Land Needs and Supply (2023-2043)

Land Type	Demand (Net Acres)	Supply (Net Acres)	Net Acreage Need*	Gross Acreage Need**
Residential Land*	183.8	73.6	110.3-136.3	137.9-170.4
Low Density Residential	158.9	22.6	136.3	170.4
High Density Residential	24.9	50.9	-26.0	-32.5
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Total	289.8	138.2	168.8-211.7	206.6-256.15

* The surplus of high density land should not necessarily be considered available to meet low-density residential needs. This potential mismatch between the supply of lands for these types of developments may need to be addressed further as part of a potential UGB expansion process and/or by continuing to monitor the relative supply of each type of land in the future. As a result, the net acreage need is shown as a range for purposes of this report.

** Gross acreage includes additional land area in order to account for needed infrastructure. This consists of new rights-of-way (20%) and stormwater/other infrastructure needs (5%).

UGB Sufficiency and UGB Amendment Process

Note: This material is primarily from the 2021 Land Sufficiency Report and is included in this memorandum for informational purposes. No additional analysis of land outside the Sisters UGB has been conducted as part of the 2023 Land Sufficiency Analysis update.

The City of Sisters may need to evaluate expanding its UGB to accommodate anticipated residential growth and other needs. The process for evaluating the size and location of a proposed UGB expansion is laid out in statute and rule, described in the remainder of this section.

Efficiency Measures

Cities proposing to amend their UGBs must first consider measures to utilize land within the existing UGB more efficiently. ORS 197.296 notes the following measures as examples:

- (j) Increases in the permitted density on existing residential land;

- (k) Financial incentives for higher density housing;
- (l) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;
- (m) Removal or easing of approval standards or procedures;
- (n) Minimum density ranges;
- (o) Redevelopment and infill strategies;
- (p) Authorization of housing types not previously allowed by the plan or regulations;
- (q) Adoption of an average residential density standard; and
- (r) Rezoning or redesignation of nonresidential land to residential designations.

Note: The City of Sisters adopted a Housing Implementation Plan and several efficiency measures in 2023 that meet the requirements of 197.296.

UGB Study Area, Priority, and Location Factors

If the City determines that the use of selected efficiency measures will not be sufficient to eliminate the need for a UGB expansion, the City may proceed with a proposed UGB expansion process. In doing so, the City must evaluate the land outside its UGB by creating a study area, identifying the priority of land to be included in the UGB, and balancing the Goal 14 “factors” described in this section. Findings related to consistency with all the factors are required.

Creating a Study Area

OAR 660-024-0065 describes the process for establishing a study area for land to include in the UGB. The process is as follows:

1. Create a “preliminary study area” that includes:
 - a. All lands in an urban reserve (if applicable);
 - b. All land within ½ mile of the existing UGB (for cities under 10,000, such as Sisters); and
 - c. All exception areas³ contiguous to land within the ½ mile buffer of (b) that are within 1 mile of the UGB.
2. Exclude land from the “preliminary study area” if:
 - a. It is impracticable to provide necessary public facilities or services to the land.
 - b. The land is subject to significant development hazards due to landslides, flooding, or tsunamis.
 - c. The land consists of a significant scenic, natural, cultural, or recreational resource (restrictions apply).

³ “Exception Areas” are lands that have an approved “exception” to Statewide Planning Goals 3 (Agricultural Lands) or 4 (forest Lands). Generally, these are rural residential/commercial lands that have been physically developed or irrevocably committed to non-farm and non-forest uses.

- d. The land is owned by the federal government and managed primarily for rural uses.
3. The resulting study area must contain at least twice the amount of land needed to accommodate growth.

Evaluating Land Within the Study Area

OAR 660-024-0067 describes the process for evaluating the land within the UGB study area. Land is categorized into several “priority” categories. If there is insufficient land in the “First Priority” category to meet the needs of future growth, the evaluation can move on to “Second Priority,” and so on.

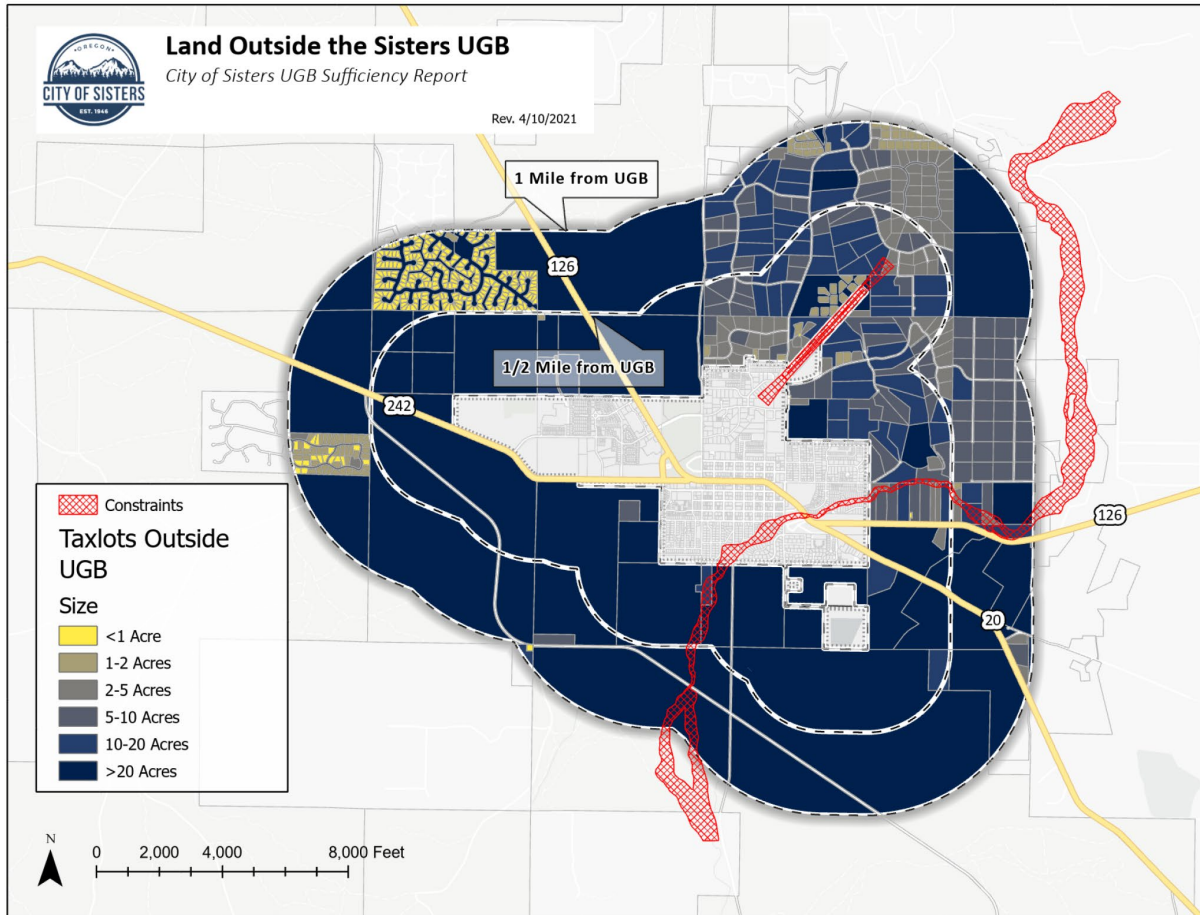
- a) **First Priority:** Urban reserve, exception land, and non-resource land
- b) **Second Priority:** “Marginal land” (an outdated term, not applicable to Sisters).
- c) **Third Priority:** Forest land or farm land that is not predominantly high-value.
- d) **Fourth Priority:** Agricultural land that is predominantly high-value.

Figure 7 shows the zoning of land in the vicinity of Sisters. Land that is designated “Rural Residential 10 (RR10)” is exception land and is the first priority for inclusion in a UGB amendment. Due to the fairly small size of the City’s identified deficit for residential uses, the use of first priority land would likely be sufficient to accommodate growth.

- Existing lots or parcels one acre or less may be assumed to have a development capacity of one dwelling unit per lot or parcel.
- Existing lots or parcels greater than one acre but less than two acres shall be assumed to have an aggregate development capacity of two dwelling units per acre.

Figure 8 shows the parcel size in the vicinity of the City of Sisters. The parcelization of exception land in the area will likely be a key issue for future evaluation.

Figure 8. Lot Sizes Outside the Sisters UGB (2021)



Factors to Evaluate Lands for UGB Inclusion

Goal 14 states that “The location of the urban growth boundary shall be determined by evaluating alternative boundary locations...with the consideration of the following factors:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative environmental, energy, economic, and social consequences; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.”

The City will need to weigh and balance these factors in order to determine the final UGB location. These factors often lie in tension with one another, and the values of the Sisters community should guide the ultimate decision about how best to balance them and determine the most appropriate location for an expansion of the UGB.

Next Steps

Later in 2023 the Sisters City Council will consider options for how to address the land needs identified in this report. The Council may direct staff to prepare for an Amendment to expand its Urban Growth Boundary and, if directed, work could begin in late 2023 or early 2024. The amount of time needed to conduct the process will depend on several factors, including whether any organizations object to or appeal the decision. At a minimum, the process likely would take approximately 12-24 months. Future steps in a UGB expansion study process would include:

- Establish a process for community review and engagement in the UGB process.
- Conduct the analysis and planning needed to support and proposed an amendment to the UGB, including the following activities:
 - Incorporate the results of the analysis of “efficiency measures” that City has previously evaluated and adopted in order to document the City's efforts to consider these measures, consistent with state requirements.
 - Revise findings associated with the current Buildable Lands Inventory to document additional changes in land supply that may occur between completion of the current phase of work and submittal of a proposed UGB amendment.
 - Evaluate lands outside the UGB using the Goal 14 factors, as follows:
 1. Efficient Accommodation of Identified Land Needs.
 2. Orderly and Economic Provision of Public Facilities and Services.
 3. Comparative Environmental, Energy, Economic, and Social consequences.
 4. Compatibility of the proposed urban growth areas with nearby agricultural and forest activities on farm and forest land outside of the UGB.
- Prepare findings and adopt the UGB amendment package through Planning Commission and City Council in coordination with Deschutes County.
- Secure DLCD Acknowledgement & address any objections or appeals as part of the State’s appeals period.
- Proceed with annexation and rezoning of lands added to the UGB (at the discretion and initiation of individual property owners).



Update to the City of Sisters Urban Growth Boundary Sufficiency Report

11.21.2023

Attachments:

- 10/19/2023 Joint Planning Commission/City Council Meeting
 1. Presentation Materials
 2. Minutes



Land Sufficiency Analysis

Planning Commission & City Council Work Session
October 19, 2023

Parameters and Purpose of the Analysis



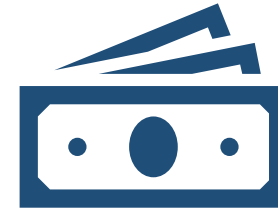
- Update work completed prior to/during 2021 Comprehensive Plan Update
- Incorporate development activity from 2021 through early 2023
- Factor in recent (and increased) population projections from Portland State University
- Address impact of recent development code changes and Efficiency Measures

Parameters and Purpose of the Analysis



- Provide an estimate for acreage needed to accommodate growth for:

- Housing
- Employment
- Parks & Open Space
- Schools
- Infrastructure



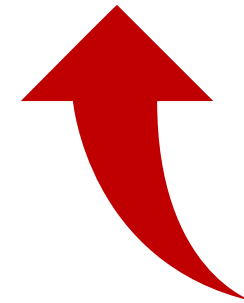


Timeline of Recent and Future Work



- Housing Strategies Report

- Housing Needs Analysis Update
- Economic Opportunities Analysis
- Buildable Land Inventory and UGB Sufficiency Analysis





Housing and Employment Need

Table EX-1. Updated Population and Housing Needs Projections (2023)

	2023	2043	Growth	% Growth
Population:	3,649	7,108	3,459	95%
Households:	1,624	3,163	1,539	95%
Housing Units	2,081	4,054	1,973	95%

Source: Portland State University Population Research Center, Johnson Economics

- Doubling of population expected by 2043.
- Accounts for a high number of second homes and associated high vacancy rate in Sisters.



Housing and Employment Need

Table EX-2. Updated Employment Growth and Needs Forecast (2023)

	2023	2043	Growth	% Growth
Jobs:	2,099	3,850	1,752	83%

Source: Johnson Economics

- Similar increase in expected employment growth but not directly proportional to population growth

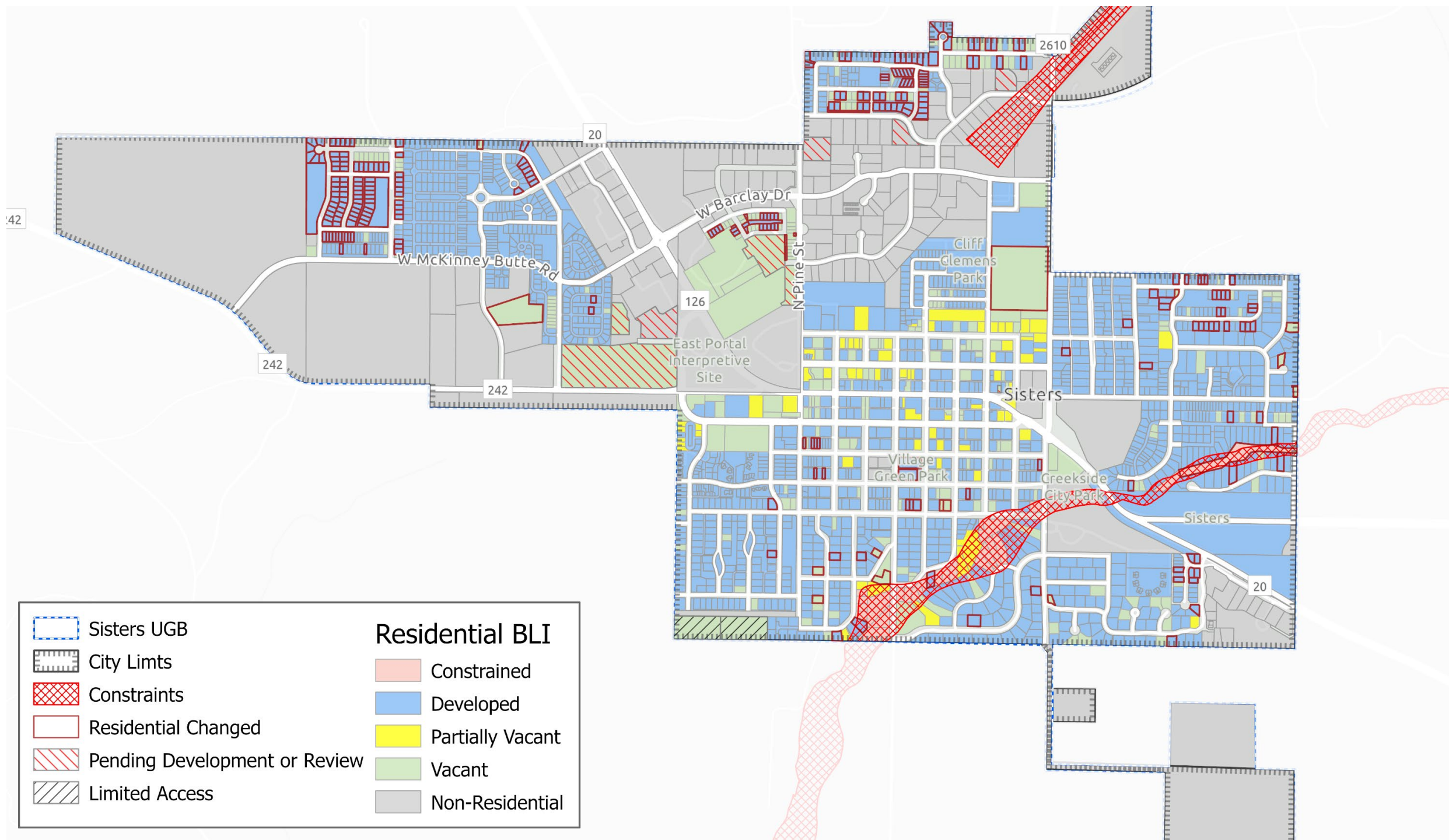













Supply of Residential Land

Zoning Designation	2020				2023				Change 2020-2023
	Gross Vacant Acres			Net Vacant Acres**	Gross Vacant Acres			Net Vacant Acres**	
	Partially Vacant*	Vacant	Total		Partially Vacant*	Vacant	Total		
R – Residential	3.0	35.8	38.8	33	4.9	22.6	27.5	19.3	-13.7
MFR – Multi-Family Residential	1.3	70.4	71.7	63	1.3	44.5	45.8	34.3	-28.7
SRR – Sun Ranch Residential	-	7.1	7.1	5.0	-	3.3	3.3	2.4	-2.6
R-PMV – Pine Meadow Village	-	1.4	1.4	1.0	-	1.4	1.4	1.0	0.0
Total	4.3	113.3	115	102	6.2	71.7	77.9	57.1	-44.9

* Partially Vacant land includes parcels that have some improvements but are considered available for further residential uses.

** Acreage in large parcels is given a 25% reduction to account for future right-of-way and other needs. Small lots are not subject to this reduction.



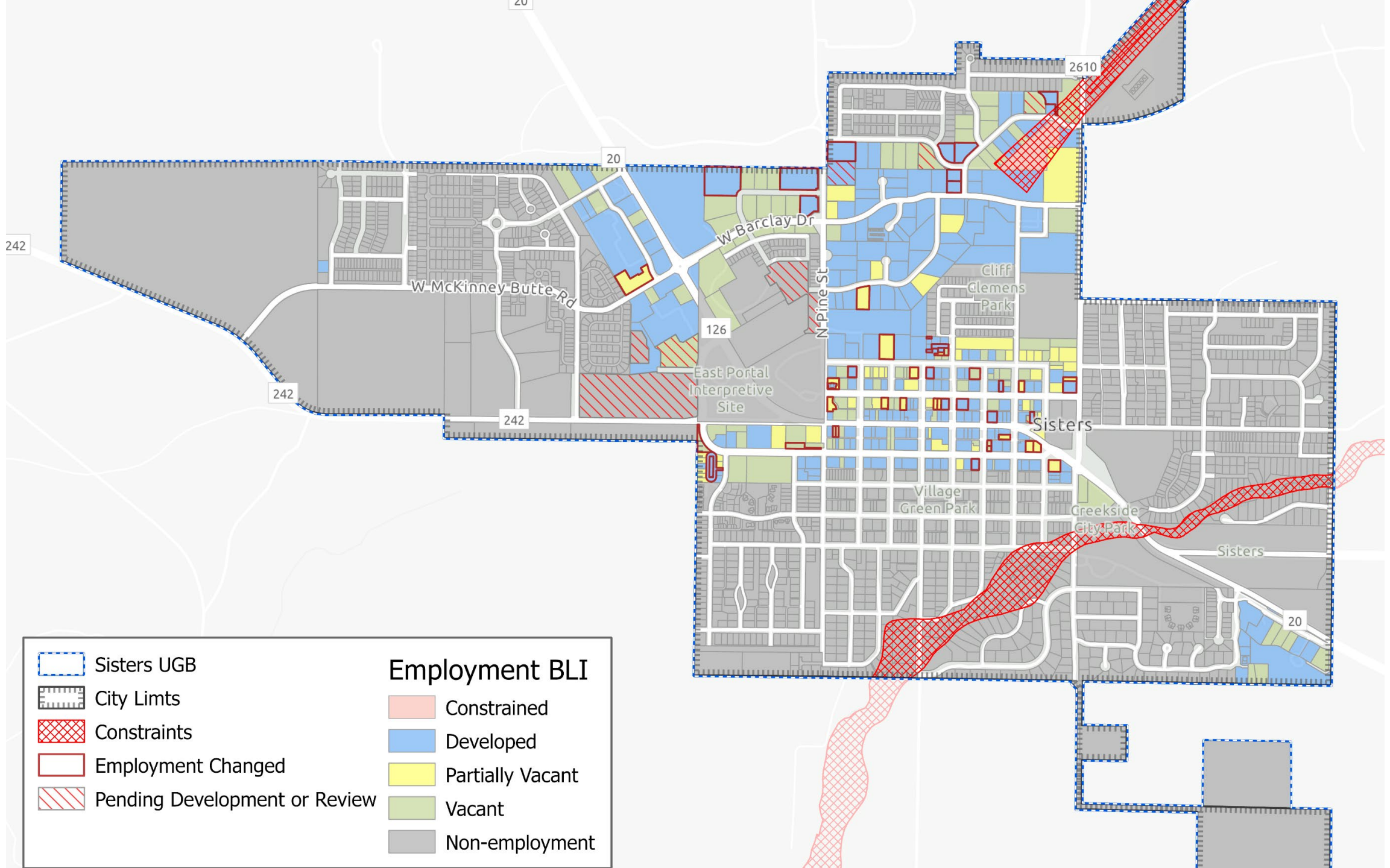
	Sisters UGB	Residential BLI
	City Limits	 Constrained
	Constraints	 Developed
	Residential Changed	 Partially Vacant
	Pending Development or Review	 Vacant
	Limited Access	 Non-Residential











Supply of Employment Land



Table 5. 2023 Buildable Employment Land

Zoning Designation	Vacant or Partially Vacant Parcels	Unconstrained Acres	Net Vacant Acres	Change in Net Vacant Acres (2020-2023)
DC - Downtown Commercial	116.0	22.9	21.9	-16.3
LI - Light Industrial	24.0	17.8	14.8	-8.5
NSBP - North Sisters Business Park	20.0	14.5	12.3	-1.8
HC - Highway Commercial	15.0	13.0	12.3	-1.3
TC - Tourist Commercial	1.0	4.6	3.3	0.0
Total	176.0	72.8	64.6	-28.3



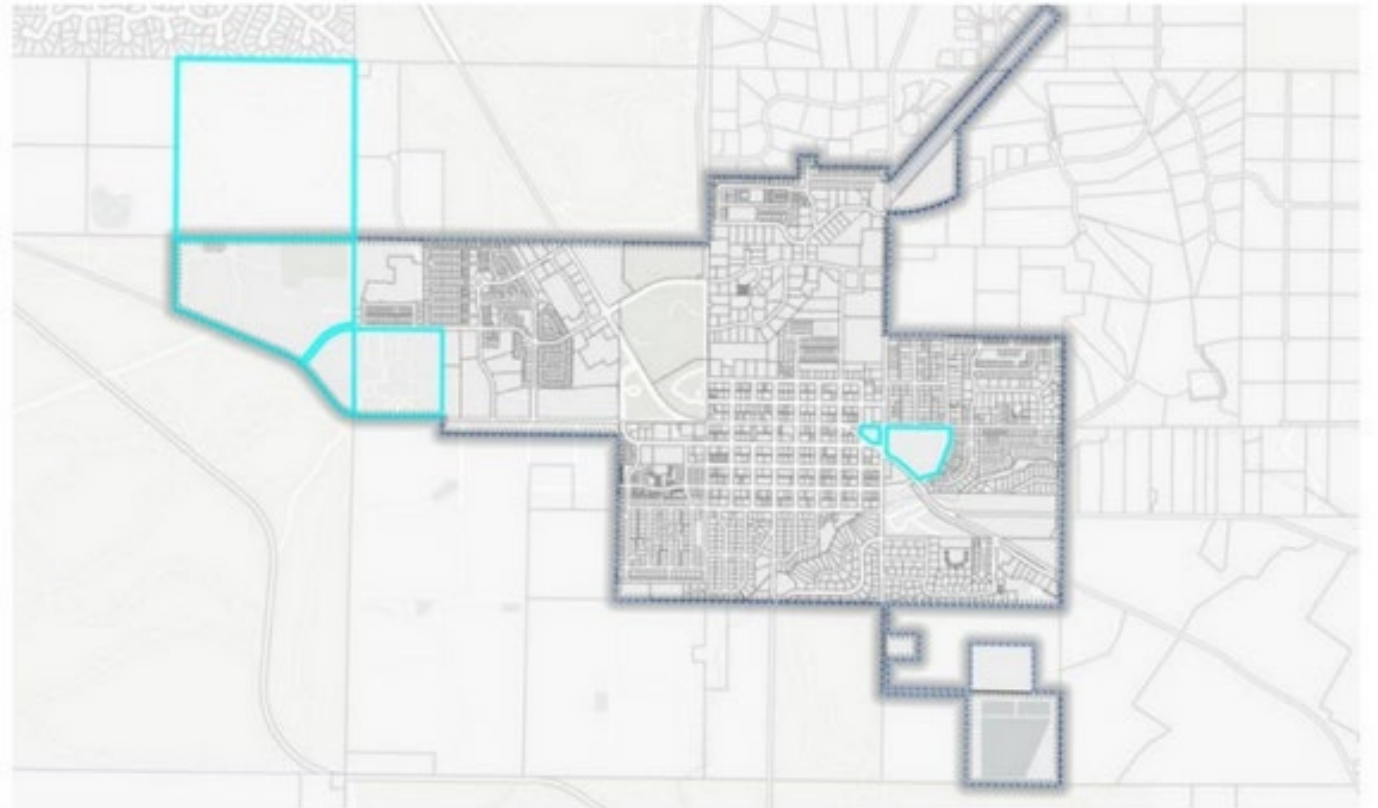
	Sisters UGB		Constrained
	City Limits		Developed
	Constraints		Partially Vacant
	Employment Changed		Vacant
	Pending Development or Review		Non-employment

Employment BLI

Additional Land Needs: Schools

- Per recent conversation with Sisters School District staff
- District may need land for an additional new elementary school by 2043 to accommodate enrollment increase

School District Properties (shown in cyan)



Additional Land Needs: Public Facilities



- Recent master plans for water and wastewater facilities do not identify need for additional land.
- Additional acreage for stormwater facilities, pump stations, etc factored into general residential/employment need



Additional Land Needs: Parks and Open Space



- Recent update to Sisters Parks Master Plan identifies need to increase total acreage by at least 6.34 acres to keep current Level of Service
- City may wish to increase Level of Service to 5.0 acres/1,000 residents. This would equal about 26 acres of additional land (much of which could be in expanded UGB).



Summary



Table EX-3. Overview of Land Needs and Supply (2023-2043)

Land Type	Demand (Net Acres)	Supply (Net Acres)	Net Acreage Need*	Gross Acreage Need**
Residential Land*	183.8	73.6	110.3-136.3	137.9-170.4
Low Density Residential	158.9	22.6	136.3	170.4
High Density Residential	24.9	50.9	-26.0	-32.5
Employment Land	106.0	64.6	41.4	51.7
Schools	-	-	15.0	15.0
Parks	-	-	2.0-19.0	2.0-19.0
Total	289.8	138.2	168.8-211.7	206.6-256.15

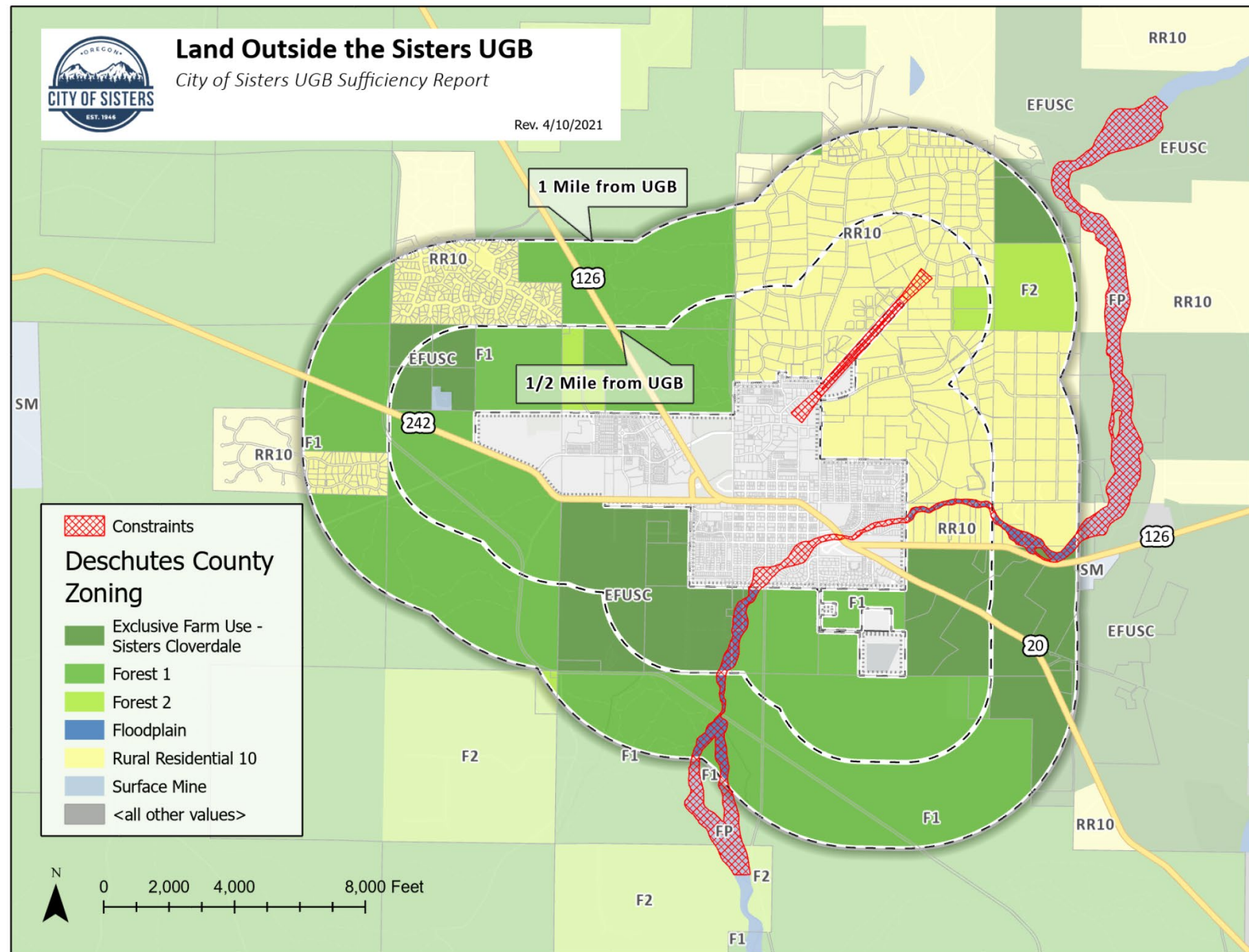
* The surplus of high density land should not necessarily be considered available to meet low-density residential needs. This potential mismatch between the supply of lands for these types of developments may need to be addressed further as part of a potential UGB expansion process and/or by continuing to monitor the relative supply of each type of land in the future. As a result, the net acreage need is shown as a range for purposes of this report.

** Gross acreage includes additional land area in order to account for needed infrastructure. This consists of new rights-of-way (20%) and stormwater/other infrastructure needs (5%).

The UGB Amendment Process

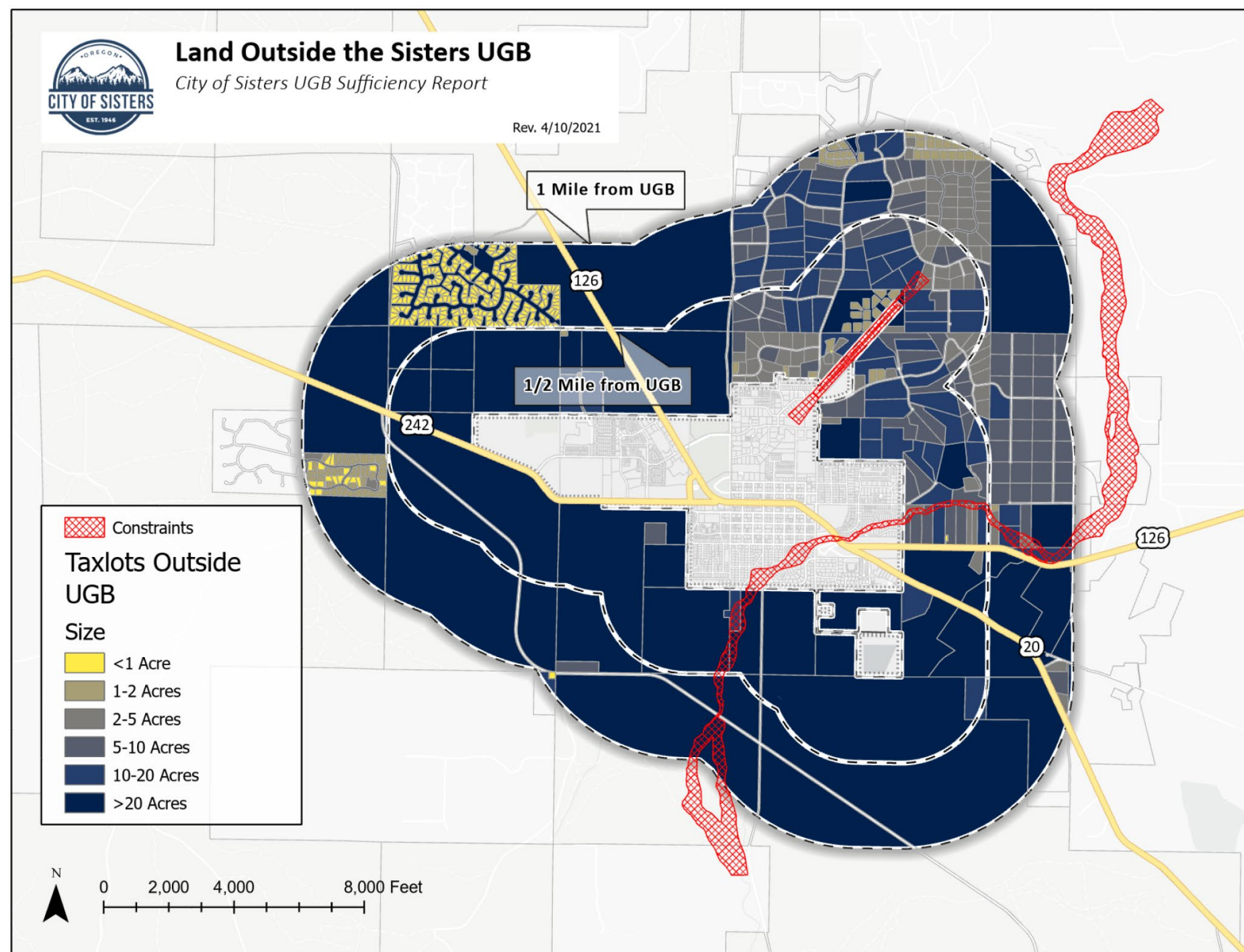
Defining the Study Area:

- Land within ½ mile of UGB
- “Exception areas” within 1 mile of UGB
- Exclude land that is impracticable to serve with utilities, contains natural hazard areas, or contains natural resources.



The UGB Amendment Process

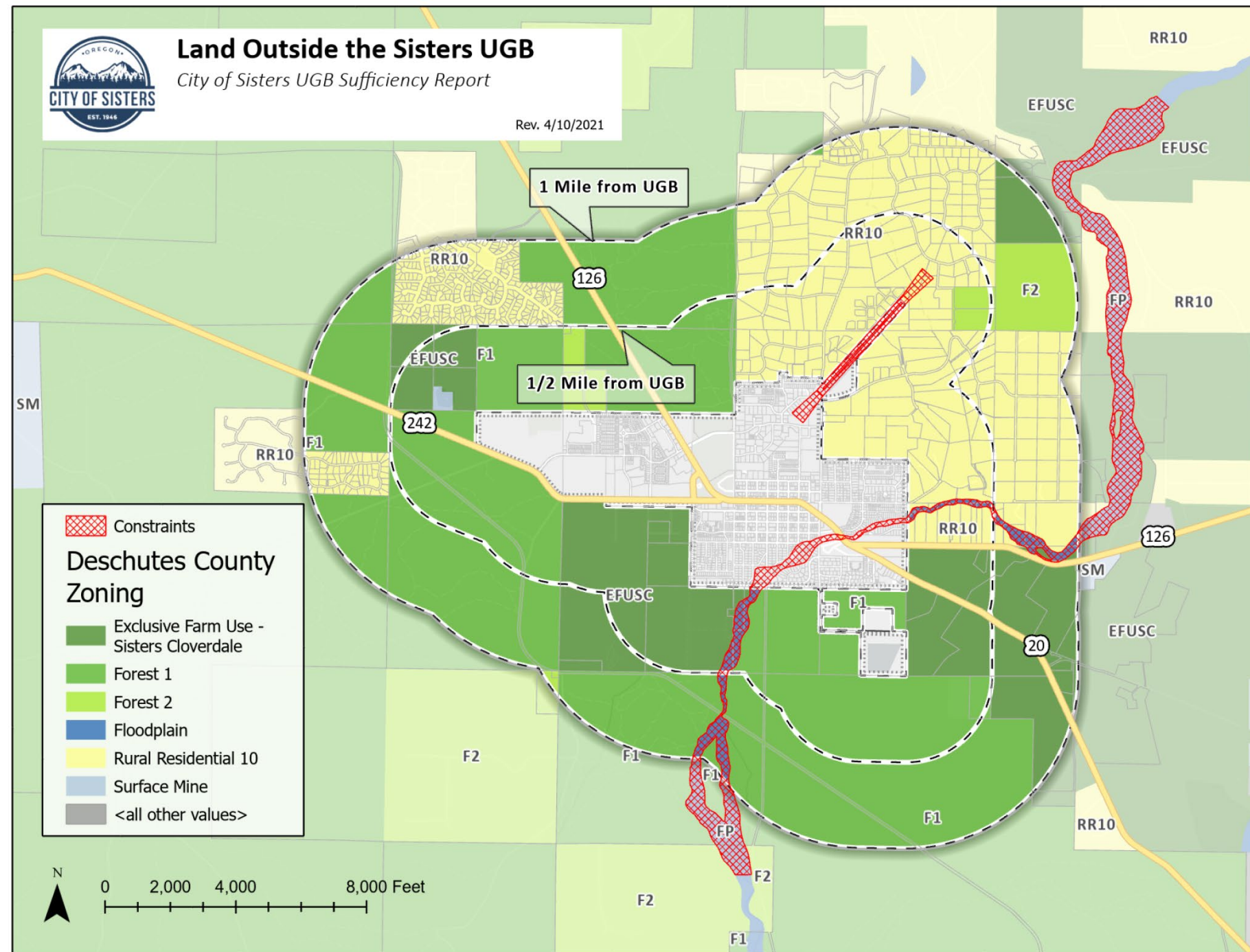
Size of expansion would depend on estimated capacity on new land



The UGB Amendment Process

Goal 14 Factors:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative environmental, energy, economic, and social consequences; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.





Next Steps

Council direction on information presented tonight (to occur at the November 8, 2023 Council meeting)

A potential UGB Amendment process would involve:

- Establishment of a framework for community review and engagement in the UGB process.
- Conduct the analysis and planning needed to support a proposed amendment to the UGB
- Evaluate lands outside the UGB using the Statewide Planning Goal 14 (Urbanization) factors
- Prepare findings and adopt the UGB amendment package through Planning Commission and City Council in coordination with Deschutes County.
- Secure DLCD Acknowledgement & address any objections or appeals.
- Annexation and rezoning of lands added to the UGB (at the discretion and initiation of individual property owners).



Discussion



Joint City Council and Planning Commission Minutes
Thursday, October 19, 2023 – 4:00 PM
City Hall Council Chambers, 520 E. Cascade Avenue, Sisters, OR 97759

Chairman: Jeff Seymour
Commissioners: Cris Converse, Art Blumenkron, Jeremy Dickman, Sarah McDougall, Tom Ries
Absent: Vickki Hickman, Gary Ross
Councilors: Michael Preedin, Mayor, Andrea Blum, Jennifer Letz, Susan Cobb,
City Staff: Jordan Wheeler, City Manager, Scott Woodford, Community Development Director, Matt Martin, Principal Planner, Emme Shoup, Associate Planner
Visitors: Matt Hastie, Andrew Parrish
Recording Secretary: Emme Shoup, Recording Secretary

I. CALL TO ORDER / DETERMINATION OF QUORUM / ADOPTION OF AGENDA

Chairman Seymour called the work session to order at 4:00 pm. A quorum was established. Adoption of Agenda – October 19, 2023. The agenda was moved and seconded. Motion carries.

II. WORK SESSION

1. City of Sisters Urban Growth Boundary Sufficiency Report Update – Presentation from the staff and consultant on the updated report.

Action Requested: Feedback and direction from the City Council and Planning Commission on the City of Sisters Urban Growth Boundary Sufficiency Analysis. Staff and the consultant will present the results of the analysis at the work session.

Background: In 2017, the City of Sisters updated the Comprehensive Plan, which included an update to its Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA), as well as prepared an Urban Growth Boundary (UGB) Sufficiency Report, which provided a framework for evaluating the results of the HNA and EOA. The report provided a high-level analysis to determine whether the city had enough land at the time within its existing UGB to meet its 20-year housing and employments needs, as identified in the HNA and EOA. The report also identified what efficiency measures the city should consider prior to pursuing a UGB expansion, which areas outside the existing UGB may represent viable expansion opportunities, and what criteria and steps would be needed to further evaluate and expand the UGB if there is a documented need to do so.

In 2022, the city went through a public process where it considered and implemented multiple efficiency measures” – tools designed to utilize the city’s existing land in a more efficient

manner. Around that time, the city also received revised population projections from Portland State University's Population Research Center, which were significantly higher than those used in the HNA, and which projected the Sister's population to double in size by 2042. This, coupled with previously identified vacant lands from the 2021 Buildable Lands Inventory (BLI) being developed, meant that the results of the Urban Growth Boundary Sufficiency Report were outdated and based on incorrect data.

Therefore, staff identified the need to update the UGB Sufficiency Report to include the revised population projections better understand where we are with our projected housing and employment needs measured against the capacity of our existing municipal boundaries to accommodate the demand in the next twenty years, as the State of Oregon land use planning law requires municipalities to do.

Summary Points: To update the report, staff, and its consultant, MIG/APG and Johnson Economics (who worked on the 2021 report), updated the housing and employment projections based on the new population numbers and updated the BLI to reflect development that has occurred since the last time it was updated in order to determine housing and employment needs. It also provides an estimate of future land needs for other uses, including schools, utilities and public facilities and parks. This results in an overview of the land needs and supply, which is detailed in the updated UGB Sufficiency Report.

Staff and the consultant will present the results of the report this October 19, 2023, joint Planning Commission and City Council work session. The purpose of this work session is to ensure that both bodies understand the information and the assumptions and methodology that have gone into it. After the work session, the City Council will hold a work session on November 8, 2023, to decide on how it wants to utilize and implement the information in the report and to direct staff on the next steps. There will be public comment at the work session and can provide their thoughts, and if we did go forward with an Urban Growth Boundary amendment there would be ample outreach and a community wide process.

Matt Hastie, MIGIAPG Consultants

Mr. Hastie stated that the parameters of this analysis is updating work that was done during the Comprehensive Plan Update, and one of the tasks during that update was to conduct an initial UGB Sufficiency Analysis and look at what we are talking about today. We are updating that work and there are several changes that we are incorporating. One, is how much and what type of development has occurred since then – how much of the land back in 2021 that was available is now not available because it has been developed or in the process of being developed. Second, the population projections that Sisters and all other communities outside the Portland Metro region use for planning purposes, come from Portland State University and those projections have been updated since the previous analysis and the future projected growth has increased quite a bit compared to what was looked at back in 2021. Basically, we updated the projected needs for housing, employment, and other things and resulting land based on those updated projections.

Mr. Hastie stated that we did something similar in terms of employment although it is not the straight line increase for employment land as it is for residential land. We updated those projections and finally, we worked with you for the last couple of years to identify, consider,

evaluate, and implement different efficiency measures for updates to the Development Code. Any city that is thinking about or pursuing an Urban Growth Boundary amendment, and before they can recommend an amendment, they are required to “consider” implementation of efficiency measures. All of that has been wrapped into this update of the previous work that was done in 2021. We also looked at housing, employment, and other types of land needs – parks and open spaces, schools, and other infrastructures.

Mr. Hastie stated that the Housing Plan and Land Use Efficiency Measures were done at the same time, and there is a fair amount of overlap between the things we looked at in those two processes, particularly in terms of things related to the Development Code amendments that were implemented to further goals that were embedded in both of those processes.

Andrew Parrish, MIGIAPG Consultant

Mr. Parrish stated that the information he is going to talk about are some of the details found in the report about housing and employment projections that are put together by Portland State University, and cities across the State of Oregon are required to use these projections. He discussed the table of today’s populations and how that translates into current households and housing units which is about 3600 people in the City of Sisters today, and about 1600 households. There are more housing units than households because the City of Sisters has a very large vacancy rate – a lot of second homes. Going forward to 2043, Portland State University is expecting a doubling of population, and that is up from the high growth rate as before, but it is even higher now and the numbers that the city is required to plan for. On the employment side, we are seeing a similar level of growth, but it is not directly proportionally to population, it considers regional trends, but we are still expecting to see a substantial growth in the number of jobs in the City of Sisters. These are the two basic components for the demand side for the land in the city.

Mr. Parrish stated that they did an update of the supply of land for this effort and gave an example of the table that shows the supply of residential land showing what was in 2020 when doing the last update of this inventory and today. For residential land, we looked at lands within the Residential (R), Multi-Family Residential (MFR), Sun Ranch Residential (SRR), and Pine Meadow Village (PMV). Basically, what we are seeing is that these areas are getting developed and built out and the change in the last couple of years in terms of acres – we have seen about 44-45 fewer acres available for residential uses in the city. For gross and net acreage, we do a typical 25 percent reduction for acreage to account for new streets, infrastructure, etc. Development is occurring and the supply of land is shrinking somewhat.

Mr. Parrish stated that the red hatched areas are called constraints so that area is in the flood plain or in the airport zone. There is some land that is considered pending development or currently under review and that has a single diagonal hatch there and that is land that is not currently developed, but kind of a pipeline projects and things that we know are occurring. The green areas are vacant land and yellow is called partially vacant but might have a small home, or a low value structure on the site but consider it to be available for future development. On the map, a lot of the areas that were green now have a red mark around them which means they have changed in the last couple of years. We are seeing subdivisions happen, lots getting built on, former Forest Service sites get developed, etc.

Mr. Parrish stated that on the employment side, we did a similar exercise in the Downtown Commercial (DC) zone, Light Industrial (LI), North Sisters Business Park (NSBP), the Highway Commercial (HC) and Tourist Commercial (TC) zones. Basically, some of this land is being developed and there are about 28 acres less available currently. He presented another map showing the industrial areas (green and yellow) are available lands, and the parcels with red boxes around them are things that have changed. It has not all been in one direction on the employment land, so there was land that was considered to be developed, but because of the way these things are calculated, the land price has gone up meaning that the value of the structure on it is less with the value of the land, so it bumped it up into a partially vacant category rather than a developed category. Overall, we are seeing consumption of employment as well. By employment it means commercial and industrial together. Basically, everything that is not a public utility and is not residential.

Mr. Hastie stated that there is land in the city that is essentially zoned for mixed-use development and in those areas, we assume a certain amount of capacity for residential and a certain amount of capacity for employment or commercial use. In those cases, we looked at the properties, where they are in relation to other housing, or employment use and made some estimates about what proportion we would assume would be developed for residential versus commercial. Particularly, in areas as part of that last round of code changes, the city will now allow purely residential use on some of those properties, a portion of those are likely to be developed for residential, some for mixed-use, some for commercial, and took our best shot at some estimates of percentages of each specific parcel.

Mr. Hastie stated that the Efficiency Measures are more about calculating things – the maps are showing what is either partially vacant or vacant, and what things have changed in terms of lands that have been developed and then taking into account the Efficiency Measures impacted the type and density of development that we expected or assumed as capacity on different properties.

III. COUNCILOR AND COMMISSIONER COMMENTS

IV. STAFF COMMENTS

V. ADJOURN