



Planning Commission Minutes  
Thursday, October 5, 2023 – 4:00 PM  
City Hall Council Chambers, 520 E. Cascade Avenue, Sisters, OR 97759

Acting Chairman: Cris Converse  
Commissioners: Art Blumenkron, Jeremy Dickman, Vikki Hickman, Sarah McDougall,  
Tom Ries  
Absent: Scott Woodford, CDD Director, Jeff Seymour, Chairman  
City Staff: Matt Martin, Principal Planner, Emme Shoup, Associate Planner  
Recording Secretary: Carol Jenkins, Recording Secretary

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

*Acting Chairman Converse* called the work session to order at 4:00 pm. A quorum was established.

Adoption of Agenda – October 5, 2023

*Commissioner Blumenkron* made a motion to approve the Agenda for October 5, 2023, as proposed.

*Commission McDougall* seconded. Motion passes.

II. VISITOR COMMUNICATION

Mark Dickens, 133 E. Black Crater Ave., Sisters, OR 97759

*Mr. Dickens* stated that he is going to comment about the STR's, as he has talked a lot about this subject, and can say that he is an expert on this by tracking this issue, been directly involved with this in multiple states, multiple towns going back to the early 1990's. He has a lot of valuable information that he would love to share and will compile some facts and figures, but wanted to bring to the attention of the Commission that the paragraph on complaints does not give the full picture. He stated that there have been 10 reported complaints for five STR's since 2020, but staff notes that this figure does not include any STR related complaints with the Sheriff's office. He stated that his concern and the entire process may be flawed and would encourage the Commission to do their own research and he can provide you with information. He addressed Ordinance 497, staff recommended that the owner-occupied requirement for people to rent out their ADU's be removed – to remove barriers to additional housing options. He stated that he is concerned because it does create the character of the reality of how these STR's function and operate in our town. He stated that the city issues STR licenses to property owners in subdivisions that have CCR's that ban them. He feels that the information is very incomplete and does not paint the full picture of the reality of how these things function and operate in our town.

III. APPROVAL OF MINUTES – September 7, 2023

*Commissioner Dickman* moved to approve the minutes for September 7, 2023, as presented.

*Commissioner Blumenkron* seconded. Motion carries.

IV. WORK SESSION

A. Review of the Short-Term Rental Ordinance

Action Requested:

*Planner Martin* stated that this is a workshop to discuss the status of the Short-Term Rental Program and provide input on possible regulatory amendments.

Summary Points:

For the 2023-24 fiscal year, the City Council adopted several goals to accomplish in the coming year. One of those goals is to “evaluate Short-Term Rental Code language to mitigate adverse impacts on the community”. The Council identified this as a priority based on community input and Councilor concerns regarding the impacts of Short-Term Rentals (STR’s). Specifically, the Council identified concerns with the availability of housing units for long-term occupancy and nuisances created by STR’s.

On September 13, 2023, staff met with the City Council for a workshop to present an overview of the STR program and seek input and direction from the Council regarding evaluation of potential changes to the program.

The purpose of this workshop is to provide an overview on the STR program, share the direction City Council provided, and receive input from the Planning Commission regarding evaluation of potential changes to the program. The staff report includes the following:

- Regulatory Framework – What is a Short-Term Rental, Regulatory History, Current Regulations.
- Regulatory Impact – Total Number of STR Units, Code Compliance Complaints, Revenue Generation.
- Next Steps – Regulatory Options to Consider, City Council Direction.

*Planner Martin* stated that it is important to frame this discussion based on the understanding of what is a Short-Term Rental (STR). The Sisters Development Code defines “Short-Term Rentals” as:

- The use of a dwelling unit (or a habitable portion of a dwelling unit) by any person or group of persons entitled to occupy the dwelling unit for rent for a period of less than thirty (30) consecutive days. Short-Term Rentals also means a vacation home rental approved under the regulations in effect through December 27, 2018, and owner-occupied short-term rentals. “Short-Term Rentals” does not mean bed and breakfast inns, hotels, and/or motels.
- Dwelling Unit – A single unit, providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation and that is lawfully connected to the City’s municipal water and sewage disposal systems unless exempt as provided by SMC (Sisters Municipal Code) 13.40.

- Based on these complimentary definitions, an STR can be operated in a variety of dwelling types including, but not limited to, single-family dwellings, accessory dwelling units, duplex, triplex, and multi-family residential subject to the specific STR requirements.

Regulatory History:

- Pre-2010 – No Specific Use Regulations.
- 2010 – Vacation Rental Allowed as a Minor Conditional Use
- 2013 – Vacation Rentals Allowed as a Permitted Use Subject to Specific Criteria.
- 2018 – Short-Term Rentals Allowed as Permitted Use Subject to Specific Use Criteria.

Current Regulations:

- Land Use Review Required.
- One Time Approval.
- 250-Foot Concentration Setback.
- Not applicable to condominiums or Commercial Districts.
- One (1) STR dwelling unit per property.
- Not applicable to condominiums or Commercial Districts.
- Transferability:
- Pre-2019 – Within 60 days of purchase.
- 2019 – Present – Not transferrable.
- Non-Conforming Uses:
- Pre – 2013 – May continue to operate if not abandoned and an operating license is maintained.
- Inspection:
- Allows staff inspection.
- Revocation:
- Allows revocation after three (3) code violations.
- General Business License required annually for individuals and companies.
- One (1) Business License required if operating multiple STR's.
- STR operator license required annually.
- One (1) STR license required for each STR.
- Review Criteria:
- Prior Use
- Contact Information
- Notice to Neighbors
- Fire and Emergency Equipment
- Good Neighbor Guidelines
- Evidence of Insurance
- No Pending Actions or Violations
- Operating Requirements:
- Compliance with applicable laws.
- Obtain Business License
- Insurance.
- License Display.
- Response to complaints.
- Reporting:
- Revocation
- Allows for denial, suspension, or revocation.

Total Number of STR Units:

- Prior to 2/2013 – Pre-Existing/Nonconforming Vacation Rental, 20 Units.
- 2/2013 – 12/2018 – Vacation Rental, 57 Units.
- 1/2019 – Present – Short Term Rentals, 34 (2 New in 2023).
- Total – 111

Code Compliance Complaints:

- Since 2020, the Community Development Department staff has recorded:
  - 10 complaints for five (5) locations.
- Nature of identified complaints:
  - Noise, Refuse, Vehicle Parking, Loose Animals.

Revenue Generation:

- Land Use Application:
  - One-time application fee for new STR requests.
- STR Operator License:
  - Annual fee for each STR Operated.
- General Business License:
  - Annual fee paid for individuals or companies.
  - Only one (1) Business License is required if multiple STR's are operated.
- Transient Room Tax (TRT).
  - Monthly tax paid for 8.99 percent tax of gross receipts.

Revenue Generation:

- Land Use Permit, \$500 (one-time), \$1,000 (2023 YTD).
- STR Operator License, \$ 100 / Unit annual, \$ 8,980 (FY 2022/23).
- General Business License, \$ 105 (annual) \$ 12,600 (FY 2022/23).
- Transient Room Tax, 8.99 (monthly), \$258,000 (FY 2022/23).

Regulatory Options to Consider:

Option 1:

- Increase Concentration Setback Requirement
- Expand the Concentration Setback from 250- feet to limit the proximity of STR's to one another and the total number of STR's in the city.

Option 2:

- Change Concentration Setback Exceptions.
- Apply the concentration setback to STR's within a condominium and/or Commercial Districts.

Option 3:

- Establish Maximum Number of STR's.
- There is currently no maximum number of STR's that can operate in the city. A maximum would explicitly limit the number of units regardless of proximity to other STR's.

Option 4:

- Prohibit in Specific Areas.

- A prohibition on STR's in particular areas of the city, such as future areas of annexation or particular zones, would limit impacts in those areas.

Option 5:

- Adjust Fees
- Changes to land use applications and license fees can serve as incentive or disincentive to establishing an STR and have a corresponding impact of revenue generation.

Option 6:

- Other
- Other changes may be identified or emerge that warrant evaluation.

City Council Direction: The Council discussed the option listed above and provided direction to evaluate and analyze the impacts of the following:

Option 1: Increase Concentration Setback Requirement.

- Instead of establishing a specific limit of STR's based on the total number or percentage of dwelling units, the Council is interested in evaluating expansion of the concentration limit to limit the number of STR's. The Council specified expansion of the concentration buffer from 250 to 500 feet to evaluate.

Option 2: Change Concentration Setback Exceptions.

- With the additional options for establishing residential uses in the Downtown Commercial District that were adopted in 2022 under Ordinance No. 526, the Council is interested in evaluating modifying or eliminating the current exemption to the concentration limits of STR's in commercial districts. Further, the Council would like to evaluate the impacts of modifying or eliminating the exemption to the concentration limits for condominiums.

Option 4: Prohibit in Specific Areas.

- There are currently no areas within the city limits where str's are prohibited. The Council would like to consider prohibiting STR's in areas that are incorporated in the Urban Growth Boundary and annexed in the city limits in the future.

Option 6: Other.

- Vacation rentals established prior to the adoption of the STR regulation in 2018 are transferrable to subsequent owners of the subject property, whereas STR's established after 1028 are not. The Council is interested in evaluating limiting or eliminating this transferability. Evaluation of this option must consider potential legal implications associated with non-conforming uses and if such a change constitutes as "taking" of a property right.

Karen Rugg, Partner, Perennial Building, 154 E. Adams Ave., Sisters, OR 97759

*Ms. Rugg* stated that they own a lot in the Adams Street Commons master planned community at the corner of Adams Avenue and Fir Street in the Downtown Commercial District (DC). They purchased the lot in December of 2021 and for 22 months have been in development for a new mixed-use building with the understanding that Short-Term Rentals would be permitted for three residential units in that building. She stated that if the STR policy changes for the Downtown Commercial zone, it could potentially render this project unfeasible.

*Ms. Rugg* gave a letter as well as a brochure to the Planning Commission regarding the Hempline Construction, which is a natural, non-toxic replacement for insulation, house wrap, exterior sheeting, and interior drywall. This information is available upon request.

Chris Mayes, 473 W. Hood Ave., Sisters, OR 97759

*Mr. Mayes* stated that he is an architect here in town and checked the box that he is neutral, but wanted full disclosure that he is Karne's architect. He wanted to discuss Option 2 which would put spacing standards in the Downtown Commercial zone and would be encouraging that because it is going to lessen the burden on other districts if there is more availability of Short-Term Rentals in the downtown core. When looking at the zoning and the purpose of Short-Term Rentals, it meets nearly all the stated goals, which is very important. Right now, there are seven (7) properties in the Downtown Commercial zone that have a Short-Term Rental when other zones have many and that is the concern. There are rules in the Building Code that make it more prohibitively expensive to build – fire sprinklers, fire separation walls and floor ceiling assemblies, etc. The character of Sisters – this is more of a mom-and-pop development type of city and community. It is more successful to have a mixed-use property where people tend to be from this area or Sisters' residences. In closing, he would advocate for no restrictions in the Downtown Commercial because it is going to elevate those pressures in the other zones and encourage it where we want it.

Mark Dickens, 133 E. Black Crater Ave., Sisters, OR 97759

*Mr. Dickens* stated that he would like to support what Mr. Mayes and his client have said because if you look at the adverse impacts of the STR's – they are in single-family residential neighborhoods and that is where they are not compatible. If they do belong, if we are going to allow them, try and steer them, encourage them, and tolerate them, we need to put them in zones and district areas that are mixed-use commercial areas and that is where the people would like to be and utilize these STR's in walking, restaurants, and keep them out of the single-family neighborhoods. He suggested putting back the owner/occupied requirement because it would solve a lot of the problems. If the property owner is required to live on the property and rent out rooms, the house, the ADU, or detached guest house, that is going to solve a lot of problems. It would be a good idea for Sisters to look at what other towns have gone through and how this is played out.

*Commissioner Dickman* stated that he would like to see what other towns have gone through and if there is any feedback that we have received over time say Cannon Beach, etc.

*Commissioner Blumenkron* stated that he has a place in Yachats, and you cannot transfer if selling the home, and they have a cap on how many units' period. People are on a waiting list for a long time to be able to have a Short-Term Rental.

*Planner Martin* stated that this was to give the background and status update of where we are at and where we are looking to go. We will certainly look to those other like jurisdictions that have programs in place for successes or challenges that they have with their regulations and not reinvent the wheel. We do have examples that we can look to for guidance, and an evaluation process, etc.

*Commissioner McDougall* asked if the City Council had any interest in doing the owner/occupied piece. She stated that she does have interest in that, etc.

*Planner Martin* stated that they did not highlight that as a priority. It is going to be about the details of how the code is written and back to the concerns of changing the code while already operating under a certain set of rules. We need to be careful and there may be options under the Municipal Code – the operating license to put some other side boards on how they operate or continue.

*Commissioner Ries* stated that the interesting dilemma with limiting the number, or just using a percentage – if you make it a percentage of Short-Term Rentals based on how many homes you have, or units you have, as the housing increases then that number of units increases. If we put 250ft or 500ft – it will take care of itself as opposed to a strict number. He stated that he would support increasing the required number of days that you have to rent it over the course of the year – not just one day and making it 12, 14, or even 20. Enforcement with anything is difficult and he would encourage the city to come up with a plan, etc. He believes that they should not be transferrable upon the sale of the home – and would like to see that data and not change the commercial requirement.

*Planner Martin* asked the Commission if they have majority support for not applying the exemption to the condominiums or exploring it. He stated that he is hearing feedback on the general program administration, how we get the reporting, and what kind of system for fines or penalties. We talked about limiting the transferability of underlying approvals which came from the City Council.

*Planner Martin* stated that the staff welcomes input from the Commission regarding these identified options and others to consider. Based on the input of the Council and Commission, staff will conduct a comprehensive evaluation of the identified options. This evaluation is intended to consider examples from other communities, stakeholder input, and data analysis. Staff will return to the Council for a subsequent workshop to report on the findings and seek additional direction. Staff will then report to the Commission with an update and, if directed by Council, initiate the text amendment process.

V. STAFF AND COMMISSION COMMENTS

There was a conversation about parking and the number of cars and how to park them.

*Planner Martin* stated that we can explore that, and we do have the standard parking requirements for any development that is within the Development Code. There are enforcement related challenges with allowing a certain number of vehicles that park on site, etc. and how to administer that code provision.

*Planner Martin* stated that the upcoming Planning Commission meeting is going to be a joint meeting with the City Council. The primary topic is a report on the sufficiency analysis within the Urban Growth Boundary. We will be exploring residential lands, available commercial properties, parks, and other public facilities land to identify how we are doing within this current Urban Growth Boundary with our current provisions and moving forward.

*Planner Martin* stated that we did receive an Appeal of the Planning Commission 'Affirming' the staff decision on the Brunchies Temporary Use permit and will go before the City Council next Wednesday.

VI. ADJOURN

The meeting was adjourned at 5:30 pm.

Respectfully submitted,

Carol Jenkins, Recording Secretary