

MINUTES SEASIDE PLANNING COMMISSION
June 4, 2019

CALL TO ORDER: Chair Chris Hoth called the regular meeting of the Seaside Planning Commission to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

ATTENDANCE: Commissioners present: Chair Chris Hoth, Vice Chair David Posalski, Bill Carpenter, Lou Neubecker, Robin Montero and Teri Carpenter. Staff Present: Debbie Kenyon, Administrative Assistant, Kevin Cupples, Planning Director, Absent: Jon Wickersham

APPROVAL OF MINUTES: May 4, 2019 adopted with the corrections Chair Hoth stated.

INTRODUCTORY STATEMENTS

This is the time duly advertised for the Seaside Planning Commission to hold its monthly meeting. Agenda items can be initiated by the general public, any legal property owner, Seaside City Council, City staff, and the Seaside Planning Commission.

Chair Hoth asked if there was anyone present who felt the Commission lacked the authority to hear any of the items on the agenda. There was no response.

PUBLIC HEARING PROCEDURES, EX PARTE CONTACTS & CONFLICTS OF INTEREST:

Chair Hoth stated it is standard procedure for the members of the Commission to visit the sites to be dealt with at these meetings. He then asked if any of the Commissioners wished to declare an ex parte contact or conflict of interest. Commissioner Bill Carpenter stated that he was at the City Council meeting on January 28th. Chair Hoth asked if he is excusing himself from the hearing, Commissioner Bill Carpenter stated no.

AGENDA:

PUBLIC HEARING REQUIREMENTS:

The following public hearing statements were read by Chair Hoth:

1. The applicable substantive criteria for the hearing items are listed in the staff report(s) prepared for this hearing.
2. Testimony and evidence shall be directed toward the substantive criteria listed in the staff report(s) or other criteria in the plan or land use regulation, which you believe applies to the decision.
3. Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision maker and the parties an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals on that issue.
4. The applicant will testify first, then any opposition will testify, and then the applicant will be given time for rebuttal.

PUBLIC HEARING:

- A. **19-026CU:** A conditional use request by **Terry Lowenberg** that will establish a residential use in conjunction with a permitted use. The one bedroom dwelling unit will be on the second floor of the existing commercial building located at 1616 S Roosevelt (T6, R10, 21DD TL: 9400). The property is zoned **General Commercial (C-3)** and the use is conditionally permitted in the zone.

Kevin Cupples, City Planning Director, presented a staff report, reviewing the request, decision criteria findings, conditions and conclusions.

Chair Hoth asked if there was anyone who would like to offer testimony in favor of the request. Terry Lowenberg, 3457 Hwy 101 N, Gearhart OR 97138. Mr. Lowenberg stated that there is enough parking on site. They haven't used all the parking that is currently on site.

Chair Hoth asked if there was anyone else who would like to offer testimony in favor of the request. There was no response.

Chair Hoth asked if there was anyone who would like to offer testimony in opposition. There was no response.

Chair Hoth indicated the issue was opened for Commission discussion. Commissioner Bill Carpenter asked if this is the same building that the commission granted a similar request on the west side of the building. Mr. Lowenberg stated yes. Commissioner Montero asked if that apartment was currently occupied. Mr. Lowenberg stated that it just became vacant but had been rented for the last two years.

Chair Hoth asked just out of curiosity if the second floor is already there. It's just more like an office or storage space and you're turning it into a living quarters. It's not like you're building another level, the second level is already there. Mr. Lowenberg stated that is correct.

At the end of the Commissioners discussion, Chair Hoth closed the public hearing and Commissioner Bill Carpenter stated that he is very much in favor of this and would like to encourage more of it in our city, residential over commercial. He would like to propose that we approve this request with conditional use under the guidelines that staff has presented. Vice Chair Posalski seconded and the motion was carried unanimously.

B. 19-027VRD: A conditional use request by **Mark Parmelee** for a **4 (four)** bedroom Vacation Rental Dwelling (VRD) permit with a maximum occupancy of **10 (Ten)** people regardless of age. The property is located at **330 17th Avenue (T6-R10-16DA-TL2602)** and it is zoned **Medium Density Residential (R2)**.

Kevin Cupples, City Planning Director, presented a staff report, reviewing the request, decision criteria findings, conditions and conclusions.

Chair Hoth asked if there was anyone who would like to offer testimony in favor of the request. Erin Barker, 800 N Roosevelt, Seaside. Beach Property Management, they do both long and short term rentals and Mark Parmelee owner of the property from Hillsboro. Erin stated that she used to manage their home in Gearhart. Mark was having problems with the tenant in this particular property so she helped him take care of the problem. He has spent months trying to get this place fixed back up. During the process of fixing this up Mark has decided that he would actually like to use it himself. He is recently retired and he has three other affordable housing units currently. They are renting them under the current market value. He wants to keep the tenants there. He would like to use this one as a short term rental, that way he can use it when he is in the area and also make up some of the funds that he had to use to repair it. He had to put \$12,000 to \$15,000 into this property after the last tenant left. Mr. Parmelee stated that he bought this particular property in 1995. In 1997 he bought another home 220 17th Avenue and then in 1999 he bought the house next door to that. He sold his business and as of May 1st this year and is now retired. Now he has time to work on his houses here and maybe use this particular one two weekends a month. This way he can do the repairs himself on his rental properties and not pay contractors from Portland to come down and work on them.

Chair Hoth asked if there was anyone else who would like to offer testimony in favor of the request. Bill Neilson, 306 17th Ave, Seaside. He has been a tenant of Mr. Parmelee for the past eight years and not once has Mr. Parmelee raised the rent. Mr. Neilson is a single dad and his son is a sophomore at Seaside High School. In the eight years that he's been renting there, there have been some really interesting tenants. When he first moved in there were six college age men living at this home and it was a party house. Mr. Neilson worked a lot of late nights and would get home sometimes around 2 am and the party next door would be going on until five or six in the morning. Then there was a couple who lived there and it was still pretty rough and they trashed the place. There are a couple of vacation rentals around the corner and those are very pleasant. Their empty most of the time and then in the off seasons there is nobody there. When there are people there it's all families and they want to come here to enjoy the beach. There really isn't any traffic on 17th because there is one way in and one way out.

Chair Hoth asked if there was anyone else who would like to offer testimony in favor of the request. There was no response.

Chair Hoth asked if there was anyone who would like to offer testimony in opposition. There was no response.

Chair Hoth closed the public hearing and indicated the issue was opened for Commission discussion. Commissioner Montero asked Mr. Cupples about the findings and justifications statements item number four. The property has not undergone a preliminary compliance inspection

and what is the normal procedure for doing so when an application has been submitted, then you go out for inspection and then if it passes the inspection the permit is granted or how does that work?

Mr. Cupples stated the inspection is a requirement. Sometimes they have an inspection done before he does the report or they'll have the inspection done as a condition of them getting authorization to do a vacation rental. And the inspection is really just, more or less a safety inspection to see, do you have smoke alarms? Do you have carbon monoxide alarms? Do you need handrails that aren't put up? Because as a long term rental, they may have stairs that don't have the required handrails. That is something that's going to be put on a punch list. Let's say that you approve this request and it's got a condition that the inspection has to be done, they have to pass everything, they won't get a business license until all of the things on the checklist have been checked off. The one thing that he puts into the conditions is that everything has to be done within the time period that is specified because there are open ended time periods for some things. The gravel is one thing on this particular home because you're not dealing with a paved street so he's not making them pave the parking. But everything else, all the safety stuff is basically stuff that they have to do before they get the VRD license. We've got a standard list of items that are most common. Vice Chair Posalski stated that he noticed the paving, it says if 17th Avenue is paved, is there a time frame after that they have to get it done? Mr. Cupples stated that it doesn't and he doesn't have one in there, but normally when the street gets paved the neighboring property owners would take advantage of the fact that they have a paving contractor there and have the paving done at that time. It doesn't have a specific time period. He has said that it should be within a year after the streets has been paved, but usually you're going to do it right away. Vice Chair Posalaki stated that he also saw the landscaping issue. That's something that can be completed before they get the license, correct? Mr. Cupples stated yes. Chair Hoth asked if there is enough space that they could do half of the front yard and you still would not intrude on the parking. Mr. Cupples stated yes. Commissioner Teri Carpenter asked if they eventually do the paving and put in sidewalks and all of that, is there still enough room to park between the garage and the front. Mr. Cupples stated that they have more than enough. He doesn't remember what the setbacks are on the plan, but it's back at least 25 feet. So you could easily park his clown car and Bill's car in there back to back and probably have enough room to put a third car in without even using the garage because there's still space underneath the front deck.

Chair Hoth asked even though there is a lot of parking in the front the garages are expected to be part of the plan. They are empty and available. Erin stated that yes they are available for parking.

At the end of the Commissioner's discussion Vice Chair Posalski made a motion to approve the conditional use under the guidelines that staff has presented. Commissioner Bill Carpenter seconded and the motion was carried unanimously.

- C. 19-035VRD** is a conditional use request by **Nicolina Dejeu** for a **three (3)** bedroom Vacation Rental Dwelling (VRD) permit with a maximum occupancy of **nine (9)** people over the age of three. The property is located at **470 16th Avenue (T6-R10-16AD-TL00901)** and it is zoned **Medium Density Residential (R2)**.

Please be advised, no staff report was prepared for this item. The applicant requested a continuance to the July 2nd Planning Commission meeting because they would not be able to attend this meeting. The adjacent property owners were mailed notice of the continuance and we do not plan to take testimony on this item.

Chair Hoth stated that the third item on the agenda tonight, 19-035VRD is a request for a continuance to the July 2nd. Is that still accurate? Mr. Cupples stated yes, because the applicant indicated they wouldn't be able to attend the meeting. They formally requested a continuance and also agreed to extend the time limit for a decision to equal number of days that they're asking for that delay. You have to be careful because you're supposed to make a decision within a set period of time and if they don't do that, then that time is lost. So they authorized everything to be extended in writing. Chair Hoth stated that we will need a motion to grant this. Vice Chair Posalski stated so moved. Commissioner Neubecker seconded and the motion was carried unanimously.

ORDINANCE ADMINISTRATION:

Mr. Cupples stated that he received information from Bonnie and he wanted to make sure that the planning commission had a chance to look at it while you're taking into consideration changes to VRD

ordinances and/or policies. He also wanted to let the commission know that following the last work session he did a summary of what the planning commission discussed and that brief summary has been passed along to Randy Frank and Steve Wright. They are slated to do their update to the council on their goals so that information is being passed along. There will be a summary of what you had discussed at that meeting and that's incorporated into that same thing that you did for the work session he just put a note in the summary down at the bottom. More work on VRD's to come.

Vice Chair Posalski asked if he could get clarification on where this other document came from. Mr. Cupples stated that it came from Bonnie Woodman. Mr. Cupples stated following the work session, he asked Bonnie if she'd be willing to put together what her interests are in what could be incorporated into the vacation rental policy and she was willing to provide it.

COMMENTS FROM THE PUBLIC:

Terry Lowenberg stated it's been a while since he's been here and you're all new to him because he used to be here frequently. He has done a little bit of development around the area and he's run up against a little stone wall in this project. He's got two or three of these in the area. He has been concerned about the lack of housing for which he's sure the commission has had lots of discussions about and it's quite a concern in most communities. With that being said he's putting in an apartment for which you just approved. The city wants to charge him \$10,000 in SDC's for him to put that in there. The whole facility was \$10,000 or \$11,000 to build. The same price to put in a bathroom and a kitchen to add on to property. It seems to him that it should be a fixed number if you add on a certain amount to the building, not the whole thing all over again. He is not the only one in the community that wants to add on, but is not going to because they cannot afford to add on. Just to get that money back would take over a year worth of rent just to recoup the cost. So it's not worth building housing here and there's lots of guys talking about building housing here, but they won't because of the systems development fee is extremely high. So he thinks when he adds on now it should be prorated according to what you have, not the full fledge fee. He's sure that's something you have to study, but it's stopping a lot of housing. Chair Hoth asked Mr. Cupples who established those fees. Mr. Cupples stated that the city council adopts the SDC fees and the SDC's are derived through a study and it has been talked about at the council level the possibility of scaling those based on what it is. Because right now it's a flat fee. If you build a 5,000 square foot house or a 500 square foot house, the SDC is the same. But currently that hasn't caught up with anything. And he doesn't know what the future is for SDC's and Seaside. He knows that was one of the recommendations in the housing study is that they be scalable. They are in fact bondable and so you can actually pay them off over time but you're also going to pay interest. That is one of the things that could be looked at as far as potentially making new housing more affordable. Chair Hoth stated that's the city council budgetary and money matters and that is under their purview. Mr. Cupples stated that he has never had the planning commission nor has the planning commission ever had a part in setting SDC's as far as he knows.

Mr. Lowenberg stated that he understands that, but he also believes that the planning commission plays a part of what goes on in the city as far as what's going to be built and what's not going to be built. The commission has pretty good recommendations to be able to help out with getting that fixed. Vice Chair Posalski asked is it only charged when a residential dwelling is built or any building? Mr. Cupples stated there is a formula for figuring out what the SDC is going to be. Vice Chair Posalski so what if the building is there. Mr. Cupples stated the SDC is supposed to be capturing what demand is being added to the system. If you have a bathroom in a commercial business, it's not going to generate the same SDC fee as a dwelling unit. A dwelling unit means that you've got additional people adding usage on the system. That means, you're paying a different water SDC based on your usage and sewer. They're all done by formula. So it's a matter of math in saying what we think we need for our future for the city and are you going to make the new users on that system pay or are you going to charge the rate payers that are already on the system that fee. Vice Chair Posalski stated so when you say that there's a formula, there's a formula for what each new door is going to be? Not necessarily what the project itself is. Mr. Cupples stated it's not doors it's based on what the use is. What type of door is maybe more like it. Vice Chair Posalski stated so a one bedroom apartment is going to pay a different amount than a 4,000 square foot house? Mr. Cupples stated no, a one bedroom apartment is going to pay the same as a four bedroom house. Vice Chair Posalski asked what formula are we talking about? Mr. Cupples stated that under the current SDC fees a dwelling unit is a dwelling unit. Vice Chair Posalski stated so if it's a six plex? Mr. Cupples stated then it would be six dwelling units and they would pay six SDC's. Vice Chair Posalski stated okay. He was just trying to clarify because Mr. Cupples said there was a formula that was used and it doesn't sound like there's a formula. Mr. Cupples stated there's a rate structure for SDC's. When someone says I want to do X, you look on that and say, oh, this is what your SDC charge will be. When they did this study, this is what was adopted as the fee. It's a fee schedule, but it was

based on an analysis of the system, the future needs of the system and what those impacts are to the system. Vice Chair Posalski stated so there was a formula in what the city is going to need for future use, but it has nothing to do with the project itself.

Commissioner Montero stated that this should be a work session with city council because this needs to be addressed. Commissioner Teri Carpenter asked if the fee ever goes up? Mr. Cupples stated that anytime there is a reevaluation of the SDC fees, they can be adjusted up or down depending on what it is. Commissioner Teri Carpenter asked about the size of the project, does the fee ever go up or is it a constant \$10,000. Mr. Cupples stated it's currently an extra \$9,454.11 for each dwelling unit. Mr. Lowenberg stated that's very discouraging for builders. For a six-plex that would be \$60,000 in system development fees not including the building permits. Chair Hoth asked if there been some discussion at the council level. Mr. Cupples stated he doesn't know to what extent he just knows that it has been mentioned. And then there's the argument of, well, you just want to make sure that you've got your system paid for. You're not dumping it all back on the existing users.

Mr. Lowenberg asked if Mr. Cupples knew of any place that is as high as Seaside. Mr. Cupples stated he knows places that are much higher than this. They're not here in the county, but ours would be considered a deal in some places because he's had people say, wow, really? That's it. But they're not local. Mr. Lowenberg asked have you had people say, "Wow. Really? That's expensive." Mr. Cupples stated well that's definitely you.

Erin Barker asked if commission wanted to see the monthly report that she was asked to do. Chair Hoth stated yes if she has it with her. She hasn't received any phone calls from Bonnie so she assumes everything is fine.

COMMENTS FROM COMMISSION/STAFF:

ADJOURNMENT: Adjourned at 7:34 pm.

Chris Hoth, Chairperson

Debbie Kenyon, Admin. Assistant