



STAFF REPORT

Meeting Type:	City Council
Meeting Date:	November 17, 2025
From:	Kelly O'Neill Jr., Development Service Director Patrick Depa, Senior Planner
Subject:	PUBLIC HEARING: Ordinance 2025-32 - House Bill 4064 Administrative Code Modifications

DECISION TO BE MADE:

Hold a legislative public hearing to review and take comments on the proposed prefabricated, modular, and manufactured housing product code amendments to various chapters in Title 17, of the Sandy Municipal Code in compliance with House Bill 4064, and decide whether to adopt Ordinance No. 2025-32.

APPLICABLE COUNCIL GOAL:

- **Goal 6.9** - Ensure compliance with state legislative and regulatory mandates through code amendments that are responsible and reflect the community's values.

BACKGROUND / CONTEXT:

In 2023, Sandy became one of ten jurisdictions to receive grant-funded Code-UP project technical assistance to identify needed updates to local development requirements, consistent with guidance and recommendations identified in the Oregon Prefabricated and Modular Housing Model Code and Audit Workbook. The Code-UP project was a component of a wider initiative being led by the Oregon Mass Timber Coalition (OMTC) to promote the development of mass timber construction in Oregon.

Changes to State law, including House Bill 4064 (HB 4064, 2022),¹ have resulted in updates to the definitions and regulations related to manufactured dwellings, prefabricated structures, and manufactured dwelling parks. By adopting these amendments, the City will adhere to the ORS 197.478 requirement that local governments allow prefabricated dwellings and manufactured homes on all land zoned to allow the development of single-unit dwellings (within an urban growth boundary).

The majority of the Code-Up work was completed in 2024. On February 18, 2025, the City Council and the Planning Commission held a joint work session ([meeting link](#)) to hear the recommendations from the Code-Up audit (Attachment 1). Staff and consultants requested input from the City Council and the

¹ House Bill 4064. <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4064>

Planning Commission on the proposed amendments to the Sandy Development Code ("Code"). At the work session the City Council and the Planning Commission asked staff to return with amendments in adherence to state law, but not the recommended code amendments related to Cottage Clusters and Accessory Dwelling Units (ADU).

On October 27, 2025, the Planning Commission held a legislative public hearing (meeting link) and moved to recommend adoption of the proposed code amendments associated with Ordinance No. 2025-32.

KEY CONSIDERATIONS / ANALYSIS:

Comprehensive Plan Review and Recommendations

The existing Comprehensive Plan housing goals and policies do not conflict with the recommended updates. The proposed code amendments are also in compliance with the Statewide Planning Goals as explained in Exhibit B.

Code Amendments Summary

The recommended code amendments are focused on compliance with House Bill 4064.

Text modifications are included for the following Development Code sections:

- **Section 17.10.30 – Meaning of Specific Words and Terms.** Revise existing housing definitions to be inclusive of prefabricated dwellings.
- **Section 17.12.10 – Type I Administrative Review.** Clarify that manufactured dwellings and prefabricated dwellings within manufactured dwelling parks are subject to a Type I review.
- **Residential Zones (Sections 17.34, 17.36, and 17.38).** Minor amendments to ensure consistency with state rules for manufactured homes and prefabricated dwellings.
- **Design Standards and Review Procedures (Sections 17.90.10 and 17.90.40).** Ensure design standards that apply to single-family also apply to ADUs and prefabricated dwellings.
- **Section 17.90.150 – Residential Design Standards.** Manufactured homes and prefabricated dwellings shall provide a minimum of four design elements, regardless of the garage width percent.

BUDGET IMPACT:

City Attorney charges

RECOMMENDATION:

Staff and the Planning Commission recommend that the City Council hold a public hearing, discuss the proposed code modifications, and vote on the attached ordinance with the proposed code amendments.

SUGGESTED MOTION LANGUAGE:

"I move to approve the first reading of Ordinance No. 2025-32."

LIST OF ATTACHMENTS / EXHIBITS:

- Attachment 1. Memo from MIG (Code-Up Audit for Mass Timber)
- Attachment 2. Ordinance No. 2025-32
 - Exhibit A. Code Amendments
 - Exhibit B. Statewide Planning Goals – Findings
- Presentation Slides