

City of Sandy City Council: HPS Legislative Hearing

November 17, 2025





Agenda

- Requested changes at Oct 6 work session
- DLCD feedback received
- Planning Commission public hearing
- HPS Background
- HPS Strategies
- Next Steps



Requested changes at October 6 work session

- Clarified time place and manner accomplishment.
- Included 2023 Transportation System Plan and 2022 Water Master Plan as recent accomplishments.
- Specified consideration of triplexes and fourplexes in R-2 and R-3 zoning districts for the middle housing option strategy.
- Spelled out ‘National Pollutant Discharge Elimination System’.
- Consistently used ‘homelessness’, and not ‘houselessness’.
- Provided further granularity regarding recent building permit activity.



DLCD Feedback Received on October 19

- Under the “Implementation Steps” section, specify what “completion” means.
- Identify the types of projects the construction excise tax will fund.
- Zoning code amendments allowing more middle housing should be adopted a year earlier.
- Adopt accessible design development code modifications.
- Outline criteria to measure success for each strategy.
- Include a discussion of existing and expected barriers to the development of needed housing.



Planning Commission public hearing

- The Planning Commission held the legislative public hearing on October 27, 2025.
- The Commission recommended the City Council approve Ordinance No. 2025-30, adopting the Sandy HPS, including the modifications and clarifications as recommended by DLCD.
- The HPS project team has since incorporated the DLCD feedback as track change edits in the HPS report (Exhibit A.).



Background

- City adopted the *Sandy Housing Capacity Analysis (HCA, 2024)*
 - HCA identified 20-year housing needs of 2,424 dwellings (60% detached, 12% middle housing, 28% multifamily)
 - Current consent decree limits new development that impacts the sanitary sewer system
 - Addressing state regulations will take years and more funding
- To comply with Oregon planning regulations, a Housing Production Strategy (HPS) is required to identify local policies needed to address future housing needs for people and households at all income levels

The Sandy HPS includes the following topics:

- A. Introduction
- B. Discussion of Housing Policies
- C. Strategies to Meet Future Needs
- D. Discussion of How Strategies Address Fair and Equitable Housing Needs
- E. Appendix A: Contextualized Housing Need
- F. Appendix B: Pre HPS Survey

HPS Strategies





Regulations and Adequate Public Facilities

Current wastewater & sanitary sewer regulations and requirements restrict new housing development in Sandy.

- **B1:** Pursue accommodations from the State to make science-based improvements to NPDES Permit.
- **B2:** Adopt Wastewater System Facility Plan Amendment.
- **B3:** Pursue non-local funding match for wastewater system.
- **B4:** Construct necessary wastewater conveyance.
- **B5:** Improve Wastewater Treatment Plant and related system infrastructure.



Lifting ad hoc moratorium with adequate facilities will serve 2,400+ new dwellings

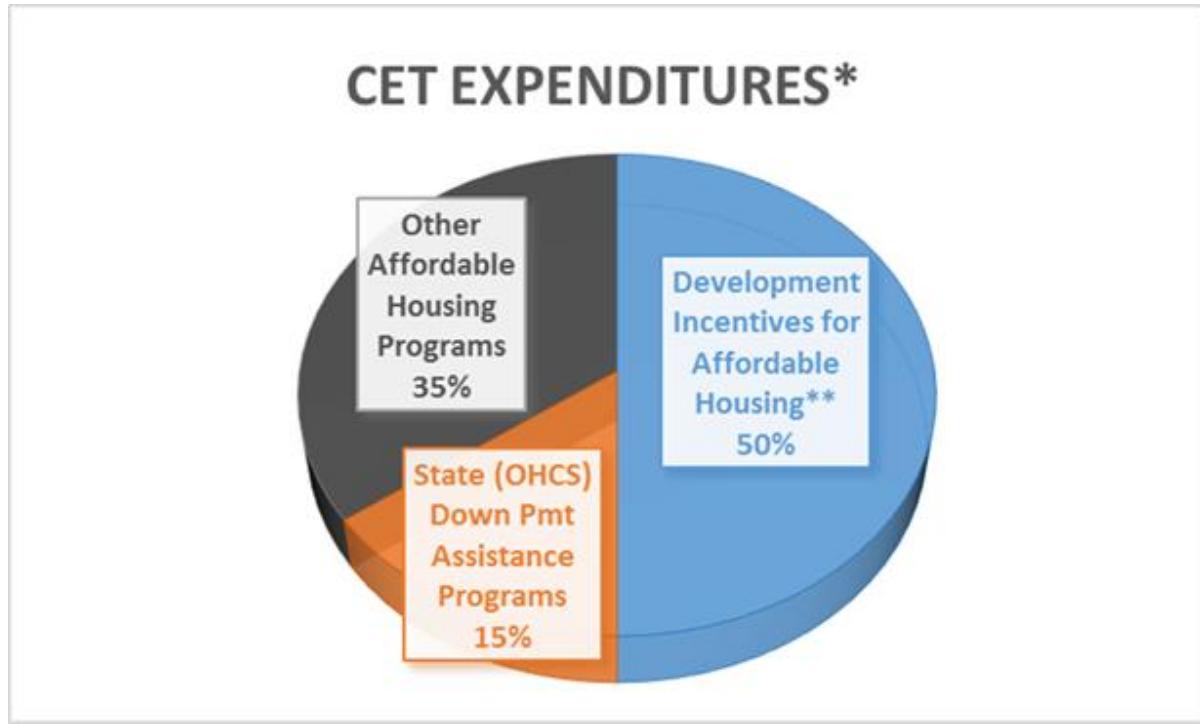
Enhanced equity and inclusion for households at all income levels, as a mix of new housing types are added

Requires \$200 million to fund
Local, State, Federal grants
Value engineering & regulation reform could reduce cost.



Affordable Housing CET Discussion

- **C1: Affordable Housing Construction Excise Tax (CET).**
- Assessed based on % of “permit value” or the value added to a structure during new construction.
- CET limited to 1% of permit value for residential (no cap for non-res., if applicable).
- Revenues are restricted.



** This distribution reflects the use of expenditures after 4% administration fee. ** Developer incentives include ORS 197.309(7) voluntary incentives to: increase number of affordable housing units in a development; decrease the sale or rental price of housing units; build affordable housing units that are affordable to households with incomes equal to or less than 80% MFI.*



Zoning & Code Changes

- A1: Amend zoning code to allow additional middle housing options.
- A2: Provide pre-approved plans that meet accessibility goals (e.g. Universal Design).
- A3: Monitor and require registration for short term rentals.
- A4: Support preservation of manufactured home and mobile home parks.



Focuses on 300+ units of naturally occurring affordable housing

Supports middle-income housing & long-term rentals

Equity and inclusion for households at 80% or below MFI (2,000+ households)

Addresses needs for people with disabilities

Moderate Revenue enhancement from short term rental registrations



Partnerships

- **F1: Utilize surplus public land for future housing development.**
- **F2: Expand partnership with local service providers and continue to fund the Community Services Officer to support the homeless population.**



Proactive local policy for leveraging private investment using surplus public land

Partnership with AntFarm; CSO assists very low-income households & individuals

Moderate fiscal impact
Could utilize CET funds, grants, & land lease revenues

Next Steps



- City Council adopts the HPS
- DLCD review of Final HPS Report after local adoption

