



STAFF REPORT

Meeting Type: City Council
Meeting Date: September 3, 2024
From: Kelly O'Neill Jr., Development Services Director
Subject: Approval of IGA with DLCD: Housing Production Strategy (HPS)

DECISION TO BE MADE:

Whether to authorize the City Manager to enter into an IGA (Exhibit A) with the State of Oregon Department of Land Conservation and Development (DLCD), which will contract with ECONorthwest to complete work related to Sandy's Housing Production Strategy (HPS).

PURPOSE / OBJECTIVE:

The purpose of this IGA is to enter into an agreement with DLCD regarding their contract with ECONorthwest to complete work related to Sandy's state mandated HPS. The contract between DLCD and ECONorthwest (Exhibit B) provides \$55,630 worth of consulting work for the City of Sandy, running through May 2025. Time spent on the HPS beyond May 2025 will be paid by a separate contract the City has already executed with ECONorthwest (Exhibit C).

BACKGROUND / CONTEXT:

In 2019, the Oregon Legislature passed House Bill 2003, which requires each city above 10,000 population to adopt a Housing Production Strategy (HPS) within one year of completing their Housing Capacity Analysis (HCA). The HPS must include specific actions the City plans to take, like changing regulations or offering financial incentives, to encourage the development of the necessary housing types identified in the analysis. DLCD will review and approve each city's HPS to ensure it effectively meets housing needs, encourages necessary housing production, and promotes fair and equitable housing outcomes.

The City of Sandy adopted the [latest HCA](#) on April 1, 2024. In accordance with the [adoption schedule](#) set by the Land Conservation and Development Commission (LCDC) we have to complete and adopt our HPS by December 31, 2025.

BUDGET IMPACT:

Entering into this IGA does not affect the City budget. However, not entering into the IGA would likely result in the City of Sandy losing \$55,630 in grant funding from DLCD. The HPS is a mandatory state requirement, so the City of Sandy must complete and adopt the HPS.

RECOMMENDATION:

Authorize the City Manager to enter into an IGA with DLCD for our awarded HPS consulting services grant.

SUGGESTION MOTION:

"I move to authorize the City Manager to execute the IGA with the Department of Land Conservation and Development for consulting work related to Sandy's Housing Production Strategy, as provided in the agenda packet."

LIST OF ATTACHMENTS / EXHIBITS:

- Exhibit A. Proposed IGA with DLCD for HPS Consulting Work
- Exhibit B. Contract between DLCD and ECONorthwest
- Exhibit C. City of Sandy contract with ECONorthwest