



STAFF REPORT PLANNING COMMISSION

Meeting Type:	Planning Commission
Meeting Date:	October 27, 2025
From:	Patrick Depa, Senior Planner
Subject:	Mass Timber Code-UP Amendments to the Sandy Development Code

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 and make a recommendation to the City Council.

APPLICABLE COUNCIL GOAL:

Development Services

- **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 is 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).

Mass timber modular housing is an innovative construction approach that combines the use of engineered wood products (mass timber) with the benefits of off-site modular or prefabricated

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

construction. The Code-UP project occurred in conjunction with the Mass Timber Equitable Engagement project, which was intended to inform communities about mass timber modular housing and understand each community's views and potential concerns related to mass timber.

The Code-UP project goals included three parts:

- 1) Create a Prefabricated and Modular Housing Model Code and Audit Workbook to assist local governments in updating their development codes.
- 2) Provide technical assistance to ten jurisdictions (including Sandy) to update their development codes consistent with guidance and recommendations identified in the Prefabricated and Modular Housing Model Code and Audit Workbook.
- 3) Engage underrepresented communities to share information about mass timber housing opportunities and understand their thoughts and concerns. Assist each participating jurisdiction in communicating the regulatory changes necessary to allow mass timber modular housing and other types of prefabricated, modular, and manufactured housing and provide support through the legislative code amendment/adoption process.

The majority of the Code-UP work was done in 2024. On February 18, 2025, the City Council and the Planning Commission held a joint work session to hear the recommendations from the Code-UP audit (Exhibit A). Staff and consultants requested input from the City Council and the Planning Commission on the proposed amendments to the Sandy Development Code ("Code"). The code amendments before the hearing body with this ordinance are the same as were presented in February. However, the Cottage Cluster and Accessory Dwelling Unit (ADU) recommendations that were introduced are absent from these amendments as requested by both the City Council and the Planning Commission. Both bodies believed it would be better to further discuss cottage clusters and ADUs when addressing housing strategies associated with the Housing Production Strategy (HPS).

KEY CONSIDERATIONS / ANALYSIS:

Comprehensive Plan Review and Recommendations

The City's housing Goals and Policies in the adopted Envision Sandy 2050 Comprehensive Plan confirm that the City supports increasing the supply and providing for a range of housing types. Specifically, Goals 37 and 38 include policies that are particularly supportive of the proposed code updates.

Sandy Housing Policies in Envision Sandy 2050:

- **Policy 37.4** – Allow for development of a range of housing types both for ownership and rental, that allow people to live and work in Sandy.
- **Policy 37.5** – As required by State legislation, identify barriers to private sector housing development for a range of housing types, including affordable housing, and develop policies to reduce development barriers.
- **Policy 38.1** – As required by State legislation, identify, and remove barriers to developing needed housing types according to where they are allowed.

The existing Comprehensive Plan housing goals and policies do not conflict with the recommended updates. A broad review of the code amendments to the Statewide Planning

Goals was done and is attached as Exhibit B. No updates are needed for the housing goals and policies if these code amendments are adopted.

These proposed amendments are intended to help facilitate the construction of prefabricated, modular, and manufactured housing products, most specifically related to mass timber. The proposed code modifications would remove local barriers to permitting and siting housing that is constructed of components manufactured off site, regardless of construction materials. Mass timber housing would provide another material option for constructing housing in Sandy and it is more fire resistant than traditional wood framed construction. In the event of a wildfire or another natural disaster, mass timber would assist in the expediency of replacement housing for Sandy residents.

A complete set of recommended code modifications are provided in the attached Exhibit A. These recommendations were developed by the consultant team, in consultation with City staff and the Department of Land Conservation and Development (DLCDD), with the objective of creating opportunities for new types of housing in Sandy.

Code Amendments Summary

The recommended code amendments are focused on creating options for housing developers to utilize prefabricated and modular housing products, including those constructed using mass timber. Prefabricated and manufactured housing are both forms of factory-built housing and they share many characteristics. Therefore, manufactured housing is also addressed in the recommendations, with updates focused on simplifying implementation, expanding flexibility, and reducing barriers for manufactured housing and prefabricated housing.

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 and create new definitions that support mass timber modular housing products.
- **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.

Housing Production Strategy and Implementation

As required by HB 2003, Sandy is currently developing its Housing Production Strategy (HPS), an 8-year action plan that will identify steps the City will take to address the community's unmet housing needs. The City will outline strategies in the HPS that will support or increase housing production and preservation and promote fair and equitable housing outcomes in Sandy. Development Code changes are among the potential approaches to lowering barriers to housing production, including allowing greater flexibility for manufactured dwellings and

ADU development, and creating pre-approved plan sets for ADUs and Mass Timber prefabricated dwellings.

BUDGET IMPACT:

City Attorney charges

RECOMMENDATION:

Staff recommend that the Planning Commission hold a public hearing, discuss the proposed code modifications, and provide staff with a motion to forward to the City Council.

SUGGESTED MOTION LANGUAGE:

I move to recommend that the City Council approve the proposed text amendments to various chapters in Title 17, as presented in Exhibit A and supported by the findings in Exhibit B.

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