



STAFF REPORT PLANNING COMMISSION

Meeting Type: Planning Commission
Meeting Date: October 27, 2025
From: Tim Wood, Project Manager with the FCS GROUP
Kelly O'Neill Jr., Development Services Director
Subject: Sandy Housing Production Strategy (HPS)

DECISION TO BE MADE:

Hold a legislative public hearing to review the Housing Production Strategy (HPS) and make a recommendation to the City Council.

APPLICABLE COUNCIL 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:

As previously discussed with the City Council and the Planning Commission on September 16, 2024, ([meeting link](#)), again on May 19, 2025, ([meeting link](#)), and again on October 6, 2025, ([meeting link](#)), staff is seeking to adopt the state mandated Housing Production Strategy (HPS) in accordance with state law. The 12 strategies in the HPS are intended to increase the provision of needed housing in Sandy, as required by [ORS 197A.100](#).

Staff and the consultant completed the following modifications to the HPS report based on feedback received from the City Council and the Planning Commission at the October 6, 2025, work session:

- Referenced the recreational vehicle parking on public streets accomplishment in accordance with the adopted Sandy Municipal Code language.
- Included the 2023 Transportation System Plan (TSP) and 2022 Water Master Plan as recent accomplishments.
- Included consideration of triplexes and fourplexes in the R-2 and R-3 zoning districts for the middle housing option strategy.
- Included the words 'National Pollutant Discharge Elimination System' when using the acronym for the City's NPDES permit.
- Included the term 'homelessness', and not 'houselessness' in accordance with the State of Oregon's preference. *NOTE: Staff reached out to the Department of Land Conservation and Development (DLCD) and the preferred term in accordance with OAR 660-008-0050(4)(d) is 'homelessness'.*

- Added duplexes and townhouses/row houses in addition to single family homes and multifamily housing units in Exhibit 25 of the appendix.

In accordance with deadlines as established by the State of Oregon ([click here](#)) the City of Sandy has to adopt the HPS prior to January 1, 2026. Therefore, staff sent DLCD notice of the draft report of the HPS on September 16, 2025, and are preparing legislative hearings before the Planning Commission on October 27, 2025, and the City Council on November 17, 2025.

As a reminder, the HPS must outline concrete strategies the City will take to support or increase housing production and preservation and promote fair and equitable housing outcomes. These may include infrastructure improvements, regulatory changes, financial incentives, and land use regulation changes, among others. Each strategy has been clearly defined and tailored to address Sandy's specific housing challenges.

KEY CONSIDERATIONS / ANALYSIS:

City staff and the FCS GROUP have drafted an HPS (Exhibit A.) that meets state law. Based on past discussions with the City Council and the Planning Commission, the 12 strategies in the attached HPS are the following:

- A. Pursue accommodation from the State of Oregon to ensure additional housing development can be provided within the current UGB by making science-based improvements to the City's National Pollutant Discharge Elimination System (NPDES) Permit.
- B. Complete and adopt the wastewater system facility plan amendment.
- C. Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- D. Construct capital improvements necessary to convey the city's wastewater to its permanent discharge location.
- E. Improve the wastewater treatment plant and related system infrastructure.
- F. Implement a local affordable housing construction excise tax.
- G. Amend the zoning code to allow additional middle housing options.
- H. Promote accessible design standards.
- I. Monitor and require registration for short-term rentals.
- J. Support the preservation of manufactured homes and mobile home parks.
- K. Utilize surplus public land for housing development.
- L. Expand the City "partnership" with local service providers and continue to fund the community services officer to support the homeless population.

The report of the HPS includes a table of contents, an executive summary, an introduction, an explanation of Sandy's housing needs, a thorough description of the community outreach that was completed, a descriptive overview of all 12 strategies, and a conclusionary chapter measuring fair and equitable housing outcomes. The report also includes an appendix regarding Contextualized Housing Needs as required by [OAR 660-008-075](#).

On Sunday, October 19, 2025, the Oregon Department of Land Conservation and Development (DLCD) provided preliminary feedback on the Sandy Housing Production Strategy (HPS) report. Recommended edits from DLCD have been summarized by the FCS Group in Attachment 2. The HPS project team will incorporate this feedback into the report over the next week. The feedback will also be outlined during the October 27th Planning Commission adoption hearing and included as track change edits in the HPS report for the November 17th City Council adoption hearing.

BUDGET IMPACT:

The FCS GROUP contract is already accommodated in the budget for 2025-2027.

RECOMMENDATION:

Staff recommend that the Planning Commission hold a legislative public hearing and forward a recommendation to the City Council to adopt the Housing Production Strategy (HPS).

SUGGESTED MOTION LANGUAGE:

I move to recommend that the City Council adopt the Housing Production Strategy (HPS), as presented as Exhibit A and supported by the findings in Exhibit B.

LIST OF ATTACHMENTS / EXHIBITS:

- Attachment 1. Draft Ordinance No. 2025-30
 - Exhibit A. Housing Production Strategy Report (dated October 2025)
 - Exhibit B. Supportive Findings
- Attachment 2. DCLD Edits Memo from FCS Group Oct 24, 2025