



CITY COUNCIL MEETING

Monday, December 04, 2023 at 6:00 PM
Sandy City Hall and via Zoom

MINUTES

WORK SESSION

1. Comprehensive Plan: Housing Capacity Analysis Work Session

Housing Capacity Analysis

The City Manager provided introductory remarks on the Housing Capacity Analysis (HCA). A presentation was delivered by Beth Goodman and Nicole Underwood with ECONorthwest. Slides were included in the agenda packet.

Council discussion ensued related to the following issues:

- Reasons for the decline in renter income since 2015
- Discussion of the possibility that assisted living facilities could be contributing to these numbers; recognition that retired individuals may have investment or other income
- Note that the trends shown in the report are similar to those seen throughout the state
- Emphasis on the point that incomes are not keeping pace with housing cost increases
- Note that wage data presented in the report may not account for people working multiple jobs, and may reflect individuals not receiving full time hours
- Clarification that home sale data is from Redfin; concern that the data may not reflect down payment and other debt structuring factors; note that the housing costs shown do include estimated utility payments
- Concern that high interest rates are pricing people out of the market
- Discussion on median versus average prices; suggestion that there are better ways to conceive and present the data to better understand the range and distribution of prices
- Concern that the data presented does not account for equity that a homebuyer may have
- Note that a large amount of smaller lower cost housing has already been built in Sandy
- Statement that people will buy homes in Sandy regardless of the price range of the housing available
- Statement that Sandy is largely a bedroom community, and that the wage level of people who work in the city may be less important than in other communities; recognition that given Sandy tourism-based economy, housing affordability will be a perennial challenge
- Questions regarding the City's role in addressing housing affordability
- Discussion on the methods used for collecting cost burden figures
- Discussion on the effects of supply and demand for housing on affordability

Discussion specific to the Buildable Lands Inventory portion of the HCA covered the following issues:

- The relative ease of building in different areas of the city, and whether this was accounted for in the analysis
- The relative desirability of property in different areas of the city; recognition that some vacant parcels have been vacant for many years
- Related to the ability to convert to duplexes: clarification that the City is required to analyze what *has* been built over time, rather than what *could* be built
- Clarification on the methodology used for developing the housing demand forecast
- Clarification that the study counts developments that are permitted but not yet constructed as still vacant
- Note that the deficit shown in R-2 could potentially be addressed by duplex conversions
- Clarification that the capacity numbers presented do not account for needed rights-of-way
- Discussion on the process for adopting the HCA; consequences for not adopting
- Concerns about the process used for conducting this analysis, especially related to subjectivity and the appearance of an agenda
- Note that previously, properties zoned as SFR have been developed as R-1

In response to Council question, it was noted that the Council did not specifically adopt or approve a methodology for the HCA. It was also noted that the methodology used is a 'safe harbor' methodology, which is advantageous to the City in the event of litigation in the future.

Housing Legislation Discussion

Carrie Richter, an attorney with Bateman Seidel, delivered a presentation. Slides were included in the agenda packet.

Council discussion ensued related to the following issues:

- Recognition that HB 3414 could effectively nullify City land use regulations
- Concern about doubling of density limits
- Clarification on the scope of variances that would be allowed under HB 3414
- Disappointment that efforts to limit the reach of HB 3414 have not been more effective
- Lobbying influence of the Home Builders Association
- Observations on the political prospects of HB 3414 moving forward; recap of the end of the most recent legislative session
- Possible impacts of short term rentals on housing supply and prices
- Avenues for potential application denial related to inadequate infrastructure
- Anticipation of future regulations, potentially related to climate policy
- Questioning of why the market is not producing this housing on its own; concern that new housing will not be affordable; concern that legislation will be revised to allow even more variances in the future
- Recognition that the City should be proactive in arguing against potential limitations on the ability of local governments to collect SDC revenue

REGULAR MEETING

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

- Mayor Stan Pulliam
- Council President Laurie Smallwood
- Councilor Chris Mayton
- Councilor Rich Sheldon
- Councilor Kathleen Walker
- Councilor Carl Exner
- Councilor Don Hokanson

CHANGES TO THE AGENDA

(none)

PUBLIC COMMENT (3-minute limit)

(none)

RESPONSE TO PREVIOUS PUBLIC COMMENTS

(none)

CONSENT AGENDA

- 2. City Council Minutes: November 20, 2023
- 3. Library Advisory Board Appointments

MOTION: Adopt the consent agenda.

Motion made by Councilor Exner, Seconded by Councilor Hokanson.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

MOTION CARRIED: 7-0

NEW BUSINESS

- 4. Contract Approval: Design for Portland to Sandy Water Filtration Plant Transmission System

The Public Works Director summarized the staff report, which was included in the agenda packet. It was noted that land use approval for Portland’s water filtration plant was recently granted.

MOTION: Authorize the City Manager to execute a contract with Consor Engineers for engineering design services for the Portland to Sandy Water Filtration Plant Transmission System, in an amount not to exceed \$3,602,169.

Motion made by Councilor Sheldon, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

MOTION CARRIED: 7-0

5. Resolution 2023-35: SDC Charges for Commercial to Residential Use Conversions, Per HB 2984

The City Manager summarized the staff report, which was included in the agenda packet.

Council discussion ensued, related to the following topics:

- Expressions of support for this action from some commercial property owners
- Clarification that conversions cannot add multiple floors to a building
- Concern related to the availability of records pertaining to past collection of SDCs
- Clarification that this policy will apply to all SDCs, including transportation and parks

MOTION: Adopt Resolution 2023-35, a Resolution Adopting System Development Charge Calculations in Connection with Commercial to Residential Conversations, as Required by House Bill 2984.

Motion made by Councilor Exner, Seconded by Councilor Sheldon.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

MOTION CARRIED: 7-0

REPORT FROM THE CITY MANAGER

- A comprehensive Council review of SDCs will take place after the updates to the transportation SDC are ready
- Case law developments on recreational immunity are being tracked by staff; staff do not intend to close trails; legislative efforts to address this concern may be forthcoming
- The wastewater system is performing well so far in the recent storms
- A menorah lighting will take place this month
- Reminder on the urban renewal retreat this weekend
- Discussion on membership of the Urban Renewal Board
- Review of the proposed agreement with the County on rent for the Hoodland Library

COMMITTEE / COUNCIL REPORTS

Councilor Hokanson

- Reminder on the importance of having robust SDC rates

- Disappointment with the HCA process and presentation from the consultant; the Council needs to understand the methodology used, and which levers can be pulled. It is unclear what options the Council has
- Praise for Winterfest decorations and events; interest in having a Winterfest committee next year to supplement the efforts

Councilor Exner

- Praise for Winterfest decorations
- Recent meeting with Austin Ernesti about holding a timber festival
- Praise for recent collaboration with ODOT

Councilor Walker

- Thanks and appreciation for new Library Advisory Board members
- Appreciation for the proposed agreement with the County on rent for the Hoodland Library
- Praise for Winterfest decorations
- Concern that the HCA consultant may not appreciate the point of view and goals of the City regarding lot sizes and density

Councilor Sheldon

- Reminder on the importance of having robust SDC rates
- Praise for Winterfest decorations, particularly the sign at the west end of downtown
- Emphasis on the importance of understanding what the actual utilization plan would be for a renovated bunker building

Council President Smallwood

- Remarks on the recent fundraiser for Tupper Park; encouragement for others to attend similar events in the future and to find more creative ways to advertise; praise for such partnerships with local businesses

Councilor Mayton

- Praise for Winterfest lights and events
- Discussion occurred at the last Planning Commission meeting about the possibility of requiring one-for-one replacement of trees
- The Economic Development Advisory Board will meet this week

Mayor Pulliam

- Appreciation for the tree lighting event; praise for Parks and Recreation staff and their department culture
- Conversations are occurring in the county about usage of library district funding for building maintenance
- Reminder for the upcoming urban renewal retreat
- Recent meeting with Austin Ernesti about a timber festival

- A menorah lighting will occur in Centennial Plaza

STAFF UPDATES

Monthly Reports: <https://reports.cityofsandy.com/>

ADJOURN