



STAFF REPORT

Meeting Type: City Council
Meeting Date: April 1, 2024
From: Kelly O'Neill Jr., Development Services Director
Subject: Ordinance 2024-03: Adoption of the Housing Capacity Analysis (HCA)

DECISION TO BE MADE:

Whether to adopt Ordinance 2024-03, adopting the Housing Capacity Analysis (HCA). The purpose of this hearing is to review and consider the adoption of the HCA to act as a supporting document in the development of new and updated comprehensive plan policies and goals.

BACKGROUND / CONTEXT:

One of the City Council goals from the 2019-2021 biennium was to initiate an update of the City's Comprehensive Plan. The City Council supported the update of the City's Comprehensive Plan with supplemental funding for the Planning Division. The Planning Division then completed a robust request for qualifications (RFQ) process in the summer of 2021 and from that process 3J Consulting was selected. One of 3J Consulting's subconsultants was identified as ECONorthwest, a planning and economics consultant firm.

In late 2021, City staff applied for and received a Technical Assistance Grant from the Department of Land Conservation and Development (DLCD) for \$50,000. The grant helped fund the updates to the City's Comprehensive Plan. The City applied some of the grant money to develop the HCA.

In early 2023, City staff assembled a Technical Advisory Group to review 3J's work and allow for multiple opportunities for input as the analysis was being developed. The group consisted of City staff, the executive director at the Chamber of Commerce, and a few local business owners, such as the owner of AEC. Over the course of several meetings, the Technical Advisory Group discussed the HCA and their intended purpose.

In December 2023, a joint City Council/Planning Commission meeting was held to discuss and provide input on a draft of the HCA report. On February 26, 2024, the Planning Commission held a public hearing to discuss the HCA and made a motion to recommend approval to the City Council.

KEY CONSIDERATIONS / ANALYSIS:

The HCA report is intended to identify issues with residential land use and unmet housing needs. Adoption of an HCA is a requirement of Oregon's Statewide Planning Goal 10 and the Goal 10 administrative rules in OAR 660-008. The HCA evaluates whether the City of Sandy has enough land to accommodate 20 years of population growth. It provides the factual basis for (1) an update to the City's Comprehensive Plan Housing Element, and (2) the development of an action plan to implement housing policies.

The HCA is based on an official population forecast and identifies the number of households and the characteristics of households the city needs to plan for today and in future years. Furthermore, and as required by state law, the analysis identifies the different types of housing needed for households of different income levels. Based on this information, the report identifies how much land is needed to accommodate a variety of different housing types. This report will be one of the guiding documents in any future decision to rezone or annex specific property.

The Sandy Urban Growth Boundary (UGB) must accommodate residential, employment, and other land needs for the next 20 years. The Residential Buildable Land Inventory in this HCA identifies how much land within the UGB is already developed and how much remains available to meet future housing needs. The City of Sandy developed and adopted its latest Residential Buildable Lands Inventory in 2015. This HCA includes an update that shows lands that have been developed since 2015.

The specific findings are in the HCA report (Exhibit A of Ordinance 2024-03) and are summarized in the presentation slides provided by ECONorthwest.

The HCA is also being used to model rates for several system development charge methodologies and could be potentially used as justification for development related to the existing moratorium. The HCA report will be crucial in the review of the existing goals and policies in the Comprehensive Plan update and will be the foundation in the development of new policies and goals for Envision Sandy 2050. The last significant policy modifications to housing in the existing Comprehensive Plan occurred in 1997.

Notice was provided to the Department of Land Conservation and Development on November 30, 2023. No comments were received from any state or federal agency. The HCA report (legislative amendment) has been reviewed for conformance to its applicable Statewide Planning goals as included in the ordinance findings, including Goals 1, 2, 10, 11, and 12. By updating and adopting this HCA, the City of Sandy will adhere to Oregon House Bill 2003 (2019) and ORS 197.296.

BUDGET IMPACT:

The exact budget impact with adoption is unknown. If the HCA is not adopted in a timely manner, then the comprehensive plan adoption cannot advance as we are using the document as the factual basis for writing goals and policies.

RECOMMENDATION:

The Sandy Comprehensive Plan is a legislative regulatory guidebook intended to regulate development and guide growth for the city of Sandy. However, the Comprehensive Plan also needs to be amended by introducing revised supportive technical documents over time to respond to new case law and legislation. Staff believe that the new HCA report is in full compliance with all state statutes and administrative rules. By updating and adopting this HCA, the City of Sandy will adhere to Oregon House Bill 2003 (2019) and ORS 197.296. The City of Sandy's HCA deadline for adoption according to the Department of Land Conservation and Development (DLCD) is December 2024.

On February 26, 2024, the Planning Commission held a public hearing to discuss the HCA and made a motion to recommend approval to the City Council.

LIST OF ATTACHMENTS / EXHIBITS:

- Ordinance No. 2024-03 for adoption of the HCA
 - Exhibit A. Housing Capacity Analysis report
 - Exhibit B. Ordinance No. 2024-03 Findings
- Presentation slides