



# STAFF REPORT

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**Meeting Type:** City Council and Planning Commission Joint Work Session  
**Meeting Date:** October 6, 2025  
**From:** Tim Wood, Project Manager with FCS GROUP  
Kelly O'Neill Jr., Development Services Director  
**Subject:** Draft Review: Sandy Housing Production Strategy (HPS)

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## DECISION TO BE MADE:

Provide input on the draft of Sandy's Housing Production Strategy (HPS).

## APPLICABLE COUNCIL GOAL:

- **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](#)) and then again on May 19, 2025, ([meeting link](#)), staff is seeking to adopt the state mandated Housing Production Strategy (HPS) in accordance with state law. The strategies in the HPS are intended to increase the provision of needed housing in Sandy, as required by [ORS 197A.100](#).

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 tailored to address Sandy's specific challenges and circumstances.

## KEY CONSIDERATIONS / ANALYSIS:

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

- 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 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 new permanent discharge location.
- E. Improve the wastewater treatment plant and related system infrastructure.
- F. Implement a local affordable housing Construction Excise Tax (CET).
- 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 preservation of manufactured home and mobile home parks.
- K. Utilize surplus public land for housing development.
- L. Expand partnerships with local service providers and continue to fund the Community Services Officer to support the homeless population.

The draft 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](#).

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.

#### **BUDGET IMPACT:**

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

#### **RECOMMENDATION:**

Provide input on the draft Housing Production Strategy (HPS).

#### **SUGGESTED MOTION LANGUAGE:**

This is a work session, so a motion is not needed.

#### **LIST OF ATTACHMENTS / EXHIBITS:**

- Exhibit A. Draft Housing Production Strategy (dated September 2025)
- Presentation Slides