



# STAFF REPORT

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**Meeting Type:** Joint City Council/Planning Commission Work Session  
**Meeting Date:** February 18, 2025  
**From:** Kelly O’Neill Jr., Development Services Director  
Brandon Crawford, Project Associate for MIG  
**Subject:** Mass Timber Code-UP Amendments to the Sandy Development Code

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## DECISION TO BE MADE:

Provide input on the proposed code amendments from the Mass Timber Code-UP project and direct staff on next steps.

## BACKGROUND / CONTEXT:

In 2023 Sandy became one of ten jurisdictions to receive grant-funded Code-UP project technical assistance to identify proposed 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. 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 construction. The Code-UP project is also occurring in conjunction with the Mass Timber Equitable Engagement project, which is intended to inform communities about mass timber modular housing and understand each community’s views and potential concerns related to mass timber.<sup>1</sup> For more information and background on the Code-UP project, visit the [Mass Timber Modular Housing Code-UP Project webpage](#).

The Code-UP project includes three parts:

- 1) Create a Prefabricated and Modular Housing Model Code and Audit Workbook to assist local governments in updating their development codes to facilitate all types of prefabricated and manufactured housing development. This work was led by MIG – one of the Code-UP consultant team members.
- 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. This work was also led by MIG.

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<sup>1</sup> Public outreach is the focus of the Equitable Engagement activities. To support adoption of updated land use regulations, the project management team consisting of the consultant and DLCD staff will provide information and support through the legislative code amendment and public adoption process.

- 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. This work was led by Cascadia Partners – one of the Code-UP consultant team members. Cascadia Partners met with Neal Hatley from AntFarm Youth Services to discuss challenges and opportunities associated with mass timber modular housing. For the complete results and recommendations from the mass timber engagement work, visit the [Mass Timber Modular Housing Community Engagement online report](#).

### **WORK SESSION OBJECTIVE:**

Staff and consultants are requesting input from the City Council and the Planning Commission on the proposed amendments to the Sandy Development Code (“Code”). 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, is more fire resistant than traditional wood framed construction, and in the event of a wildfire or other natural disaster 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., Sandy Draft Code Update – DLCDC Mass Timber Code-UP Project (Memo dated 12/06/2024). These recommendations were developed by the consultant team, in consultation with City staff and the Department of Land Conservation and Development (DLCDC), with the objective of creating opportunities for new housing types in Sandy. While currently available for review, **the City is not proposing to adopt all of the recommended Code modifications at this time** (see Recommendation in this report).

### **KEY CONSIDERATIONS / ANALYSIS:**

#### *Building Code Considerations*

Mass timber prefabricated and modular housing may be subject to varying building code and inspection requirements. Some manufacturers may choose to construct prefabricated or modular homes to HUD federal building code, in which case the home would be subject to the same local inspection processes as other manufactured homes. “Panelized” homes that are built to the Oregon Residential Specialty Code (ORSC) would currently require local inspection, but this is an emerging industry and in-factory inspection may be required depending on the building components in the manufactured panels. “Volumetric” homes built to ORSC and completed inside a manufacturing facility would need to be inspected during the manufacturing process. Prefabricated housing of all types is an emerging industry and processes for building inspection are still evolving. The Mass Timber Tech Hub at Oregon State University is working on developing recommendations for how the state can address inspections efficiently to support increased housing production.

Mass timber construction is currently addressed in both the ORSC and the Oregon Structural Specialty Code (OSSC). No additional training is required for building officials to perform an inspection for this construction type. To learn more about how mass timber prefabricated and modular construction is addressed by state building codes, see the “Build Back Better Regional Challenge Planning and Building Code Barriers Analysis.”<sup>2</sup>

### *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.<sup>3</sup>

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 and to allow cottage clusters.
- **Section 17.74.70 – Accessory Dwelling Units.** Update this section to increase flexibility for certain development standards and to ensure consistency with state rules.
- **Section 17.84.10 – Exemptions.** Exempt ADUs from public facility improvement requirements.
  - Update this section to remove design barriers to prefabricated and modular 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, and make cottage clusters subject to Type II Design Review.
- **Section 17.98.20 – Off-Street Parking.** Set parking standards for cottage clusters.
- **Chapter 17.104 – Cottage Clusters.** Create a new section of supplementary development and design standards for cottage clusters based on the Middle Housing Model Code.

### *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. More information on this project can be found on the City’s website, <https://www.ci.sandy.or.us/planning/page/housing-production-strategy-hps>. The City will outline concrete actions 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 cottage cluster

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<sup>2</sup> BBBRC Planning and Building Code Barriers Analysis.

[https://www.oregon.gov/lcd/CPU/Documents/final\\_BBBRC\\_Audit\\_T6\\_report\\_120722\\_clean.pdf](https://www.oregon.gov/lcd/CPU/Documents/final_BBBRC_Audit_T6_report_120722_clean.pdf)

<sup>3</sup> The City generally complies with state rules for manufactured housing; recommendations in this memo are intended to simplify local Code implementation and improve consistency with the rules.

housing, allowing greater flexibility for ADU development, and creating pre-approved plan sets for ADUs.

**RECOMMENDATION:**

Direct staff to bring forth Code amendments for manufactured homes, prefabricated dwellings, and manufactured dwelling parks for adoption. Revisit Code amendments related to cottage clusters and ADUs as part of the state mandated Housing Production Strategy (HPS), as potential implementation strategies to address housing needs in Sandy.

**LIST OF ATTACHMENTS / EXHIBITS:**

- Exhibit A. Sandy Draft Code Update – DLCD Mass Timber Code-UP Project (Memo dated 12/06/2024)
- Exhibit B. Presentation from MIG