



PLANNING COMMISSION MEETING

Monday, October 27, 2025 at 6:30 PM
Sandy City Hall and via Zoom

AGENDA

TO ATTEND THE MEETING IN-PERSON:

Come to Sandy City Hall (lower parking lot entrance) - 39250 Pioneer Blvd., Sandy, OR 97055

TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/82355280788>

Or by phone: (253) 215-8782; Meeting ID: 823 5528 0788

ROLL CALL

APPROVAL OF MINUTES

1. Approval of Minutes for July 28, 2025

REQUESTS FROM THE FLOOR - CITIZEN COMMUNICATION ON NON- AGENDA ITEMS

The Commission welcomes your comments at this time. Please see the instructions below:

- If you are participating online, click the "raise hand" button and wait to be recognized.
- If you are participating via telephone, dial *9 to "raise your hand" and wait to be recognized.

DIRECTOR'S REPORT

COUNCIL LIAISON AND PLANNING COMMISSIONER DISCUSSION

NEW BUSINESS

2. File # 25-044 CPA - Sandy Housing Production Strategy (HPS)
3. File # 25-045 CPA - Economic Development Strategic Plan Adoption
4. File # 25-046 DCA - Mass Timber Administrative Code Adoption

ADJOURN

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.

**Sandy Planning Commission
Regular Meeting
Monday, July 28, 2025**

Chair Wegener called the meeting to order at 6:30 p.m.

1. MEETING FORMAT NOTICE: Instructions for electronic meeting

2. ROLL CALL

Commissioner Lee – Excused
Commissioner Poulin – Present
Commissioner Zawaski – Present
Commissioner Malone – Excused
Commissioner O’Leary – Present
Vice Chair Crosby – Present
Chair Wegener – Present

Council Liaison Ramseyer – Present

Staff present: Development Services Director Kelly O’Neill Jr., Senior Planner Patrick Depa, Executive Assistant Rebecca Markham, City Manager Tyler Deems, Interim Parks and Recreation Director Tiana Rundell

3. APPROVAL OF MINUTES – June 30, 2025

Chair Wegener asked for any edits to the draft minutes. With no edits needed, the minutes were approved.

4. REQUESTS FROM THE FLOOR – CITIZEN COMMUNICATION ON NON-AGENDA ITEMS:

None

5. DIRECTOR’S REPORT

Development Services Director Kelly O’Neill Jr. stated how the only update he has is to mention that unless there’s a continuation of tonight’s application, there won’t be a meeting in August. Other than that, his monthly report for this month is included in the reports given to the City Council and posted on WordPress. He stated that he hopes to have a new monthly report published by the end of the week.

6. CITY COUNCIL LIAISON REPORT

City Council Liaison Ramseyer stated that the City Council adopted the FEMA code amendments as recommended by the Planning Commission, as well as the first reading of the alternative wastewater treatment systems.

Chair Wegener asked if the City Council discussed the recommendations from the Planning Commission on the alternative wastewater treatment systems. City Manager Tyler Deems said those recommendations from the Commission will most likely be discussed in further detail at the next City Council meeting during the second reading.

7. NEW BUSINESS:

7.1. Deer Pointe Park Basketball Court Shelter (File No. 25-037 DR/VAR)

Chair Wegener opened the quasi-judicial hearing on File No. 25-037 DR/VAR at 6:35 p.m. Wegener called for any abstentions, conflicts of interest, ex-parte contact, challenges to the jurisdiction of the Planning Commission, or any challenges to any individual member of the Planning Commission. No challenges were made, and no declarations were made by the Planning Commission.

Staff Report:

Senior Planner Patrick Depa started his report with a PowerPoint presentation. He explained how the park was already approved back in March 2025. When the application was originally approved, the basketball court didn't include a shelter, but since then the City Council has approved funding to move forward with the shelter.

Depa's presentation included a vicinity map, the approved park layout, and information on the three variances that the applicant was requesting. Those variances include reductions to building materials, roof pitch, and secondary roof forms. Depa stated that staff's recommendation to approve the request is based on the findings in the staff report.

Chair Wegener asked for clarification on variance one regarding the building materials and if it also related to items related to "Sandy Style" such as the gable ends. Depa explained that variance one is only related to the stone base materials and clarified the variance.

Applicant Report:

Tyler Deems

City Manager, City of Sandy

Mr. Deems stated that Deer Pointe Park has been 15 years in the making and is now possible with the recent land dedication associated with an adjacent development approval. He also explained how it has broad support from the City Council, was identified in the Parks and Trails Master Plan, and said that completing the park is identified as Council goal 5.1.1 for this biennium.

Brian Martin

Architect, Lango Hansen Landscape Architects

Mr. Martin confirmed that the structures bases will be cylindrical form instead of square to avoid sharp edges and he also explained how the decorative gables will be attached to the structure. He finished his comments by discussing the reasons for the proposed roof pitch, which the applicant believes will be visually pleasing and explained that the 4:12 pitch is typical for covered basketball courts.

Public Testimony:

None

Staff Recap:

Depa said that staff has been working with the park designer for a while and see the validity of not having a high roof pitch as it will be less obtrusive.

Applicant Rebuttal:

None

Motion: Motion to close the public hearing at 7:09 p.m.

Moved By: Vice Chair Crosby

Seconded By: Commissioner Zawaski

No vote was taken as Commissioner O'Leary spoke up and stated that he had a few comments and questions. Chair Wegener asked O'Leary if his questions would be directed towards the applicant as that would require the hearing to stay open. O'Leary said his questions could be directed towards the applicant as well as staff.

At 7:10 p.m. Vice Chair Crosby withdrew his motion to close the public hearing.

Discussion:

Commissioner O'Leary said he's in full support of the application but has a few things he'd like to note and get clarification on. First, he asked if there would be galvanized anchor bolts supporting the structure at the tops of the columns. Mr. Martin stated that he can't specifically say if the bolts are galvanized but they will be treated to withstand the elements.

O'Leary also noted that he highly recommends that the concrete base on the above ground portion is completed with forms instead of Sonotube, as Sonotube can leave a "candy cane" striped look on the concrete.

Lastly, O'Leary suggested that a faux cupola be added to the structure to break up the 100-foot long roof.

Motion: Motion to close the public hearing at 7:15 p.m.

Moved By: Vice Chair Crosby

Seconded By: Commissioner Poulin

Yes votes: All Ayes

No votes: None

Abstentions: None

Vice Chair Crosby stated that the covered basketball shelter is beautiful and will be a great asset to the community. He's in favor of the exposed colored concrete and doesn't have any issues with the requested variances.

Chair Wegener said the structure is giant and is struggling when he sees a lack of Sandy Style elements on such a large structure, especially since it will be very noticeable from the highway. Wegener also explained his concerns over painting the I-beams with the faux wood grain look paint that staff suggested. He said the example that Depa showed of Space Age's wood grain paint appears to be on square steel posts but is concerned how it would look on an I-beam due to its shape. Wegener said he has no concerns over the roof pitch and likes O'Leary's suggestion of a faux cupola to break up the roof line on the large structure. Crosby said he also likes the idea of a faux cupola.

Wegener also noted that he would like to see the installation of skylights to bring in more natural light. O'Neill stated that from a maintenance perspective, skylights would be very challenging, plus, they tend to get very messy and will eventually leak. Wegener said he is concerned about the lighting under the cover, especially with the high number of trees in the park and asked staff what the lighting would look like. O'Neill said he wouldn't be surprised if the City eventually added lighting under the covered area, but it's not proposed at this time. O'Neill also said that the area under the structure will get quite a bit of light since there's 16.5 feet from the court slab to the fascia. Also, trees are not proposed by the structure.

Commissioner Zawaski asked what the likelihood would be that the shelter was eventually turned into an indoor court. O'Neill said it would be highly unlikely as they'd have to account for HVAC, electrical, additional parking and it would likely more than double their costs. O'Neill said it's more likely that the long-term vision would be to have a separate space for indoor courts at another location with plenty of parking.

Wegener asked the Commissioners how they felt about painting the I-beams with a faux wood grain finish. O'Leary said he agrees that the I-beams probably won't look like wood and touching up the paint might be problematic. O'Neill said another option is to paint the I-beams one of the approved sandy style colors that complement the rest of the building and only paint the gable areas with the faux wood. Crosby agreed that painting an I-beam with the faux wood grain finish is unnecessary. Wegener stated he is concerned about graffiti on the faux wood paint. Commissioner Poulin stated that she would prefer to see a solid color for the I-beams as well.

Depa explained that maintenance cost and construction cost were likely a consideration for why the variances were requested. Wegener said that he understands the maintenance cost part but has a problem with the construction cost being a part of the reasoning. He explained further and said he believes that if this was any other person or business such as Mt. Hood Athletic Club applying for the structure, he doesn't think it would have been approved and thinks the City shouldn't be treated any differently. He also doesn't think the application meets the intent of the Sandy Style code section. Although he said he loves the idea of a covered structure and somewhere to go when it rains, he also thinks it's a huge structure in a small park that isn't meeting our code.

Poulin said she appreciates Wegener's comments, but that considering the cost that goes into park facilities should be a consideration as it could have a long-term affect. Wegener stated that he doesn't disagree with Poulin's comments and said that on some level there should be similar thought processes for both public and private. As an example, he stated that one of the first applications that came before him when he started on the Commission was for a baseball group who wanted to construct a building with metal siding at the high school for a batting practice facility, and it was denied because of a lack of Sandy Style elements.

Director O'Neill stated that for the record the application for the batting practice facility that Chair Wegener mentioned wasn't denied. The Commission just didn't allow them to have a metal building, but instead conditioned they install approved building materials such as Hardie plank.

Crosby said that the shelter is a large building but it's also an open building and adding certain elements of Sandy Style is impractical. He does agree though that adding the cupola is a good idea.

Wegener agreed that the circular foundation posts and the roof pitch make sense but also thinks they've removed most of the Sandy Style elements and would like to see it replaced in another practical way. The sticking point for him is seeing those large I-beams sticking out of the concrete. Wegener also noted that he's heard that the structure has already been purchased and asked for clarification if that was true. O'Neill stated that regardless of if the structure has been purchased or not, it shouldn't be relevant when they're making their decision. He also stated that when discussing costs, that should also be left out of their decision making.

O'Neill circled back around to see if there was a consensus on each item. The Commissioners

agreed with the following additional conditions in addition to the conditions already contained in the staff report:

- Use “forms” instead of “Sonotubes” for the footings as approved by the Director.
- Add a copula or copulas at a size determined by the project architect in coordination with the Director.
- Remove the requirement for the wood grain paint finish for the I-beams and instead use an approved Sandy Style paint color.
- Add the wood grain finish to the two gables.

O’Leary stated that he wanted to note again that he strongly recommends using galvanized anchor bolts. Wegener stated that he’s “still not a huge fan of the metal structure” but can get on board with approval of the structure by adding the additional conditions as discussed.

Motion: Move that the findings are in support of the approval criteria or have been met or explained to a sufficient amount and therefore recommend approval for the three proposed variances presented in File No. 25-037 DR/VAR with the conditions discussed in the deliberations.

Moved By: Vice Chair Crosby
 Seconded By: Commissioner Zawaski
 Yes votes: All Ayes
 No votes: None
 Abstentions: None

8. ADJOURNMENT

Chair Wegener adjourned the meeting at 8:00 p.m.

 Chair Darren Wegener

Attest:

 Kelly O’Neill Jr.,
 Development Services Director

Date signed: _____



STAFF REPORT PLANNING COMMISSION

Item # 2.

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



ORDINANCE NO. 2025-30

AN ORDINANCE ADOPTING THE 2025 SANDY HOUSING PRODUCTION STRATEGY RELATED TO OREGON HOUSE BILL 2003 (2019)

WHEREAS, in 2019, in response to the state's housing crisis, the Oregon Legislature enacted House Bill 2003 to require communities to address needed housing; and

WHEREAS, House Bill 2003 required the City of Sandy to adopt a Housing Capacity Analysis (HCA) which was adopted in April 2024 (Ordinance No. 2024-03); and

WHEREAS, the Housing Production Strategy (HPS) Report is intended to identify issues with residential land use and unmet housing needs; and

WHEREAS, the HPS addresses the specific requirement of Oregon's Statewide Planning Goal 10 and the Goal 10 administrative rules at OAR 660-008; and

WHEREAS, the City of Sandy hired the FCS Group to assist and make recommendations on strategies to include in the Sandy Housing Production Strategy for compliance with ORS 197A.100; and

WHEREAS, the HPS Report (Exhibit A) will act as a supporting document to the 2050 Comprehensive Plan and direct the development of new and updated housing policies; and

WHEREAS, there are findings (Exhibit B) supporting the adoption of the HCA Report; and

WHEREAS, the City Council and Planning Commission met three times in joint work sessions during the process to review materials and recommended strategies; and

WHEREAS, the City of Sandy Planning Commission held a public hearing on October 27, 2025, and recommended adoption of the Sandy Housing Production Strategy; and

WHEREAS, the City Council held a public hearing on November 17, 2025, and, after considering all of the information in the record and all testimony received, believes that it is in the best interest of the City to adopt the HPS Report.

NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:

Section 1: The City of Sandy 2025 Housing Production Strategy Report dated October 2025, attached as Exhibit A to this Ordinance and incorporated herein by reference, is hereby adopted in its entirety.

Section 2: The City of Sandy 2025 Housing Production Strategy Report is hereby made an official appendix and support document to the Sandy Comprehensive Plan.

Section 3: In support of this Ordinance, the City Council adopts the findings as presented in the File No. 25-044 CPA Staff Report, attached as Exhibit B, and incorporated herein by reference.

This ordinance is adopted by the City Council of the City of Sandy this 17th day of November, 2025.

Kathleen Walker, Mayor

ATTEST:

Jeffrey Aprati, City Recorder



CITY OF SANDY Housing Production Strategy

October 2025

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of Land Conservation and
Development.

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ACKNOWLEDGEMENTS

Sandy City Council

Kathleen Walker, Mayor
Don Hokanson, Council President
Chris Mayton, Councilor
Laurie Smallwood, Councilor
Rich Sheldon, Councilor
Kristina Ramseyer, Councilor
Lindy Hanley, Councilor

Sandy Planning Commission

Darren Wegener, Chair
Jerry Crosby, Vice Chair
Breezy Poulin, Commissioner
Art O'Leary, Commissioner
Brandon Zawaski, Commissioner
Linda Malone, Commissioner
Jan Lee, Commissioner

City Staff

Kelly O'Neill, Jr., Development Services Director
Jeff Aprati, Deputy City Manager
Tyler Deems, City Manager

PREFACE:

This document represents a Housing Production Strategy that focuses on housing needs and potential strategies the City of Sandy is considering for adoption during 2025. The findings contained in this report reflect current statistics from available data sources and the contents will be updated based on future data and input that is received from local stakeholders and state agencies prior to adoption.

Sandy Housing Production Strategy

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Sandy Housing Production Strategy

Glossary

Accessory Dwelling Unit (ADU): A second dwelling unit either in or added to an existing single-family detached dwelling, or in a separate accessory structure on the same lot as the single-family dwelling, for use as a complete, independent living facility with provisions within the accessory apartment for cooking, eating, sanitation and sleeping. Such a dwelling is an accessory use to the single-family dwelling.

Affordable For-Sale Housing: An owner-occupied dwelling with an annual housing cost (mortgage payments, utilities, property taxes, etc.) that equates to no more than 30% of household income.*

**A healthy housing market includes a variety of housing types that are affordable to a range of household income levels. However, the term “affordable housing” is often used to describe income-restricted housing available only to qualifying low-income households. Income-restricted housing can be located in public, non-profit, or for-profit developments. It can also include housing vouchers to help pay for market-rate housing (see “Vouchers” below for more details).*

Affordable Rental Housing: A dwelling that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30% of the household's monthly income.

American Community Survey (ACS): This is an ongoing nationwide survey conducted by the U.S. Census Bureau. It is designed to provide communities with current data about how they are changing.

Area median income (AMI): This term refers to area-wide median family income calculations provided by the U.S. Department of Housing and Urban Development (HUD) for a county or region. Income limits to qualify for affordable housing are often set relative to AMI in this report, unless otherwise indicated.

Buildable Lands Inventory (BLI): An assessment of the capacity of land to accommodate forecasted housing and employment needs.

Buildable Residential Land: Includes land that is designated for residential development that is vacant and partially-vacant and not constrained by existing buildings or environmental issues.

Cost Burdened: Defined by the U.S. Department of Housing and Urban Development (HUD) as households who spend over 30% of their income on housing.

Cottages: Small, detached units, often on their own lots and sometimes clustered around pockets of shared open space. A cottage is typically under 1,000 square feet in footprint.

Density: Defined by the number of housing units on one acre of land.

Development density: Expected number of dwelling units (per acre) based on current zoning designations.

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Fair market rent (FMR): HUD determines what a reasonable rent level should be for a geographic area and sets this as the areas FMR. Housing choice voucher program holders are limited to selecting units that do not rent for more than fair market rent.

Group Quarters: People living in shared housing facilities, such as a college dormitory, military barrack, nursing home, or temporary shelter are not considered households and are counted as group quarters population.

High Density: Housing with density of no less than 10 or more than 20 units per net buildable acre.

Housing Unit (or Dwelling Unit): A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other person in the structure and there is direct access from the outside or common hall.

Household: Consists of all people that occupy a housing unit. The occupants can be related, such as a family or unrelated. A person living alone is also a household.

HUD: Acronym for the U.S. Department of Housing and Urban Development, the federal agency dedicated to strengthening and supporting the housing market.

Low Density: Housing with density of no less than 3 or more than 8 units per net buildable acre.

Low-Income: Families designated as low-income may qualify for subsidized housing and/or income-based deed-restricted housing units. HUD classifies families based on median family income levels as shown below:

Income Category	Household Income*
Extremely low-income	30% of MFI or less
Very-low income	30-50% of MFI
Low income	50-80% of MFI
Moderate income	80-100% of MFI
Above median income	> 100% of MFI

* Median Family Income (MFI) for the HUD defined market area.

Manufactured Housing: A structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.

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Median Family Income (MFI): The median sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption, and residing together; all such people (including related subfamily members) are considered as members of one family. Median income of non-family households tends to be lower than for family households. In this report both MFI and AMI refer to the U.S. Department of Housing and Urban Development Area Median Family Income (AMI), unless otherwise specified.

Medium Density: Housing with density of no less than 8 or more than 14 units per net buildable acre.

Middle Housing: Typically includes duplexes, triplexes, quadplexes, townhomes, and cottage clusters.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Partially-vacant land: Unconstrained land that has some existing development but can be subdivided to allow for additional residential development.

Permanent Resident Population: This refers to the count of all people (citizens and noncitizens) who are living in the location at the time of the census. People are counted at their usual residence, which is the place where they live and sleep most of the time.

Plexes: Two to four separate dwelling units within one structure. In most instances each duplex, triplex, or quadplex unit has its own separate entry.

Residual Land Value: The amount a developer would typically be willing to pay for the land/site in order to build a specific real estate improvement based on underlying assumptions and market conditions.

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

Severely Cost Burdened: Defined by the U.S. Department of Housing and Urban Development (HUD) as households who spend over 50% of their income on housing.

Single Family Attached: Residential structures comprised of two to four housing units with a shared wall that separates each unit.

Single Family Detached: Free standing residential building, unattached, containing separate bathing, kitchen, sanitary, and sleeping facilities.

Subsidized Housing: Public housing, rental assistance vouchers, and developments that use Low-Income Housing Tax Credits (LIHTC). Subsidized housing lowers overall housing costs for its

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occupants. Affordable housing and subsidized housing are different even though the terms are sometimes used interchangeably.

Tenure: Tenure refers to the ownership of the housing unit in relation to its occupants. According to the U.S. Census Bureau, a housing unit is “owned” if the owner or co-owner(s) live in the unit, even if it is mortgaged or not fully paid for. A cooperative, condominium or mobile home is “owned” only if the owner or co-owner lives in it. All other occupied housing units are classified as “rented.”

Townhome: Attached housing units, each on a separate lot, and each with its own entry from a public street, shared driveway, or common tract.

Vacant housing unit: A housing unit is vacant if no one is living in it at the time of enumeration unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by people who have a usual residence elsewhere are also classified as vacant.

Vacant land: Vacant land identified within the local buildable land inventory that is not developed and unconstrained for future planned residential development.

Vouchers (Tenant-based and Project-based): HUD provides housing vouchers to qualifying low-income households to offset a portion of their rents. These are typically distributed by local housing authorities. Vouchers can be “tenant-based,” meaning the household can use them to help pay for market-rate housing in the location of their choice. The tenant pays the difference between the fair market rent and 30% of the tenant’s income. Or vouchers can be “project-based,” meaning they are assigned to a specific building.

EXECUTIVE SUMMARY

The City of Sandy (City) is actively addressing local housing issues, needs, and local land use policies through this Housing Production Strategy (HPS), and the recently completed Housing Capacity Analysis (HCA). **This HPS examines how the City can enhance local housing production, affordability, access, and choice, while maintaining stability and limiting displacement.**

The HPS process included a review of the City’s current policies, past actions, future housing needs, and an analysis of residents that are at risk of being left behind in the existing housing environment. At its core, the HPS identifies which tools, actions, or policies the City can implement to address housing production, affordability, and choice, especially as it relates to the needs identified in the HCA.

The City of Sandy has already adopted several policy measures over the past few years that provide additional housing production opportunities including:

Recent Policy Measures Adopted by the City of Sandy:

- **Clear and Objective Housing Audit** – this recent housing audit was conducted to clearly define current local housing regulations (adoption 2024).
- **Parks and Trails Master Plan** – provided decisions on future park and trail investments by prioritizing equity and access for all residents within all neighborhoods (adoption 2022).
- **Housing Capacity Analysis** – analyzed the housing capacity and needs within the Sandy Urban Growth Boundary over the next 20 years (adoption 2024).
- **Comprehensive Plan** – established new housing policies such as coordinating capital improvements with housing planning and locating multifamily housing near amenities such as schools and planned transit routes (adoption 2024).
- **Sanitary Sewer impact mitigation program with new equivalent residential unit (ERU) assignment program** – new local program to allow some housing to be constructed during the sanitary sewer moratorium (implemented in 2024).
- Sandy’s Police Department **coordinates with AntFarm** (a local non-profit organization) to provide housing assistance for people experiencing homelessness (initiated in 2023).
- **Transportation System Plan** – will guide how the City invests in its transportation system to meet the future needs of the city and provides service to buildable residential land (adopted in 2023).
- New City policy established **designated camping regulations for use by people experiencing homelessness** (adoption in 2022).

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- **Water Master Plan** – estimates future water requirements, including potential water system expansion areas to serve buildable residential land in the city (adopted 2022).
- The City established a **community service officer position** to assist people experiencing homelessness (initiated in 2025).
- Concurrent with the HCA and the HPS planning process, the City staff worked with housing service providers and the City Council and Planning Commission and held public meetings to better understand housing needs in the community.

Construction-Related Actions that Support Housing:

- The City has invested over \$34 million to date on upgrading the sanitary sewer system infrastructure so that near-term housing construction could move forward despite a current sanitary sewer moratorium.
- The City constructed 362nd Drive and Bell Street to connect neighborhood residents with employment, shopping, schools, and other community amenities.

Meetings with Decision Makers

As part of the HPS planning process, City staff and consultants met with local decision makers to keep them informed of the contents and progress of the report. Those meetings included:

- **Joint Planning Commission and City Council meetings** – the project included three joint meetings with the Planning Commission and the City Council. The meetings occurred on September 16, 2024, May 19, 2025, and October 6, 2025, including a review of proposed policies to be considered, the issue of the development moratorium stemming from wastewater capacity constraints imposed on the City, and the requirements of the HPS process.
- **Future joint work session with the Planning Commission and the City Council**
- **Legislative hearing with the Planning Commission**
- **Legislative adoption hearing with the City Council**

As part of the HCA and HPS planning procedures, two rounds of community outreach were conducted with local and regional “housing stakeholders” that are knowledgeable about housing issues within the city of Sandy.

Stakeholder Outreach (2024)

Over the summer of 2024, ECONorthwest staff interviewed four service providers in Sandy. These providers offer services to low-income households, seniors, at-risk youth, the Latino population, and people experiencing homelessness. The interviews focused on understanding community housing needs and identifying strategies for initial consideration. Additionally, ECONorthwest hosted conversations with interested City Council members to better understand their perspectives on their constituents' needs.

These interviews involved representatives from the following organizations:

- Todos Juntos

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- Community Action Center
- Senior Center
- Antfarm
- City Councilors (two members were interviewed)

The following summary summarized the key housing needs and issues identified during the initial round of community stakeholder input:

- **Rising costs of housing, utilities, and necessities are straining residents.** This financial pressure particularly affects young families, single parents, lower-income workers, and seniors on fixed incomes. Sandy's rising utility rates are a significant affordability issue for income-strapped residents. Many households now require multiple jobs to make ends meet, leading to increased demand for support services like food banks and energy assistance. Some seniors face difficulties accessing support services, especially when information and applications are only available online.
- **There is perceived to be limited support for residents experiencing homelessness.** This at-risk population segment includes local youths, low-income residents, and elderly residents on social security. There is a perceived community resistance to homeless services in Sandy which can make it more challenging to meet the needs of those experiencing homelessness. Additionally, Sandy lacks transitional and emergency housing. Lastly, mental health was noted as a significant barrier to accessing housing for some people experiencing homelessness.
- **Housing options in Sandy are limited.** There is a perceived shortage of housing inventory across all housing types, including affordable, rental, entry-level, and larger homes. Income-restricted units have long waitlists.
- **Residents choose Sandy for its public safety and ties to family and community.** However, this choice often comes with increased transportation expenses due to the need for an automobile. Many seniors wish to remain in Sandy as they age but encounter various challenges (noted above) to aging in place.

Stakeholder Outreach (2025)

After HPS policies were drafted in the summer of 2025, FCS staff conducted a second round of stakeholder interviews with service providers and housing developers who work in the Sandy housing market. These interviews focused on how appropriate the policies being considered by the City were to the issues being faced by residents.

Discussions were held with the following stakeholders:

- Zac Baker, Development Manager, Southport Financial Services
- Kirsten D. Pitzer, Sandy Community Action Center Director
- Tiana Rundell, Interim Parks and Recreation Director

Sandy Housing Production Strategy

Stakeholders were provided with a list of the policies under consideration for the Sandy HPS and were asked their opinion on each. A summary of stakeholder input is provided below.

- **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.**
 - This would be very helpful.
 - The process sounds cumbersome and costly.
- **Complete and adopt the wastewater system facility plan amendment.**
 - This would be helpful in providing more developer certainty.
 - This is a must for the city to move beyond the development moratorium.
- **Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.**
 - Could increase developer interest and, for what it is worth, there is a template for this in Washington called the "CHIP" program - Connecting Housing to Infrastructure Program. Geared toward affordable housing production but could be tailored differently in Oregon.
- **Construct capital improvements necessary to convey the wastewater to a permanent discharge location.**
 - This would make sense if it were done in tandem with the above.
- **Improve the wastewater treatment plant and related system infrastructure.**
 - I'm not sure that this would increase the production of housing unless the improvements also increase capacity.
- **Implement a local affordable housing construction excise tax.**
 - Adopting a local real estate tax exemption program may be better. They've done this in other places such as Bend, Redmond, and Portland. There is already State law providing the authority to the local jurisdiction to "write the script" for who qualifies, the term of the exemption, and other specifics about how the program works.
- **Amend the zoning code to allow additional middle housing options.**
 - Cottage cluster housing might not provide much additional housing. There isn't a great sense for how common this housing is in Oregon now that it has become a popular middle housing product from a policy standpoint.
- **Promote accessible design standards.**
 - This would produce a more accessible product for residents of Sandy but would not necessarily increase housing production.
- **Monitor and require registration for short-term rentals.**
 - Regulations have historically pushed developers away, so this may have a negative impact on housing production.
- **Support the preservation of manufactured homes and mobile home parks.**
 - This would help maintain some housing affordability in the area but would likely not increase production.

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- **Utilize surplus public land for housing development.**
 - This practice can lead to public-private partnerships to produce housing. Especially if there is an efficient program for land use approvals or rezoning, if needed.
- **Expand City partnership with local housing service providers and continue to fund the community services officer position to support the homeless population.**
 - This could help produce affordable housing by attracting resources at the State level.
 - This program is not likely to address current needs for market-rate housing.

Input provided during the community involvement process has been integrated throughout this report and is used to inform which policies are being considered and how they are to be implemented. The remainder of this report summarizes findings regarding the housing market in Sandy as well as key demographic and socio-economic trends to provide a deeper understanding of how the housing market is experienced by all Sandy residents.

HPS Actions

The housing production strategies considered in this report are as follows:

- 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.

I. INTRODUCTION

Purpose

Communities across the state of Oregon are facing unprecedented challenges with providing safe and affordable housing. In response, the Oregon legislature passed a series of measures designed to mandate cities to proactively look ahead and identify local housing policies which will meet existing and future housing needs for all residents.

In Sandy, the City is undertaking comprehensive studies that evaluate housing issues, needs, and local policy recommendations in the form of a recently completed Housing Capacity Analysis (HCA) and this Housing Production Strategy (HPS). This HPS is intended to expand on the work of the HCA by examining how a city can impact housing affordability, access and choice issues, displacement, and housing stability. The HPS process includes a review of the City's policies, past actions, future housing needs, and an analysis of who is at risk of being left behind in the existing housing environment. Community input was obtained to identify and evaluate recommended policy changes that can be implemented to increase production of needed subsidized and market-rate housing.

At its core, the HPS identifies which tools, actions, or policies the City can implement to promote housing production, affordability, and choice, especially as it relates to the needs identified in the HCA.

The Housing Production Strategy addresses the following questions:

- *What tools, actions, or policies will the City implement to promote housing production, affordability, and choice?*
 - *What local policies and actions can be taken to produce additional affordable and market rate housing?*
-

Approach

Key steps in the creation of this report include the following:

- **Contextualized Housing Needs Analysis:** This memo sets the stage for the overall HPS. The memo summarizes findings beyond those discussed in the HCA; identifies actions already taken by the City to foster housing production; and identifies the housing needs of key demographics in the City of Sandy whose housing needs may be unique. Those demographics include residents living in rental units, people with disabilities, older Oregonians, people experiencing homelessness, and Latino community members. This report can be found in **Appendix A**.
- **Stakeholder Input.** Through the HCA and HPS process, interviews were conducted with housing stakeholders including developers, affordable housing advocates, real estate brokers,

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housing consumers, and others to confirm housing development barriers and opportunities. Input was also gathered through discussions with the City Council and the Planning Commission. These outreach efforts provided local context regarding existing conditions in Sandy's housing market as well as direction on the policies under consideration.

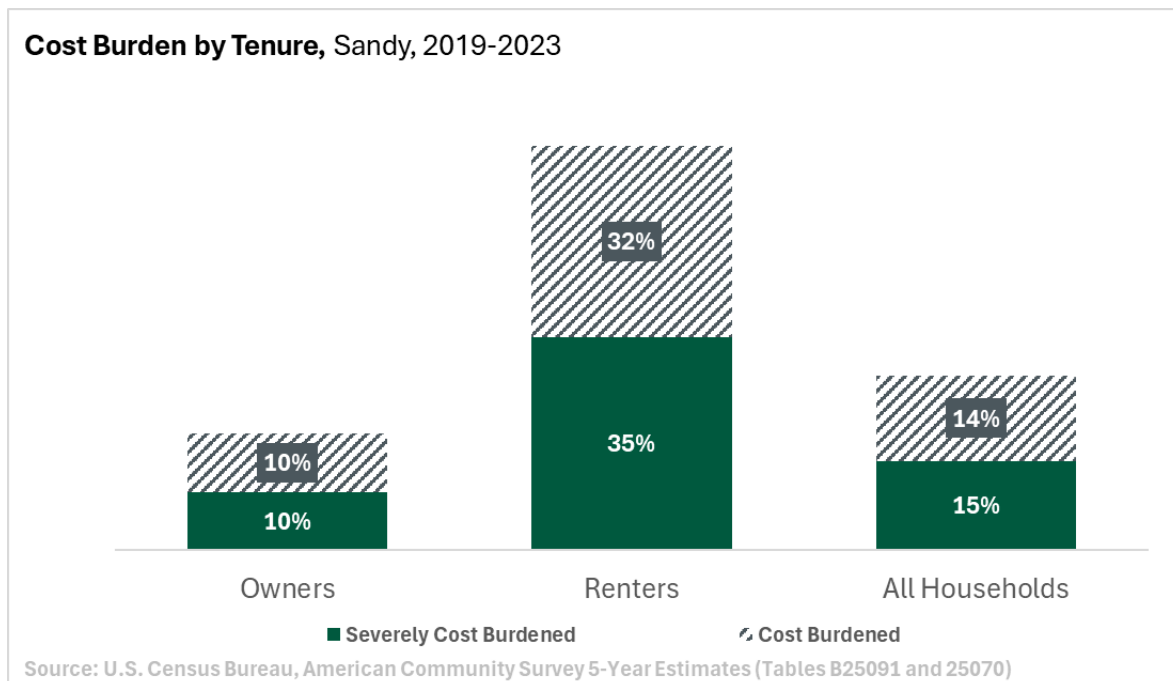
- **Development of Recommended Strategies to Accommodate Future Housing Need.** Based on data gathered through public outreach and review of the City's HCA, the consultant team identified strategies recommended for inclusion in the HPS.
- **HPS Report.** The findings and recommendations of the HPS are compiled in this report.

II. SANDY'S HOUSING NEEDS

Key characteristics of housing needs in Sandy include the following.

- **Population in Sandy has increased faster than the statewide, countywide average.** According to U.S. Census data, population in the Sandy has increased by 7,548 since 2000, this equates to a 3.7% average annual rate of growth. That is much higher than the state (0.9%) and Clackamas County (1%) annual population growth rates during the same period.
- **The vast majority (80% of occupied dwellings) in Sandy are owner-occupied.** Sandy's homeownership rate increased by twelve percentage points between 2000 and 2023. The City's home ownership rate is well above the overall rate in the County (71%) and the State (63%).
- **Sandy households are larger.** U.S. Census data shows that the average household size in Sandy (2.74) was larger than the Clackamas County (2.57) and Oregon (2.43) averages.
- **Renters in Sandy face cost burden.** About 67% of Sandy's renters spend more than 30% of their income on housing, compared to 19% of homeowners. 32% of Sandy's renters pay more than 50% of their income on housing.

Housing Cost Burden by Tenure, Sandy, 2019-2023

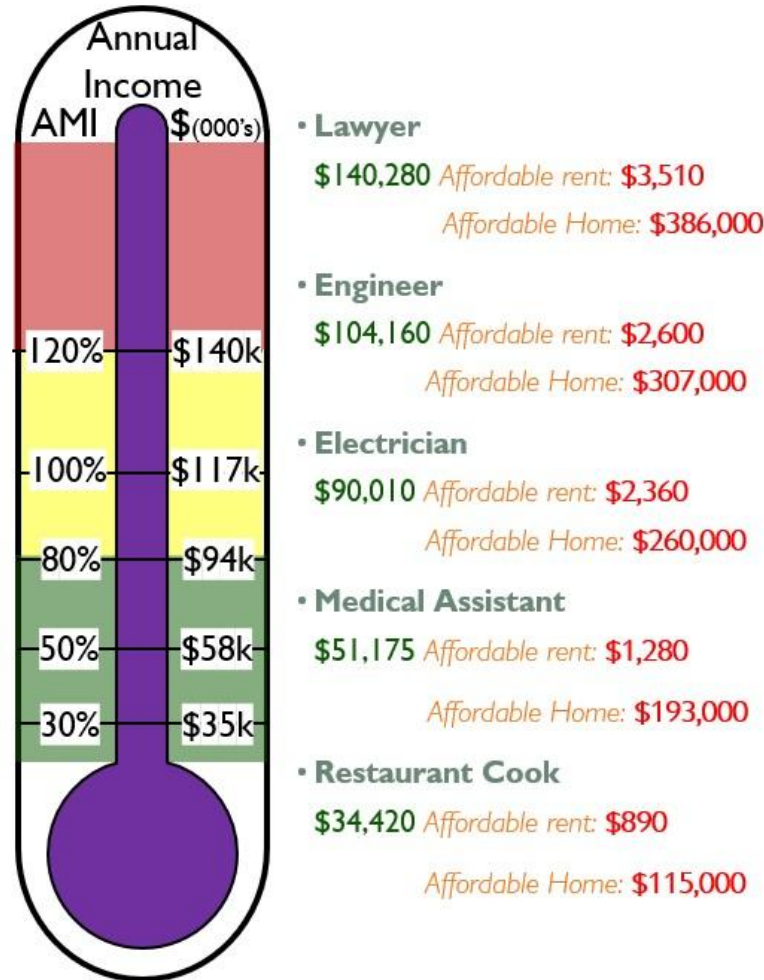


- **Low-income households in Sandy have few housing options.** Costs for both rental and ownership housing are much higher than many residents can afford. In Sandy, a household must

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make 129% of MFI (\$151,000) to afford the median sales price of a home (\$507,000). To afford the average apartment rent plus utilities (\$1,850) a household must earn 63% of MFI (\$74,000). About 80% of housing in Sandy is single family detached which is often more expensive than attached housing or multifamily housing types.

Financially Attainable Housing by MFI for Clackamas County, 2024



Source: U.S. Department of Housing and Urban Development, Portland MSA, 2024. Oregon Employment Department (2023 wage estimates)

- **Future Housing Demand prospects are very strong in Sandy.** The 2024 HCA forecasts a need for 2,424 units to keep pace with projected population growth. The forecasted housing needs analysis concluded that:
 - Approximately 60% of the new units were projected to be single-family detached homes.
 - An additional 7% of new units are expected to be single-family-attached homes.

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- 5% of new units are projected in the form of plexes (duplex, triplex, and quadplex).
- High density units are expected to make up the remaining 28% of projected future need.
- **Future Housing Demand can be broadly distributed by income level.** The 2024 HCA projects that demand will be a relatively even distribution between household income levels.
 - 363 dwelling units will need to be affordable for those in the extremely low-income bracket (those making less than \$34,000 per year).
 - 361 dwelling units will need to be available for those making between \$34,000 and \$57,000 annually.
 - 532 dwelling units will need to be available for those making between \$53,000 and \$85,000.
 - 626 dwelling units will need to be available for those making between \$85,000 and \$137,000.
 - 542 dwelling units will need to be available for those making over \$137,000 annually.

ACTIONS BY THE CITY TO MEET HOUSING NEEDS

The City of Sandy has already adopted policy measures that provide additional housing production opportunities including:

Policy actions

- Clear and Objective Housing Audit – clearly defined current housing regulations (adoption 2024).
- Parks and Trails Master Plan – provided decisions on future park and trail investments by prioritizing equity and access for all residents within all neighborhoods (adoption 2022).
- Comprehensive Plan – established new housing policies such as coordinating capital improvements with housing planning and locating multifamily housing near amenities such as schools and planned transit routes (adoption 2024).
- Created an equivalent residential unit (ERU) assignment program so that needed housing could move forward during the sanitary sewer moratorium.

Service actions

- Sandy's Police Department coordinates with AntFarm (a local non-profit organization) to provide housing assistance for people experiencing homelessness (2023).
- Local policy established designated camping regulations for use by people experiencing homelessness (2022).
- The City established a community service officer position to assist people experiencing homelessness.
- Concurrent with the HCA and the HPS planning process, the city engaged with service providers and the City Council and Planning Commission in public meetings to better understand housing needs in the community.

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Construction actions

- The City has invested over \$34 million to date on upgrading the sanitary sewer system so that near-term housing construction could move forward despite a current sanitary sewer moratorium.
- The City constructed 362nd Drive and Bell Street to connect neighborhood residents with employment, shopping, schools, and other community amenities.

Evaluation of Additional Local Policy Actions

The core of the Housing Production Strategy is to address housing needs for all citizen and to help remove regulatory “barriers” to the development of needed housing through locally preferred actions, such as:

- 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 eventual adoption/implementation of these new policy actions will help foster additional near-term housing construction for all needed housing types. An evaluation of key policy measures is provided in **Section IV**.

III. COMMUNITY ENGAGEMENT

Throughout the HCA and HPS process, Sandy and their consultants conducted stakeholder interviews with key housing producers, employers, and non-profit housing representatives. Examples include developers, real estate agents, housing advocates, and consumers and consumer representatives for priority populations.

Stakeholder Outreach (2024)

During the HCA process, ECONorthwest staff interviewed four service providers in Sandy. These providers offer services to low-income households, seniors, at-risk youth, the Latino population, and people experiencing homelessness. The interviews focused on understanding community housing needs and identifying strategies for initial consideration. Additionally, ECONorthwest hosted conversations with interested City Council members to better understand their perspectives on their constituents' needs.

These interviews involved representatives from the following organizations:

- Todos Juntos
- Community Action Center
- Senior Center
- Antfarm
- City Council (two were interviewed)

The following summary outlines the key housing needs identified during these conversations:

- **Rising costs of housing, utilities, and necessities are straining residents.** This financial pressure particularly affects young families, single parents, lower-income workers, and seniors on fixed incomes. Sandy's rising utility rates are a significant affordability issue for income-strapped residents. Many households now require multiple jobs to make ends meet, leading to increased demand for support services like food banks and energy assistance. Some seniors face difficulties accessing support services, especially when information and applications are only available online.
- **There is a perception that there is limited support for residents experiencing homelessness.** This population includes local youth, lower-income workers, and people on social security. There is a perceived community resistance to homeless services in Sandy which can make it more challenging to meet the needs of those experiencing homelessness. Additionally Sandy lacks transitional and emergency housing. Lastly, mental health was noted as a significant barrier to accessing housing for some people experiencing homelessness.

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- **Housing options in Sandy are limited.** There is a shortage of housing across all housing types, including affordable, rental, entry-level, and larger homes. Income-restricted units have long waitlists.
- **Residents choose Sandy for its perceived safety and ties to family and community.** However, this choice often comes with increased transportation expenses due to the need for an automobile. Many seniors wish to remain in Sandy as they age but encounter barriers to aging in place.

Stakeholder Outreach (2025)

After HPS policies were drafted in the summer of 2025, FCS conducted stakeholder interviews with service providers and developers who work in the Sandy housing market. These interviews focused on how appropriate the policies being considered by the City were to the issues being faced by residents.

A list of stakeholders was developed by City staff which includes housing developers, City staff impacted by homelessness, and representatives from nonprofit organizations serving Sandy. Outreach was conducted from June 16 to June 30.

Discussions were held with the following stakeholders:

- Zac Baker, Development Manager, Southport Financial Services
- Kirsten D. Pitzer, Sandy Community Action Center Director
- Tiana Rundell, Interim Parks and Recreation Director

Discussion of Housing Policies

Stakeholders were provided with a list of the policies under consideration for the Sandy HPS and were asked their opinion on each. A summary of stakeholder input is provided below.

- **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.**
 - This would be very helpful.
 - The process sounds cumbersome and costly.
- **Complete and adopt the wastewater system facility plan amendment.**
 - This would be helpful in providing more developer certainty.
 - This is a must for the city to move beyond the development moratorium.
- **Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.**
 - Could increase developer interest and, for what it is worth, there is a template for this in Washington called the "CHIP" program - Connecting Housing to Infrastructure Program. Geared toward affordable housing production but could be tailored differently in Oregon.

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- **Construct capital improvements necessary to convey the city's wastewater to its permanent discharge location.**
 - This would make sense if it were done in tandem with the above.
- **Improve the wastewater treatment plant and related system infrastructure.**
 - Improvements increase housing development capacity to be effective.
- **Implement a local affordable housing construction excise tax.**
 - Adopting a local real estate tax exemption program may be better. This policy has been pursued in markets such as Bend, Redmond, and Portland.
- **Amend the zoning code to allow additional middle housing options.**
 - Cottage cluster housing might not provide much additional housing. This policy should emphasize all middle housing types.
- **Promote accessible design standards.**
 - This would produce more accessible housing for residents of Sandy but would not necessarily increase housing production.
- **Monitor and require registration for short-term rentals.**
 - Regulations have historically pushed developers away, so this may have a negative impact on housing production.
- **Support the preservation of manufactured homes and mobile home parks.**
 - This would help maintain some housing affordability in the area but would likely not increase production.
- **Utilize surplus public land for housing development.**
 - This could help produce housing. Especially if there was an efficient program for land use approval or rezoning if needed.
- **Expand the partnership with local service providers and continue to fund the community services officer to support the homeless population.**
 - This could help produce affordable housing by attracting resources at the State level.
 - Unsure that this would impact the production of market rate housing.

Other Input

Stakeholders also provided broad input about the housing market in Sandy during interviews. Their observations are shared below:

- The City is struggling to afford senior services such as meals on wheels and energy assistance programs. The City also provides services to Welches, Estacada, and unincorporated Clackamas County.
- Several homeless residents of Sandy are staying overnight in Meinig Park, which is located south of City Hall. The park has seen an uptick in the number of homeless people spending days under covered structures. At night, those folks move to the forest behind the park. These individuals appear to be experiencing mental health and drug addiction issues and have refused the assistance offered by City and County staff.
- Housing affordability is a huge issue. Finding a rental in Sandy is hard.

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- The City should consider some sort of real estate tax exemption program. Either a multifamily tax exemption (MFTE), a new construction tax exemption, or an affordable housing tax exemption program. Granting a hypothetical 20-year exemption on vacant property inside the UGB would not materially change the City's revenue for the next 20 years, but it would produce housing and economic activity and would create substantial additional revenue when the exemption ends 20 years from now.
- The City should also consider some form of local zoning incentives for affordable housing. For instance, if 20% of a development is "affordable" at 60% AMI, there might be a 5% density bonus. If 50% of the units are affordable at 80% AMI, maybe there is a 10% density bonus. Concept being that if developers can spread their land development/site work costs across a greater number of units, it will help make their development model more feasible.

HOW WAS INPUT CONSIDERED?

Feedback provided by stakeholders and decision-makers was used to formulate policies that make an impact on the housing issues facing Sandy. Additionally, this feedback provided a sense for what new policies might be politically feasible in the near term (1 to 8 years). Examples include:

- Broad support for wastewater capacity increases.
- Skepticism from decision-makers regarding adding cottage clusters versus a more broad-based approach to additional middle housing options.
- General support for more accessible units.

FUTURE OUTREACH RECOMMENDATIONS

The following recommendations for public outreach are not limited to housing policy development efforts but can be implemented on a regular basis.

- The opportunity to hear from the public in an open house setting is beneficial. Members of the public appreciate the opportunity to learn what City staff are working on and like to have their opinions heard. This exercise also improves the mutual understanding of concerns being faced by housing consumers in Sandy.
- As the impacts of the Covid-19 pandemic ease, additional efforts should be made to meet with the public at locations that are convenient to them (such as community events, farmers markets, club meetings, etc.).
- The City could consider convening a housing committee. This model exists in other communities of similar size to Sandy. The ad hoc housing committee could assist with updates to local housing market data and serve as a sounding board for the review of new local policies.

IV. STRATEGIES TO MEET FUTURE NEEDS

The following strategies are intended to increase the provision of needed housing in Sandy, as required by ORS 197A.100. Strategies listed below have been analyzed to determine citywide housing impact as well as how well they meet the needs of key demographics.

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.

Description

- City of Sandy will pursue accommodations to Sandy's NPDES permit to discharge into Tickle Creek, particularly basing discharge limitations on stream flows rather than calendar dates. Agreements are needed to protect the City against possible future adverse actions and/or Capacity Assurance Program restrictions pursuant to the Consent Decree with Oregon DEQ and US EPA.
- This policy is recommended because of an identified need for future housing as highlighted in the Housing Capacity Analysis in conjunction with the moratorium on new development imposed by Sandy in October of 2022.

Implementation Steps

- City staff and legal representatives need to continue to meet with relevant stakeholders from state and federal agencies.
- City staff and engineering representatives to provide technical analysis of stream flow vs calendar dates approach.
- Grant of relief will provide the City wider latitude to mitigate the impact of the 2023 Consent Decree.

Timeframes

- For Adoption: 2025
- For Implementation: 2026
- For housing Impacts: 2027+

Estimated Magnitude of Impact

- Housing Type Impact: Increase in housing development across types.
- Housing Tenure Impact: Increase in rental and ownership units.
- Income Demographic Served: Extremely low to high income households (0-120%+ MFI)
- Housing Production Impacts: The development moratorium imposed in October 2022 and later limited by the September 2023 consent decree allows for limited development in the city of

Sandy Housing Production Strategy

Sandy. The extent of housing impacts resulting from successful implementation of this strategy would depend on what relief is provided, however, it is expected that the impact could be significant in allowing Sandy to produce the 2,400+ units called for in the City's latest housing capacity analysis.

- **Benefits**

- **Low-income communities:** Assuming that this strategy is successful, and relief is provided to Sandy, there is expected to be a benefit to lower income households by providing more housing supply which will reduce housing costs over time. It is not anticipated that any negative consequences will result for low-income residents relative to baseline.
- **Communities of color:** As with low-income communities, Sandy's communities of color are also expected to benefit from an increase in housing supply driving down costs. It is not anticipated that any negative consequences will result for residents of color relative to baseline.
- **People with disabilities:** To the extent that Sandy is allowed to permit residential development, disabled residents will marginally benefit from modern, more accessible developments. This benefit can be made more significant should Sandy also pursue and adopt pre-approved plans that meet accessibility goals (discussed later in this document). No negative consequences will result for disabled residents relative to baseline.
- **Individuals experiencing homelessness:** Assuming successful implementation, this strategy will increase housing choice and the opportunity for new shelter or subsidized housing development that may benefit homeless residents of Sandy. This strategy, coupled with community partnerships and continued funding of the Community Services Officer (discussed later in this report), or the affordable housing construction excise tax policy strategy would result in added benefit to homeless residents of Sandy. It is not anticipated that any negative consequences will result for homeless residents relative to baseline.
- **Seniors:** Assuming successful implementation, this strategy would have a direct benefit to older residents of Sandy to the extent that there is desire to downsize (e.g., move from a single-family home to a more centrally located, smaller "middle housing" dwelling unit), as well as providing increased housing choice. It is not anticipated that any negative consequences will result for seniors in Sandy relative to baseline.

Revenue Impacts:

- The current development moratorium would be significantly modified or repealed. This would likely result in increased property tax revenue for the City's general fund and the affordable housing construction excise tax revenue fund as new housing construction occurs over time.
- Increased residential development and related population increase will result in additional demand and administrative costs for City services, such as police and general government.

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B. Complete and adopt the wastewater system facility plan amendment.

Description

- This strategy centers around the City adopting the November 2024 City of Sandy Facility Plan Amendment.
- The Wastewater System Plan amendment includes several alternatives the City may pursue to alleviate the wastewater discharge issue, which is at the root of the development moratorium preventing Sandy from approving new residential development.

Implementation Steps

- City staff will brief City Council members on the Amendment
- City staff will bring the Wastewater Facility Plan Amendment before City Council for adoption.
- City staff will identify the most feasible wastewater discharge alternative.
- City shall obtain funding for development of needed wastewater transmission improvements.

Timeframes

- For Adoption: 2025
- For Implementation: 2026
- For housing Impacts: 2027-2035+

Estimated Magnitude of Impact

- Housing Type Impact: Increase in housing across all types.
- Housing Tenure Impact: Increase in rental and ownership units.
- Income Demographic Served: Extremely low to high income households (0-120%+ MFI)
- Housing Production Impacts: The development moratorium imposed in October 2022 and later limited by the September 2023 consent decree allows for limited development in the city of Sandy. This strategy alone will not alleviate the moratorium, but it is a necessary step in securing a long-term solution to Sandy's wastewater discharge.
- Benefits and Burdens
 - This strategy will not have a negative or positive impact on residents of Sandy, but is a required strategy in modifying or repealing the moratorium on development.

Revenue Impacts:

- Minimal revenue impact on the City's general fund in the near-term. In the long-term, adoption of the Plan and implementing the preferred alternative will allow for additional housing units to be constructed, generating system development charge revenue and additional rate revenue from new rate payers.

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C. Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.

Description

- To facilitate housing development, Sandy must address its wastewater capacity limitations. Rising utility costs pose a threat to housing affordability, with rates having increased substantially in recent years. This is a long-term challenge and without federal or state financial assistance, the City is limited in its ability to accommodate housing development as costs for system upgrades are estimated over \$200 million. The City will pursue federal and state funding including loans and grants to support system upgrades.

Implementation Steps

- The City will lead efforts to secure state and federal funding, coordinate with agencies, and oversee project implementation.
- Requires extensive interagency collaboration and advocacy, as well as detailed planning and environmental approvals.

Timeframes

- For Adoption: 2025
- For Implementation: 2026+
- For housing Impacts: 2031+

Estimated Magnitude of Impact

- Housing Type Impact: Once funding is secured and improvements are made, all housing types are expected to be added.
- Housing Tenure Impact: Increase in owner-occupied and renter-occupied units.
- Income Demographic Served: Extremely low to upper income households (0%-120%+ MFI)
- Housing Production Impacts: Significant, securing funding and eliminating the development moratorium could result in the production of the 2,400+ units called for in the Sandy HCA
- Benefits
 - Homebuyers/renters: Enables more housing to be built; potential for more affordable housing types.
- Burdens
 - Existing residents: Potential for increased costs to utility customers to fund upgrades (if funded through rate revenue); low-income residents may be particularly burdened by higher utility rates and system development charges.

Revenue Impacts:

- Substantial funding is needed for infrastructure upgrades; external grants and loans will play a critical role by helping limit the cost burden on local residents.

Sandy Housing Production Strategy

D. Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.**Description**

- Once a preferred alternative identified and funding secured, Sandy will construct the necessary infrastructure improvements to eliminate the development moratorium.

Implementation Steps

- Finalize wastewater transmission plans.
- Solicit bids for construction of improvements identified.
- Award contract to winning proposer.
- Complete wastewater transmission project, with approvals from Oregon DEQ.

Timeframes

- For Adoption: 2026+
- For Implementation: 2030+
- For housing Impacts: 2032+

Estimated Magnitude of Impact

- Housing Type Impact: Once funding is secured and improvements are made, all housing types are expected to be added.
- Housing Tenure Impact: Increase in owner-occupied and renter-occupied units.
- Income Demographic Served: Extremely low to upper income households (0%-120%+ MFI)
- Housing Production Impacts: Significant, securing funding and eliminating the development moratorium could result in the production of the 2,400+ units called for in the Sandy HCA.
- Benefits
 - Homebuyers/renters: Enables more housing to be built; potential for more affordable housing types.
- Burdens
 - Existing residents: Potential for increased costs to fund upgrades (if funded through loans); low-income residents may be particularly burdened by high fees.

Revenue Impacts:

- Significant revenue impact to the wastewater fund.

Sandy Housing Production Strategy

E. Improve the wastewater treatment plant and related system infrastructure.**Description**

- Complete wastewater treatment plant improvements necessary to secure approval from EPA and DEQ to raise the City's Consent Decree Capacity Assurance Program Limit by 190 equivalent residential units (ERUs).

Implementation Steps

- Identify wastewater treatment plan improvements necessary to receive additional development capacity.
- Solicit bids for construction of improvements identified.
- Award contract to winning proposer.
- Complete wastewater treatment plant project, pass approvals by DEQ.

Timeframes

- For Adoption: 2025
- For Implementation: 2026
- For housing Impacts: 2027

Estimated Magnitude of Impact

- Housing Type Impact: Once funding is secured and improvements are made, all housing types are expected to be added.
- Housing Tenure Impact: Increase in owner-occupied and renter-occupied units.
- Income Demographic Served: Extremely low to upper income households (0%-120%+ MFI)
- Housing Production Impacts: A portion of the 190 ERUs will be allocated to new dwelling units once this improvement is completed and it passes DEQ/EPA.
- Benefits
 - **Homebuyers/renters:** Enables more housing to be built; potential for more affordable housing types.
- Burdens
 - **Existing residents:** None, as this is funded by federal American Rescue Plan Act (ARPA) funds.

Revenue Impacts:

- This project is primarily being funded by federal American Rescue Plan Act (ARPA) funds and has limited financial impact on local residents and developers. In the medium and long term, the additional capacity will allow for development in Sandy which will result in additional SDC revenues.

Sandy Housing Production Strategy

F. Implement a local affordable housing Construction Excise Tax (CET).**Description**

- A CET is a tax on construction permits to fund affordable housing programs. If the City were to adopt a CET, the tax would be set up to 1% of the construction permit valuation on residential construction and a to be determined rate on commercial and industrial construction. CET funds can be used to pay for a variety of affordable housing programs and incentives.
- This policy would allow the City to accumulate funding for future housing development opportunities, such as land purchases and SDC buydowns for qualifying developments.

Implementation Steps

- The City would be responsible for designing the tax structure, adoption by the City Council, implementing collection procedures, and managing the funds generated.
- This would require coordination with the Development Services Department and City Administration to collect funds, manage funds, and distribute funds to qualifying developments.
- Near-term stakeholder outreach is needed to address any concerns from the development community.

Timeframes

- For Adoption: 2028
- For Implementation: 2029
- For housing Impacts: 2030+

Estimated Magnitude of Impact

- Housing Type Impact: Future impact across all housing types, with primary focus on leveraging middle housing development in the city.
- Housing Tenure Impact: Owners and/or renters depending on program criteria.
- Income Demographic Served: Low- and moderate-income households. Depending on program criteria, housing could focus on specific populations.
- Housing Production Impacts: Small to Moderate, depending on funding available.
- Benefits
 - **Low-income communities:** More affordable housing in targeted areas, depending on how funds are used by the City.
 - **Communities of color:** More affordable housing possible, especially if funds are used to produce demographic-specific housing.
 - **Individuals experiencing homelessness:** Once funds have accumulated, they may be used on shelters or affordable housing developments which would be a direct benefit to the homeless people in Sandy.
 - **Affordable housing developers:** Additional funding for affordable housing projects.

Sandy Housing Production Strategy

- Burdens
 - **Market-rate developers:** Increased project costs that could be passed on to buyers or renters.
 - **Buyers/renters of market rate housing:** Increased rents/sales prices if the tax is passed to the end user.

Revenue Impacts:

- Implementation costs are relatively low, primarily involving administrative setup, which can be paid from CET funds.
- The City is likely to generate significant funding from new developments once the moratorium is lifted. Example: every 100 new dwelling units in Sandy would generate +/- \$300,000 in CET funds.

Sandy Housing Production Strategy

G. Amend the zoning code to allow additional middle housing options.**Description**

- Allow triplex and quadplex dwellings by right in the R-2 and R-3 zoning districts.
- Consider allowing additional middle housing types across more zoning districts.
- Middle housing types can provide a range of needed housing. Examples include duplex, triplex, quadplex, or other attached unit types.
- This policy is recommended because of the need for smaller scale, more affordable housing units documented in the HCA and the Contextualized Housing Needs Analysis.

Implementation Steps

- Determine the need for consultant assistance for public outreach or technical analysis.
- The City would amend development codes and streamline permitting for new middle housing.
- The City would conduct research, engage stakeholders, and identify potential incentives.
- Requires the Planning Commission to review and the City Council to adopt code modifications.

Timeframes

- For Adoption: 2030
- For Implementation: 2032
- For housing Impacts: 2033+

Estimated Magnitude of Impact

- Housing Type Impact: Increase in middle housing options.
- Housing Tenure Impact: Increase in rental units as well as “starter home” ownership and opportunities and downsizing opportunities for “empty nesters”.
- Income Demographic Served: Extremely low to low-income households (0-80% MFI)
- Housing Production Impacts: Increased infill housing production with the potential for greater impact if incentives such as construction excise taxes are adopted in conjunction with this strategy.
- Benefits
 - **Low-income communities:** Direct benefit to middle-income households in a market-rate setting. Sandy could also provide incentives for development of middle housing aimed at lower income households. Some middle housing types may also provide home ownership opportunities to residents who may not otherwise be able to afford to buy a home in Sandy, increasing housing choice for residents of a broad income spectrum. This strategy does potentially burden low-income communities with an increased risk of displacement in areas where middle housing development is allowed.
 - **Communities of color:** An indirect benefit is expected given that households of color in Sandy are more likely to be renters and this style of development is likely to increase the amount and variety of housing choice. This benefit could be twofold given that, as stated

Sandy Housing Production Strategy

above, some middle housing types can provide home ownership opportunities that may not otherwise be available in Sandy.

- **Individuals experiencing homelessness:** Taken alone this policy will not provide a direct benefit to Sandy's homeless population. The City could consider providing incentives to nonprofits that work with homeless residents on a case-by-case basis which would provide a direct benefit.
- **Seniors:** To the extent that there is desire to downsize (e.g. move from a single-family home to a more centrally located, higher-density home), middle housing development will benefit Sandy's seniors. In addition, several other communities in Oregon have seen the development of middle housing developments targeted towards seniors (especially lower-income seniors), which could provide additional affordable housing choice. To the extent that these developments are allowed adjacent to amenities, seniors could also benefit from greater access to services.
- **Developers:** Potential incentives to support development
- **Burdens**
 - **Current property owners:** May create design conflicts with some adjacent existing low-density detached homes.

Revenue Impacts:

- Increased density may result in an increase in infrastructure system efficiencies and a relatively positive return on public investment per buildable acre (compared with lower density single family detached homes).
- Increases in residential population may result in an increased need for City services.

Sandy Housing Production Strategy

H. Promote accessible design standards.**Description**

- The City would provide accessible design guidelines that meet standards like Universal Design or Lifelong Housing Certification.
- The City would explore regulations that either require a certain percentage of new units to be ADA accessible—e.g., 10% of units—or the City would provide incentives in the development code to increase the number of units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards.
- Examples of potential incentives include: planning and building fee reductions, system development charge deferrals, and density or building height bonuses. This policy is recommended based on conversations with housing providers and more accurately reflects modern townhome construction practices.
- This policy directly addresses the demonstrated need for housing that are accessible to seniors and residents with disabilities.

Implementation Steps

- The City could design or adopt pre-approved plans.
- The City could develop and implement incentives or requirements for accessible design in new developments.
- This might involve modifications to the Development Code.
- Incentives generally well received but requirements may generate developer concern.

Timeframes

- For Adoption: 2029
- For Implementation: 2030
- For housing Impacts: 2031+

Estimated Magnitude of Impact

- Housing Type Impact: Ideally among all types with particular focus on single-family detached and multifamily housing.
- Housing Tenure Impact: Renters and owners.
- Income Demographic Served: Low to upper income residents (50-120%+ MFI)
- Housing Production Impacts: Increased development of housing accessible to all residents of Sandy.
- Benefits
 - **People with disabilities and Seniors:** Increased access to housing that meets their needs.
- Burdens
 - **Developers:** May face higher construction costs to meet accessibility standards, which could impact overall affordability.

Sandy Housing Production Strategy

- **Renters/homeowners:** Higher costs may be passed on to the end user.

Revenue Impacts:

- Costs could include plan development which will primarily be staff and attorney time. This primarily involves policy changes and can be implemented through existing development review processes.

Sandy Housing Production Strategy

I. Monitor and require registration for short-term rentals.**Description**

- To mitigate the potential impact of short-term rentals (STRs) on housing availability and affordability, the City can implement regulations on short-term rentals starting with mandatory registration and the collection of Transient Lodging Taxes. As part of this process, the City would monitor STR activity to assess its effects on local housing supply.
- Based on the findings, the City could implement additional measures, such as limiting the number of STRs, restricting their operation to certain zones, or requiring owner occupancy. The City could also consider defining different types of STRs and setting occupancy limits to prevent adverse effects on the long-term rental market.
- This strategy addresses the need for more rental housing observed in the HCA.

Implementation Steps

- Determine the need for consultant assistance for public outreach or technical analysis.
- Develop short-term rental regulations and adopt them through required public hearings.
- Maintain and monitor database and collect registration fees.

Timeframes

- For Adoption: 2026
- For Implementation: 2026
- For housing Impacts: 2027

Estimated Magnitude of Impact

- Housing Type Impact: Increase in available units for Sandy residents.
- Housing Tenure Impact: Increase in long-term rental units and potentially ownership units.
- Income Demographic Served: Extremely low to high-income households (0-120% MFI)
- Housing Production Impacts: Likely not applicable.
- Benefits:
 - **Residents:** Increased availability of long-term rental units and/or houses for homeownership.
 - **City:** Additional revenue from transient lodging taxes.
- Burdens:
 - **STR owners:** New regulatory requirements and potential limitations.
 - **Tourists:** Possible reduced availability of short-term accommodations.

Revenue Impacts:

- Revenue from STR registration fees can offset initial setup costs.
- Revenue from STR taxes can offset tourism impacts.

Sandy Housing Production Strategy

J. Support preservation of manufactured home and mobile home parks.**Description**

- Preserve and support development of existing manufactured housing parks because they play a significant role in providing naturally occurring affordable housing.
- Should an owner consider selling the manufactured home park, work with residents to preserve the park through a co-op ownership approach or nonprofit ownership.
- Take advantage of Oregon Housing and Community Services (OHCS) Manufactured Dwelling Park Loan program to preserve manufactured home parks up for sale.
- Develop connections with organizations that provide support for manufactured home park preservation including Oregon Housing and Community Services (OHCS), Network for Oregon Affordable Housing, Banner Bank, and Community Development Financial Institutions (CDFIs).
- This policy is recommended based on Sandy resident's desire for affordable home ownership opportunities.

Implementation Steps

- Partner with organizations listed above and the Clackamas County Housing Authority to support preservation efforts.
- Inventory and monitor manufactured home parks in the Sandy UGB.

Timeframes

- For Adoption: 2028
- For Implementation: 2029
- For housing Impacts: 2030+

Estimated Magnitude of Impact

- Housing Type Impact: Increase in naturally occurring affordable housing.
- Housing Tenure Impact: Maintenance of affordable home ownership options.
- Income Demographic Served: Extremely low to medium-income households (0-100% MFI).
- Housing Production Impacts: Limited housing production impacts will result from this strategy.
- Benefits
 - **Low-income communities:** The impact of this strategy on low-income residents living in a mobile home park that is for sale. This strategy will also maintain mobile home parks and protect naturally occurring housing for low-income Sandy residents.
- Burdens
 - **Mobile Home Park owners:** Potential restrictions on redevelopment opportunities

Revenue Impacts:

- Costs are limited to staff time and minimal public outreach expenses.

Sandy Housing Production Strategy

K. Utilize surplus public land for housing development.**Description**

- The City would periodically conduct an inventory of City-owned land to identify surplus parcels suitable for affordable housing. Additionally, the City would collaborate with the County, State, and School District to identify other publicly owned land that may be repurposed for housing.
- Specifically, this policy aims to leverage public ownership of a developable parcel into housing affordability concessions from developers. This could include deed-restricted affordable units.
- This policy will help the City prepare for housing development opportunities in anticipation of the eventual repeal of the development moratorium.
- This policy addresses residents' desires for more attainably priced rental and home ownership opportunities.

Implementation Steps

- Inventory public-owned land in the Sandy UGB.
- Identify appropriate surplus sites that are vacant or underutilized.
- Reach out to public-sector landowners, determine interest, and negotiate land disposition agreements.
- Conduct highest/best use site redevelopment feasibility studies. Issue RFPs to seek private or non-profit development of housing on government and special district owned surplus properties.

Timeframes

- For Adoption: 2029
- For Implementation: 2030
- For housing Impacts: 2031+

Estimated Magnitude of Impact

- Housing Type Impact: Middle-to-high-density, depending on parcel conditions.
- Housing Tenure Impact: Increase primarily in multifamily rental units.
- Income Demographic Served: Extremely low to medium-income households (0-100% MFI).
- Housing Production Impacts: Increased infill housing production. Scale is dependent on availability of sites.
- Benefits
 - **Low-income communities:** Assuming efforts are successful, low-income households are likely to be the beneficiaries of any negotiated deed-restricted affordable housing.
 - **Individuals experiencing homelessness:** Assuming this strategy successfully leverages deed-restricted affordable housing, Sandy's homeless population will benefit to the extent that they qualify.
- Burdens

Sandy Housing Production Strategy

- **Broader community:** Public-owned land used for housing would not be available for other City, government or special district priorities.

Revenue Impacts:

- The City will expend some staff time coordinating this effort.
- Land disposition would not require additional City funds.

Sandy Housing Production Strategy

L. Expand partnership with local service providers and continue to fund the Community Services Officer to support the homeless population.

Description

- City staff will work with community-based organizations to support the local homeless population by enhancing collaboration on housing solutions.
- Coordinate with existing Clackamas County entities such as the Clackamas County Housing Authority, to address the supply of affordable housing and to assist those experiencing homelessness.
- Partner with Clackamas County Health, Housing and Human Services (H3s) Divisions to support housing programs in and around Sandy to alleviate housing cost burden and displacement.
- Partner with the Clackamas County Housing and Homelessness Task Force to find ways to secure a clear path to shelter and reduce wait times for those experiencing homelessness.
- This policy reflects Sandy resident's desire for the City to take actionable steps to incentivize affordable housing as well as the construction of attainably priced rental housing.
- Sandy may also retain the Community Services Officer position to help coordinate these efforts.

Implementation Steps

- Identify agencies and organizations that can help the City address the needs of those at risk of losing their housing.
- Reach out and hold meetings with relevant County staff and local service providers.
- Identify a permanent funding source for the Community Services Officer.

Timeframes

- For Adoption: 2026
- For Implementation: 2026
- For housing Impacts: 2026+

Estimated Magnitude of Impact

- Housing Type Impact: Potential increase in shelter and transitional housing types.
- Housing Tenure Impact: Potential increase in temporary group quarters housing. Maintaining access to rental and ownership housing for those at risk.
- Income Demographic Served: Extremely low to low-income households (0-80% MFI)
- Housing Production Impacts: Potential for increase in shelter and group quarters housing.
- Benefits
 - **Low-income communities:** To the extent that resources are provided through a partnership, low-income residents at risk of losing their housing will benefit.
 - **Individuals experiencing homelessness:** Assuming that this strategy results in increased provision of resources, there will be a direct, substantial benefit for homeless residents of Sandy, particularly housing navigation and financial resources.

Sandy Housing Production Strategy

- Burdens
 - **Broader Community:** Requires funding resources which could otherwise be available to pursue other City priorities.

Revenue Impacts:

- Requires sustained funding for service delivery and housing assistance programs.

V. ACHIEVING FAIR & EQUITABLE HOUSING OUTCOMES

Location of Housing

Many of the recommended housing policies in this HPS would result in an increase in compact, residential development which will have a positive impact on housing affordability more broadly. Pursuing these strategies will result in higher density development through a mix of regulatory and financial incentives. Policies expected to have a positive impact on location of housing considerations include the following.

- 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.
- Complete and adopt the wastewater system facility plan amendment.
- Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.
- Improve the wastewater treatment plant and related system infrastructure.
- Amend the zoning code to allow additional middle housing options.
- Support preservation of manufactured home and mobile home parks.
- Utilize surplus public land for housing development.

Fair Housing and Housing Choice

Many policies recommended in the HPS will result in an increase in the supply of housing at various price-points and locations throughout Sandy. While none of these policies explicitly require increased access to federally protected classes it is expected that an increase in supply will indirectly provide increased access to all residents of Sandy. It is also expected that the increase of supply will occur throughout the city, providing access to neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment. Policies expected to positively impact fair housing and housing choice considerations include the following.

- 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.
- Complete and adopt the wastewater system facility plan amendment.

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- Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.
- Improve the wastewater treatment plant and related system infrastructure.
- Amend the zoning code to allow additional middle housing options.
- Promote accessible design standards.
- Support preservation of manufactured home and mobile home parks.
- Utilize surplus public land for housing development.

Housing Options for Residents Experiencing Homelessness

Many of the policies recommended by the HPS would have a direct impact on housing options for residents experiencing homelessness, specifically strategies aimed at increasing the amount and variety of housing available in the City and preserving mobile home parks. Strategy L directly calls for building connections to services, shelter, and dedicated staffing for Sandy's residents experiencing homelessness. At full implementation of strategy L, these services would be provided locally, allowing residents of Sandy who are experiencing homelessness to remain where they are most comfortable. In addition, strategies A through E are aimed at mitigating the moratorium on development in Sandy, a prerequisite for any development that may address the housing needs of homeless residents in Sandy. A summary of strategies aimed at improving housing options for homeless residents of Sandy are as follows:

- 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.
- Complete and adopt the wastewater system facility plan amendment.
- Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.
- Improve the wastewater treatment plant and related system infrastructure.
- Amend the zoning code to allow additional middle housing options.
- Promote accessible design standards.
- Support preservation of manufactured home and mobile home parks.
- Utilize surplus public land for housing development.
- Expand partnership with local service providers and continue to fund the Community Services Officer to support the homeless population.

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Affordable Homeownership and Affordable Rental Housing

Several policies recommended in the HPS would have a direct impact on the provision of affordable housing. More affordable rental units will be realized by increasing middle housing options. Examples of policies that will increase affordable rental and ownership housing options include the following.

- 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.
- Complete and adopt the wastewater system facility plan amendment.
- Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.
- Improve the wastewater treatment plant and related system infrastructure.
- Amend the zoning code to allow additional middle housing options.
- Promote accessible design standards.
- Monitor and require registration for short-term rentals.
- Support preservation of manufactured home and mobile home parks.
- Utilize surplus public land for housing development.

Gentrification, Displacement, and Housing stability

Policies throughout the HPS are aimed at improving housing stability and preventing displacement as new development occurs in Sandy. In part, this issue is addressed by simply providing a variety of housing types, tenures, and price points so that residents can continue to reside in Sandy as their needs change. However, to completely address the risks of displacement and housing instability, the City will need to be more proactive than simply providing the opportunity for housing development. Sandy will have to incentivize and pursue the development of deed restricted housing, actively maintain naturally occurring affordable housing, and conduct outreach to residents facing housing instability. Policies expected to positively impact fair housing and housing choice considerations include the following.

- 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.
- Complete and adopt the wastewater system facility plan amendment.
- Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.
- Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.
- Improve the wastewater treatment plant and related system infrastructure.

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- Amend the zoning code to allow additional middle housing options.
- Promote accessible design standards.
- Monitor and require registration for short-term rentals.
- Support preservation of manufactured home and mobile home parks.
- Utilize surplus public land for housing development.

MEASURING STRATEGY IMPLEMENTATION AND PROGRESS

As stipulated in ORS 660-008-0050, a city's first HPS report must include measurements of progress towards housing outcomes made by the City.

Sandy will be required to report progress on HPS goals to DLCD every four years from HPS adoption. This report must include the following elements:

- A summary of the actions already taken by the City to implement the Strategies to Meet Future Housing Need adopted in the City's most recent Housing Production Strategy Report. If the City has not implemented Strategies to Meet Future Housing Need on the schedule adopted in their most recent Housing Production Strategy Report, the City must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the strategy addressed.
- A reflection of the relative efficacy of the strategies adopted through the HPS. This section requires the City to report progress observed in addressing housing needs in Sandy and discussing how adopted HPS strategies may have impacted the changes observed.
- A reflection of the actions taken in response to the factors discussed above (e.g. progress towards fair housing or mitigation of displacement).

With the goal of statutory compliance and ease of reporting progress in mind, the following are recommended metrics for the City to monitor annually.

Affordability Metrics

- Citywide median rent
- Citywide median home value
- Estimated median cost of new housing
- Estimated median rent for new development

Provision of New Needed Housing

- Tracking the number and type of new units developed in Sandy
- To the extent possible, new units constructed by location
- To the extent possible, new units constructed by zone
- Number of new units constructed in mixed use developments

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- Number of new middle housing units constructed

Other Considerations

- Average density of development in low, medium, and high-density zoning districts
- New housing for homeless residents by type (e.g., shelter, permanent supportive housing, subsidized, etc.)

APPENDIX A: CONTEXTUALIZED HOUSING NEEDS ANALYSIS

Across Oregon, many low- and middle-income households face challenges in finding affordable and suitable housing. Beyond affordability, some households also struggle to find homes that meet specific needs, such as accessibility for people with disabilities, multigenerational living spaces, or housing with support services. Housing discrimination further limits options for certain groups, contributing to substantial unmet housing needs across the state.

A Housing Production Strategy (HPS) aims to address these unmet needs by focusing on actions that promote the production of affordable housing across all income levels, preserve existing affordable housing, enhance housing stability, provide options for individuals experiencing homelessness, and advance Fair Housing initiatives.

Before developing strategies to encourage affordable housing, the City of Sandy first needed to assess the unique housing needs of its residents. While the Sandy Housing Capacity Analysis (HCA), completed in 2024, provided valuable insights into housing needs based on demographic factors like age and income, the HPS takes a broader approach. The HPS examines housing needs through additional lenses, including race, ethnicity, disability status, and homelessness.

This appendix summarizes key findings from the HCA and supplements it with detailed data on housing needs for various demographic groups. Drawing on engagement as well as sources such as the U.S. Census, Oregon Housing and Community Services, HUD, Costar, and City data, this appendix contextualizes Sandy's housing needs beyond the scope of the HCA, fulfilling the requirements for the HPS.

UNDERSTANDING HOUSING NEEDS IN SANDY

Like other Oregon communities, many households in Sandy face housing affordability challenges. The following appendix summarizes key findings about Sandy housing needs with the focus on the populations facing housing affordability issues.

Every household desires housing that is affordable to them. Therefore, when defining housing needs in Sandy, we begin with affordability for both current and future residents. However, housing needs extend beyond affordability and must also address the specific requirements of each household, including factors like household size and composition, age, disability status, and the relationships between household members.

Additionally, housing needs are shaped by location, impacting access to transportation and proximity to essential services. Many households desire housing close to schools, workplaces, and amenities such as retail, medical services, parks, and open spaces. Access to transit services, bicycle infrastructure, and pedestrian infrastructure are also important for many households.

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Another critical aspect of housing need is access to housing free from discrimination, which is a right that is protected under federal Fair Housing law. Oregon and its cities have a legal responsibility to Affirmatively Further Fair Housing (AFFH). The Sandy HPS considers AFFH requirements when evaluating the City's existing policies and developing actions to be included in a strategy.

AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH)

AFFH requires jurisdictions to take meaningful steps to overcome historical segregation and create inclusive communities free from barriers based on protected characteristics, including race, color, national origin, religion, sex, familial status, and disability. Oregon also protects additional classes: sexual orientation, gender identity, age, and marital status.

AFFH requires jurisdictions to understand and address Oregon's long history of discrimination that precluded many people from accessing housing and homeownership. The Fair Housing Council of Oregon (FHCO) is a statewide civil rights organization that advocates for housing justice, equity, and inclusion. Their report, State of Fair Housing in Oregon 2014-2022, provides information about housing discrimination across Oregon. The key findings of the report are:

- » FHCO receives about 2,000 housing complaints annually, though they estimate only 10% of discriminatory acts are reported.
- » Complaints most commonly come from people with disabilities, people of color, and women, with many involving multiple protected classes.
- » Common discrimination issues include failure to provide reasonable accommodation for disabilities, unfair lease terms, tenant harassment, refusal to rent (especially to Section 8 voucher holders), and evictions.

HOUSING NEED KEY FINDINGS

Sandy must plan for 2,424 new housing units through 2043 to accommodate a projected 6,350 new residents. This growth will necessitate a diverse array of housing types affordable across all income levels. Forecasts point towards a need for greater variety in housing types, with a heightened emphasis on multi-dwelling and attached housing types. The challenge of providing more housing supply in Sandy is hampered due to current limitations on new development due to wastewater treatment capacity constraints and state discharge permitting requirements. The HCA found that Sandy would need to add units in the following categories of housing type:

- **Single-Family Detached:** 1,454 units to be added by 2043
- **Single-Family Attached:** 170 units to be added by 2043

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- **Duplex, Triplex, Quadplex:** 121 units to be added by 2043
- **Multifamily:** 679 units to be added by 2043

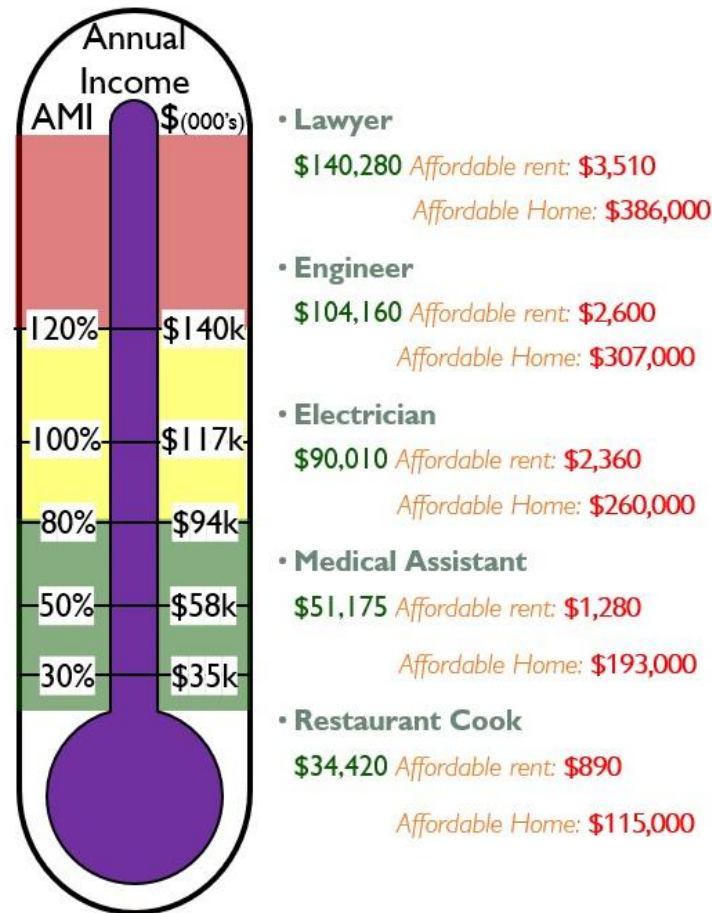
Housing costs in Sandy have risen substantially in recent years, consistent with national trends.

Between 2014 and 2024, Sandy's average multifamily dwelling asking rent increased 49% from \$1,086 per month to \$1,614 per month, excluding utilities). Sandy's median home sales price increased 133% between 2014 and 2024 from \$215,000 to \$502,000.

Using U.S. Housing and Urban Development standards for housing affordability, a household earning 100% of median family income (MFI) for a family of four in Sandy (\$116,900) can afford monthly housing costs of about \$2,920. Exhibit 1 shows financially attainable housing across income levels, based on the standard that households should spend no more than 30% of their gross income on housing (including utilities). Households exceeding this threshold may struggle to afford other essentials.

Sandy Housing Production Strategy

Exhibit 1. Financially Attainable Housing by MFI for Clackamas County, 2024¹



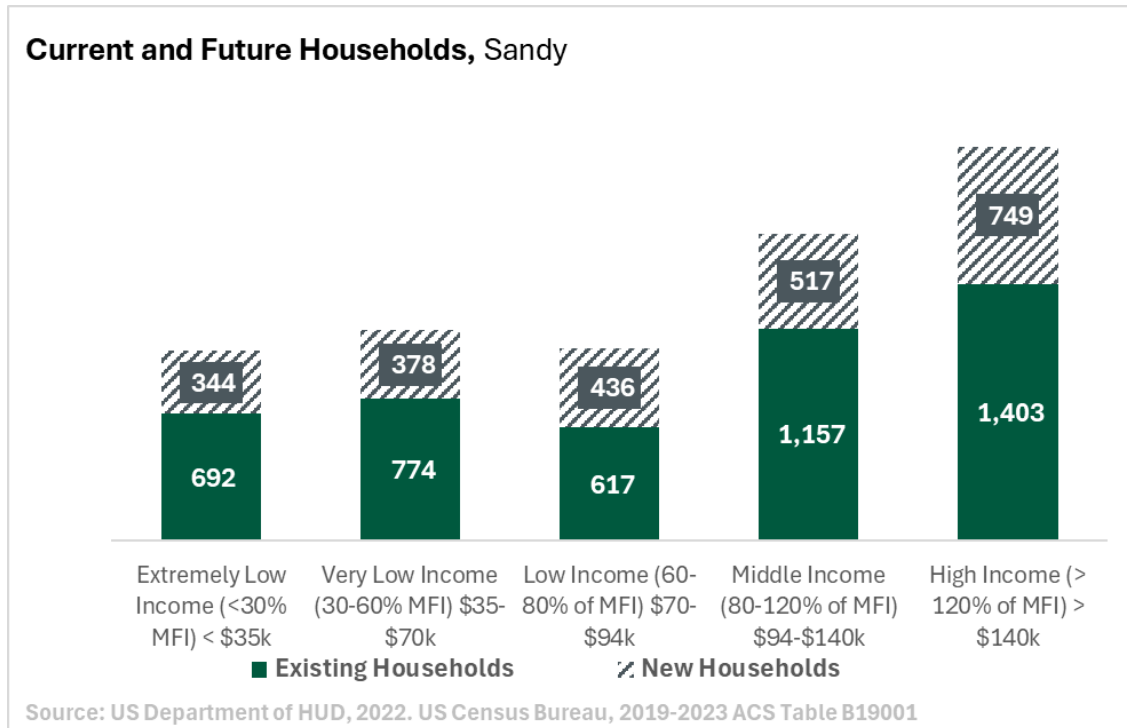
Source: Source: Department of Housing and Urban Development, Portland MSA, 2024. Oregon Employment Department (2023 wage estimates)

Recent Census data shows that there were 692 households in Sandy with income levels at 30% or less of the MFI (less than \$35,000 per year). Affordable rents for these very low-income households are under \$900 per month (**Exhibit 1**). **Exhibit 2** shows that 31% of Sandy's households had incomes less than 60% of MFI (\$70,140). At that income level, the affordable rent would be below \$1,754 per month.

¹ Affordable home sales prices are illustrative estimates and do not make assumptions about specific interest rates, amount of down payment, whether mortgage insurance will be required, or other factors that are unique to an individual household's mortgage. These are based on income only and do not consider accumulated wealth or debt.

Sandy Housing Production Strategy

Exhibit 2: Sandy's Current and Existing Households by MFI for Clackamas County



Low-income households in Sandy have few housing options. Costs for both rental and ownership of housing are much higher than many residents can afford. In Sandy, a household must make 129% of MFI (\$151,000) to afford the median sales price of a home (\$507,000). To afford the average apartment rent plus utilities (\$1,850) a household must earn 63% of MFI (\$74,000). About 80% of Sandy's housing stock is single family detached housing which is often more expensive than attached housing or multifamily housing types.

About a quarter of households in Sandy pay more than 30% of their income on housing due to limited affordable housing options. Because Sandy must limit housing production due to wastewater treatment capacity constraints and state permitting requirements, there are limits on new housing to meet market rate demand as well as income-restricted affordable housing.

About a quarter of households in Sandy have sufficient income to afford the median home sales price of \$502,000.

About one-third of Sandy households are unable to afford the average rent.

Sandy Housing Production Strategy

Sandy residents have a variety of housing needs, with some populations facing more barriers to accessing housing. These challenges often stem from potential discrimination, as well as socioeconomic factors. To gain a better understanding of housing needs in Sandy, the project team conducted interviews with service providers and obtained feedback from the City Council, Planning Commission, and City staff.

This community feedback revealed several key issues for the following groups:

Latino Population: Many Latino residents in Sandy work in agriculture, which tends to be a lower-wage occupation. Many households have children and may need larger housing sizes. Some Latino residents choose to live in Sandy due to the perception of increased safety relative to other areas in the Portland Metro region.

People Experiencing Homelessness: This group in Sandy includes local youth, lower-income workers, individuals on social security, and those without jobs. Some of this population faces mental health and addiction challenges. These individuals often need access to emergency and transitional housing with services. There is perceived community resistance to homeless services in Sandy, which complicates efforts to address their needs.

Seniors: Many seniors need help accessing available resources, especially as information and applications move online. Some seniors struggle with mental health issues related to loneliness and isolation. Those seniors on fixed incomes face challenges with rising property taxes, housing maintenance, and utility costs, even if they've paid off their homes. Some seniors want to remain in the community and need support to age in place. A local assisted memory care facility recently closed, reducing available services.

Young Families and Single Parents: Many households in Sandy require multiple jobs to make ends meet, which is especially challenging for single parents. One-income families are increasingly turning to supportive services, like the Sandy Community Action Center, due to rising costs. Childcare costs are also a significant burden.

Housing affordability is a major concern across these groups. Many low-income households indicated that they need to prioritize which bills to pay and may rely on support services like the Sandy Community Action Center and energy assistance so that they have enough money to cover their mortgage or rent. The already high cost of utilities in Sandy is expected to rise further due to challenges with wastewater and water systems, exacerbating affordability issues.

These findings underscore the need for focused efforts to address the unique housing challenges faced by lower-income residents in Sandy.

Exhibit 3 underscores the demographic scale of need for these family cohorts and potential policy actions to meet those needs.

WHAT IS COST BURDEN?

A household is defined as cost burdened if their housing costs exceed 30% of their gross income.

A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened.

Sandy Housing Production Strategy

Exhibit 3. Populations with Unmet Housing Needs

TARGET POPULATION	SCALE OF NEED	MEETING FUTURE NEED
Extremely Low Income (<30% MFI)	15% of total households 692 existing households 344 new households by 2043 Afford up to \$875 per month	New subsidized housing; preserving existing income-restricted housing
Very Low Income (30% to 60% MFI)	17% of total households 774 existing households 378 new households Afford up to \$1,750 per month	New subsidized housing; preserving existing “naturally occurring affordable housing”
Low Income (60% to 80% MFI)	13% of total households 617 existing households 436 new households Afford up to \$2,340 per month	New subsidized housing; preserving existing “naturally occurring affordable housing”
Middle Income (80% to 120%)	25% of total households 1,157 existing households 517 new households Afford up to \$3,500 per month	New market-rate rental housing and smaller market rate homes for ownership; preserve existing smaller, older homes
People of Color (POC), including Latino	18% of existing households The largest community of color is Latino, accounting for 691 people in Sandy.	Increased access to affordable housing options; housing for larger households; access to housing without discrimination
People with a Disability	12% of Clackamas County’s population have a disability ² Housing need: 290 new units (12% of total need)	Housing with design standards that meet their needs; access to housing without discrimination; access to services; access to public transportation
People Experiencing Homelessness	Estimated 571 individuals in Clackamas County as of 2022. Estimated 10 adults and 40 youth in Sandy as of 2023.	Emergency assistance and shelter; permanent supportive housing; deeply affordable units; access to housing without discrimination
Seniors	19% of Sandy’s population is over 60 years old (2,391 people)	Access to affordable housing options; access to supports to “age in place”, homes in intergenerational communities, access to services and transportation; support accessing resources
Young families and single-parent households	TBD	Increased access to affordable housing options; access to affordable childcare

² The sample size provided by the U.S. Census for Sandy is too small to provide an accurate count of persons with disabilities; so instead Clackamas County data is used to approximate population counts in this cohort.

Sandy Housing Production Strategy

Demographic and Socio-Economic Characteristics Affecting Sandy's Housing Needs

This section identifies future housing needs for people in Sandy by age, race and ethnicity, disability, household size and composition, and household income.

Data Used in this Analysis

Throughout this analysis, data is relied upon using multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from three Census sources:³

The Decennial Census, which is completed every ten years and is a survey of all households in the United States. The Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information.

The American Community Survey (ACS), which is completed every year and is a sample of households in the United States. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics. The most up-to-date ACS data available for the HCA was for the 2016-2020 period. For readability throughout the report, we refer to the 2016-2020 ACS period as 2020. We included updates to the ACS data for the 2019-2023 ACS period, for the purpose of the HPS. This data is referred to as 2023 data for readability.

Comprehensive Housing Affordability Strategy (CHAS), which is custom tabulations of American Community Survey (ACS) data from the US Census Bureau for the US Department of Housing and Urban Development (HUD). CHAS data show the extent of housing problems and housing needs, particularly for low-income households. CHAS data are typically used by local governments as part of their consolidated planning work to plan how to spend HUD funds and for HUD to distribute grant funds. The most up-to-date CHAS data covers the 2015-2019 period, which is a year older than the most recent ACS data for the 2016-2020 period.

³ The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. All ACS data are subject to sample variability or “sampling error” that is expressed as a band or “margin of error” (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

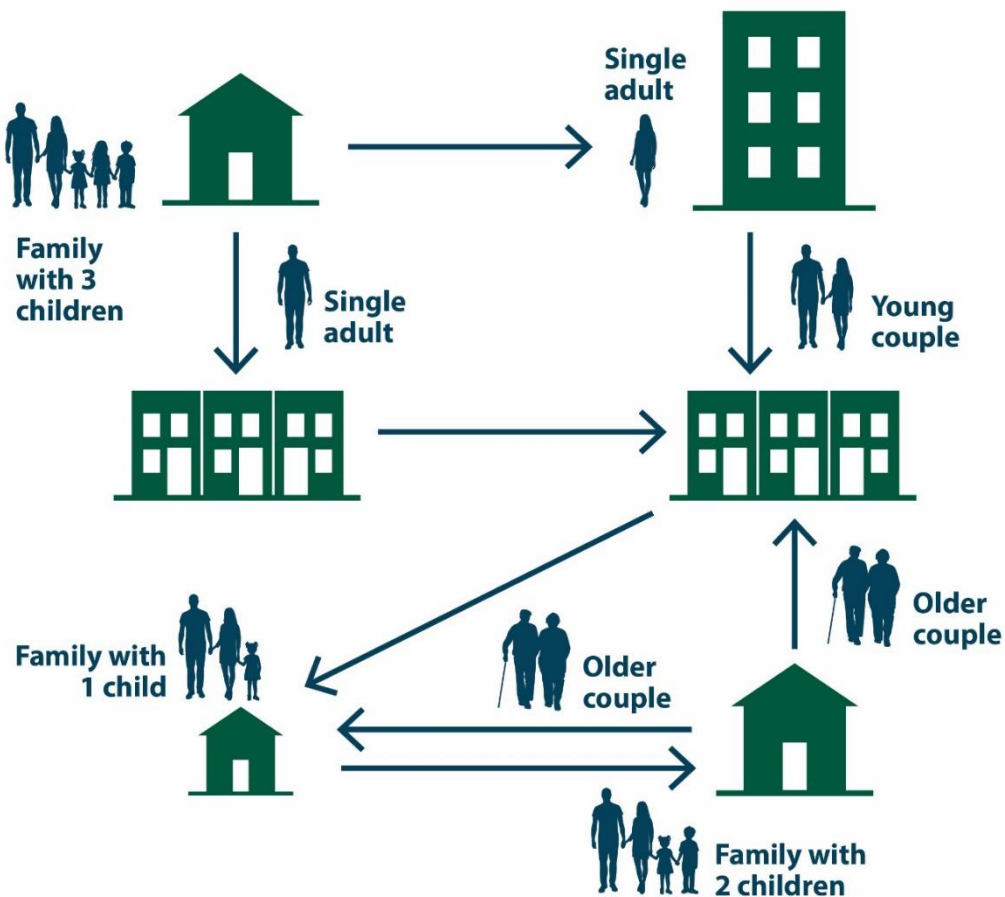
Sandy Housing Production Strategy

Regional and Local Demographic Trends May Affect Housing Need in Sandy

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Sandy's population ages, different types of housing will be needed to accommodate older residents. As shown in **Exhibit 4**, demographic changes in households lead to changes in housing needs over time.

Exhibit 4. Effect of Demographic Changes on Housing Need



Sandy's Population is Growing

Sandy's population growth will drive future demand for housing in the city over the planning period.

Sandy Housing Production Strategy

Exhibit shows that Sandy’s population grew by 140% between 2000 and 2024, adding 7,548 new residents at an average annual growth rate of 3.7%. Population in Sandy has been increasing 3-4 times faster than the growth that has been occurring in Clackamas County and Oregon.

Exhibit 5. Population, Sandy, Clackamas County, Oregon, U.S., 2000, 2010, 2023

Population Trends	2000	2010	2024	Change		
				Number	Percent	AAGR
Oregon	3,421,399	3,831,074	4,263,385	841,986	25%	0.9%
Clackamas County	338,391	375,992	426,567	88,176	26%	1.0%
Sandy	5,385	9,570	12,933	7,548	140%	3.7%

Source: US Decennial Census 2000 and 2010, and Portland State University, Population Research Center.

Age of People in Sandy

Sandy has a younger population compared to Clackamas County and Oregon, with a larger proportion of working-age people under 39 years old. The fastest growing age group from 2010-2023 was people aged 40-59. This growth of Gen X and baby boomers will drive demand for affordable ownership units, housing with enough bedrooms, as well as affordable downsizing opportunities such as townhouses, and plexes in walkable neighborhoods.

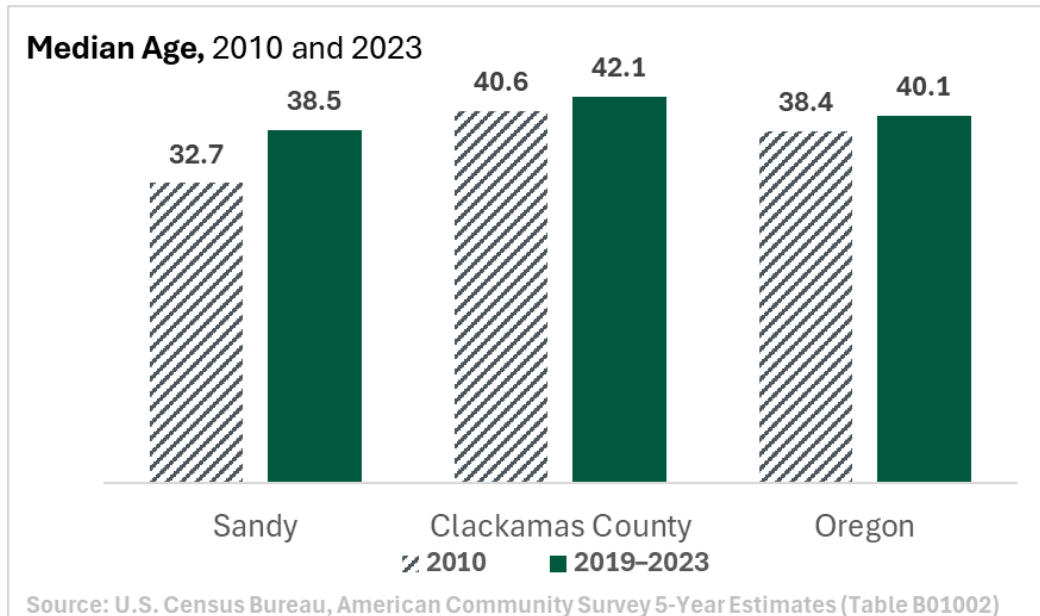
While Sandy currently has a smaller senior population than the county overall, the forecast shows the 60+ age group will grow substantially in the coming decades. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multi-dwelling units, or moving into group housing (such as assisted-living facilities or nursing homes) as they age. The challenges aging seniors face in continuing to live in their community include changes in health-care needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.⁴

As shown in **Exhibit 6**, Sandy’s median age is lower than the County or State averages. From 2010 to 2020, Sandy’s median age increased from approximately 33 to 38 years old.

⁴ “Aging in Place: A toolkit for Local Governments” by M. Scott Ball.

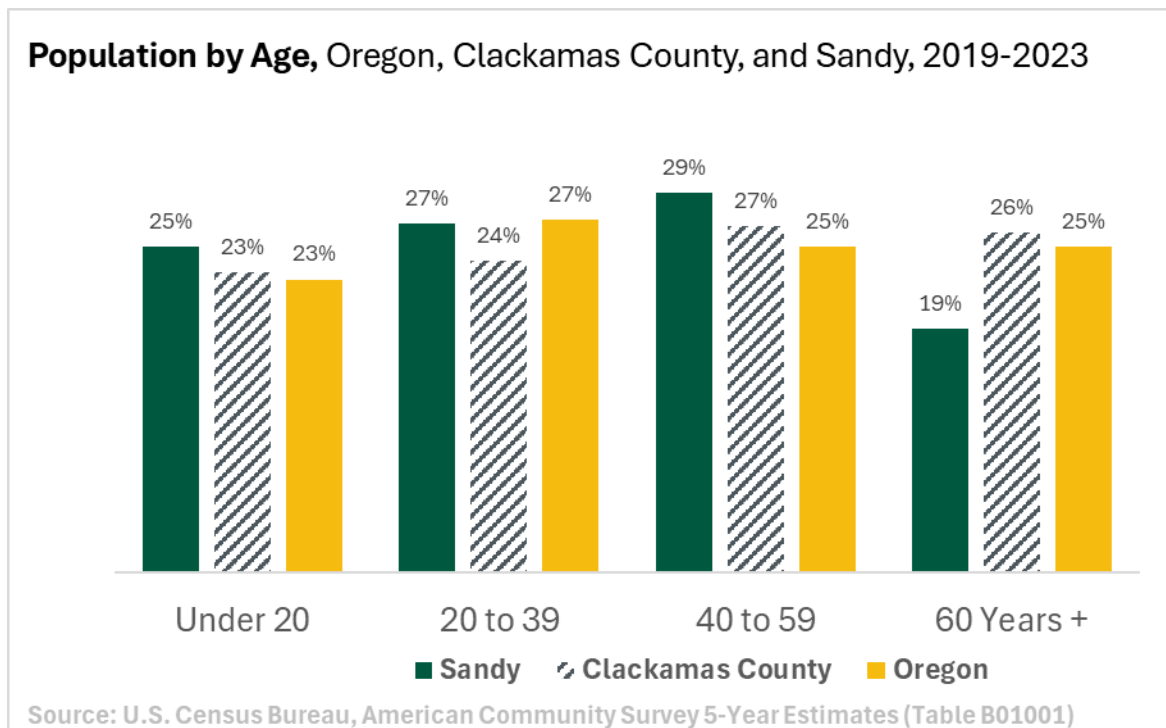
Sandy Housing Production Strategy

Exhibit 6. Median Age, Sandy, Clackamas County, and Oregon, 2010 to 2019-2023



As shown in **Exhibit 7**, approximately 27% of Sandy's residents were between the ages of 20 and 39 years old in 2023. Sandy had a much lower share of people over the age of 60 years old when compared to Clackamas County and Oregon. A quarter of Sandy's population is under 20 years old.

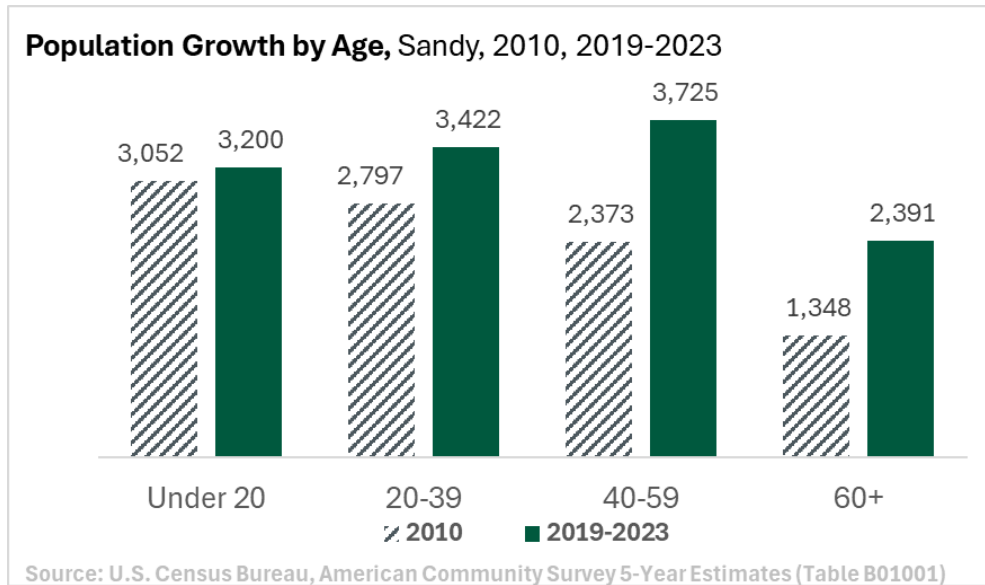
Exhibit 7. Population Distribution by Age, Sandy, Clackamas County, and Oregon, 2019-2023



Sandy Housing Production Strategy

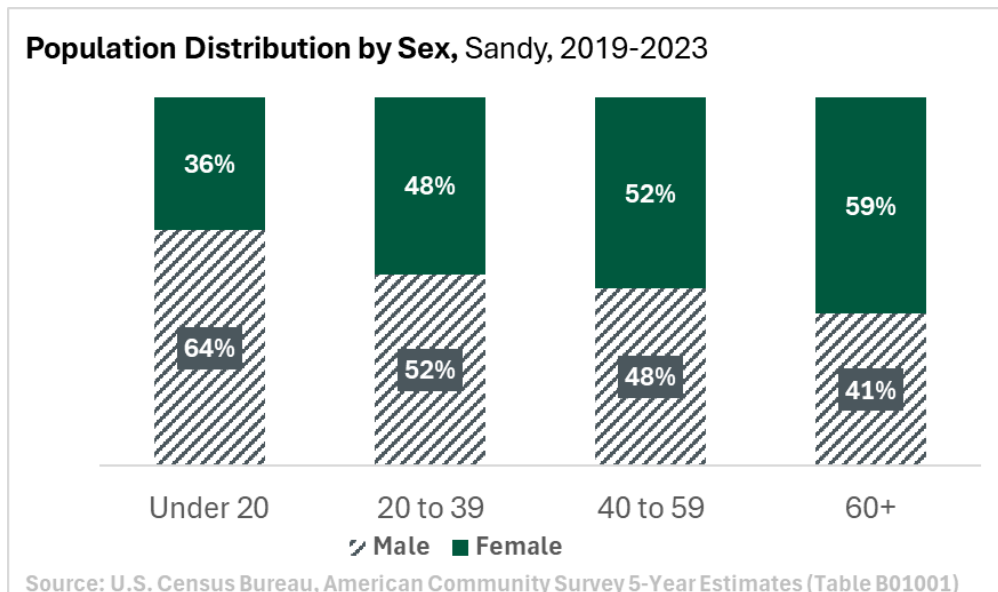
As shown in **Exhibit 8**, between 2010 and 2023 all age groups in Sandy increased. The largest increase in residents were comprised of those aged 40-59 (increase of 1,352 people) followed by those aged 60+ (increase of 1,043 people).

Exhibit 8. Population Growth by Age, Sandy, 2010, 2019-2023



As shown in **Exhibit 9**, Sandy has a majority share of female residents that is greater than male residents for those over age 40. The male population segment has a majority share of overall population for those under the age of 40.

Exhibit 9. Population Distribution by Sex for Each Age Group, Sandy, 2019-2023



Sandy Housing Production Strategy

Exhibit 10 shows that all age groups are expected to grow over the next two decades in Clackamas County. People over age 60 are forecast to increase by 31%, adding more than 34,500 people to that cohort by year 2040. People within the age 40 to 59 cohort are expected to increase measurably by 32,576 people over the next 20 years.

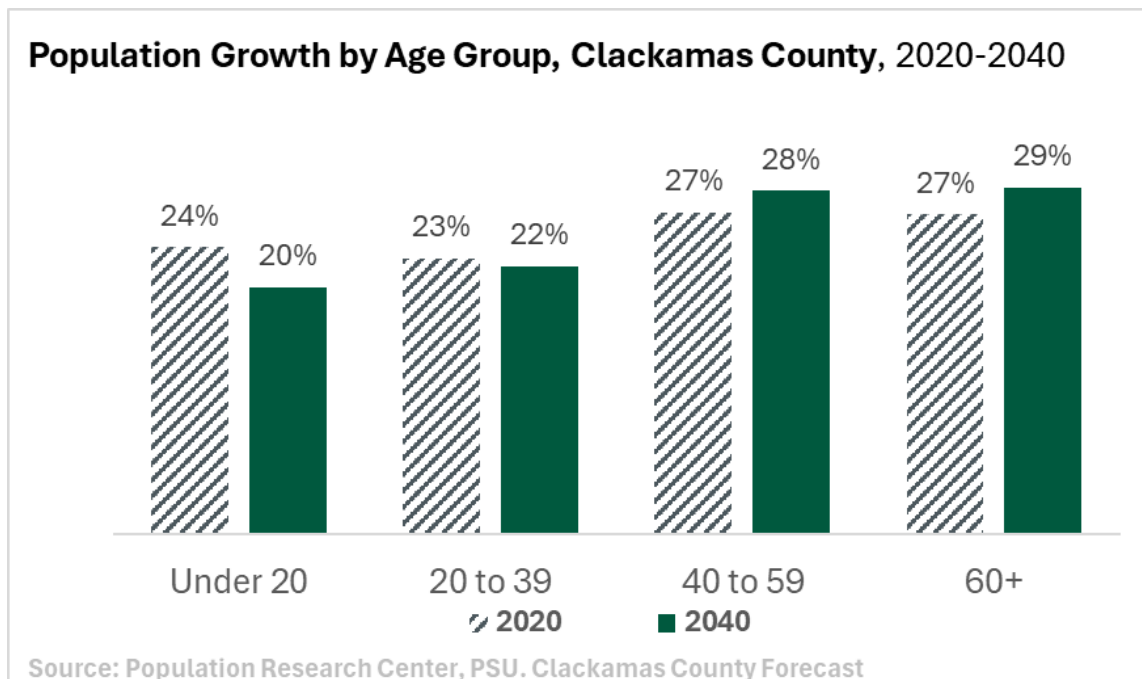
Exhibit 10. Fastest-Growing Age Groups, Clackamas County, 2020 to 2040

	Change	% Change
Under 20	4,060	4%
20 to 39	16,808	18%
40 to 59	32,576	29%
60+	34,579	31%

Source: Population Research Center, PSU. Clackamas County Forecast

As shown in **Exhibit 11**, by 2040 Clackamas County residents over age 40 are expected to account for nearly 6 out of 10 residents.

Exhibit 11. Population Growth by Age Group, Clackamas County, 2020 and 2040



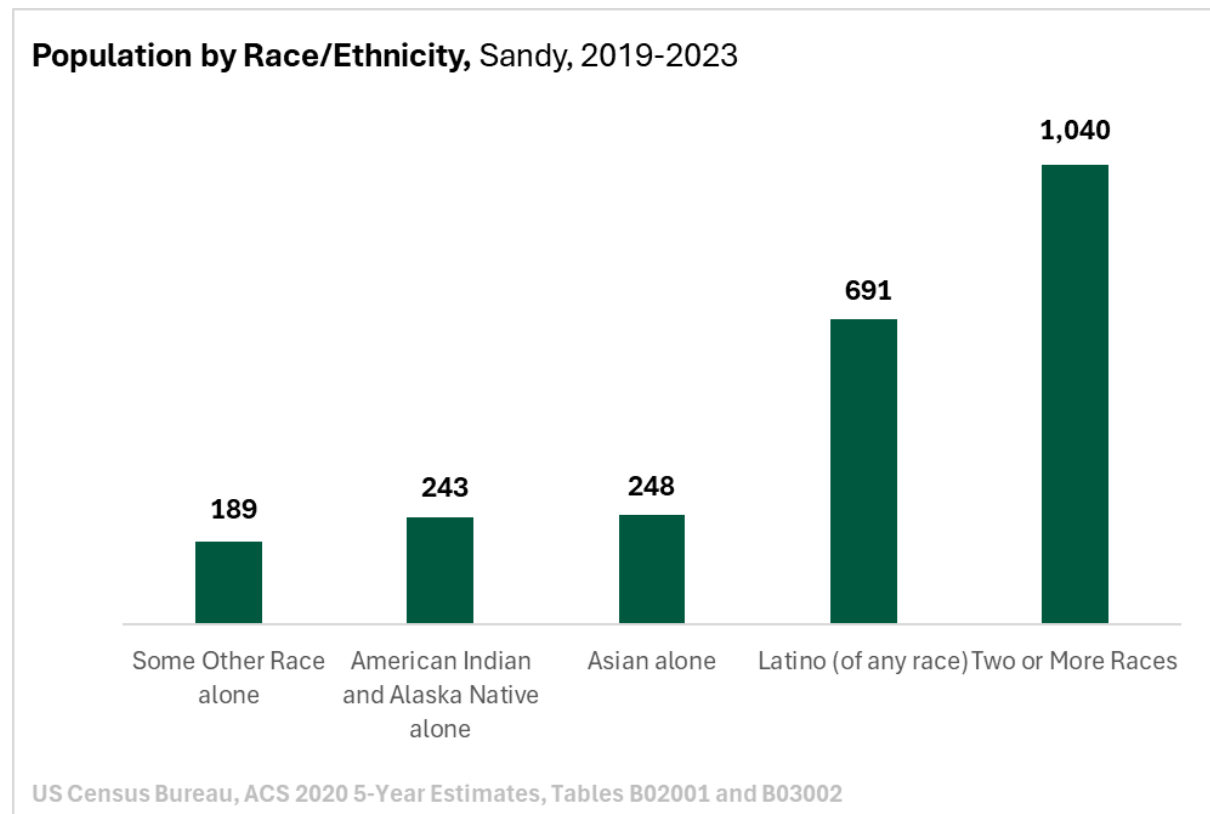
Sandy Housing Production Strategy

RACE AND ETHNICITY

Understanding the race and ethnicity characteristics⁵ in Sandy is important for evaluating the potential for discrimination.

In Sandy, there are approximately 2,415 people with a race or ethnicity other than White. The largest segment includes non-Hispanic, accounting for about 18% of Sandy's population (**Exhibit 12**). Not shown in the following exhibit, Sandy has 10,818 people identifying as White, non-Hispanic.

Exhibit 12. Population by Race/Ethnicity, Sandy, 2019-2023



⁵ The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Latino is an ethnicity and not a race, meaning individuals who identify as Latino may be of any race.

Sandy Housing Production Strategy

Overall, Sandy's population is less racially diverse than the broader Clackamas County and state of Oregon counterparts (**Exhibit 13**).

Exhibit 13. Population by Race/Ethnicity as a Percent of Total Population, Sandy, Clackamas County, Oregon 2019-2023

	Clackamas		
	Sandy	County	Oregon
Native Hawaiian and Other Pacific Islander alone	0%	0%	0%
Some Other Race alone	1%	3%	5%
American Indian and Alaska Native alone	0%	1%	2%
Black or African American alone	2%	1%	1%
Two or More Races	2%	5%	4%
Asian alone	8%	10%	11%
Latino/a/x (of any race)	5%	10%	14%
White Alone, not hispanic or latino	85%	78%	72%

Source: US Census Bureau, ACS 2020 5-Year Estimates, Tables B02001 and B03002

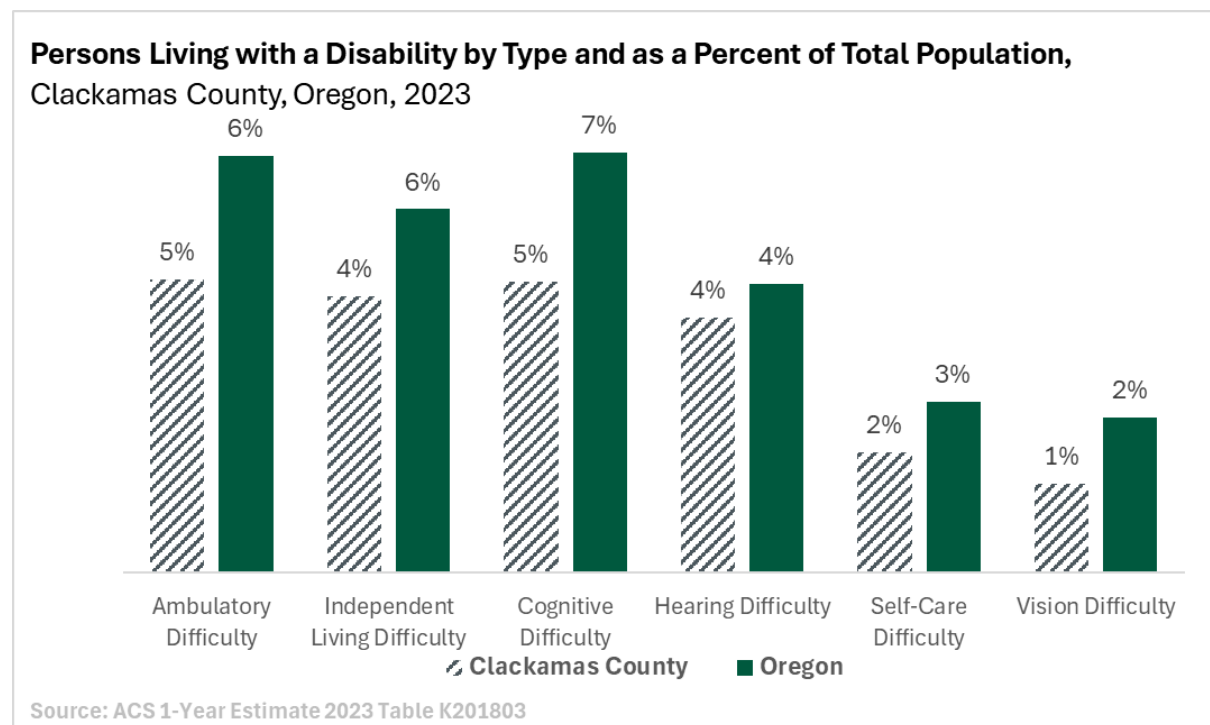
Sandy Housing Production Strategy

People with Disabilities

People with one or more disabilities have special housing needs because they may need housing that is physically accessible, housing that meets the needs of people with cognitive disability, or housing with specialized services.

The U.S. Census sample size for the city of Sandy is considered to be too small to have accurate persons with disabilities data, so instead, **Exhibit 14** relies upon Census data for Clackamas County and the state of Oregon. It is estimated that approximately 12% of Clackamas County's population has one or more disabilities –slightly lower than the overall state average of 15%.

Exhibit 14. Persons Living with a Disability by Type and as a Percent of Total Population, Clackamas County, Oregon, 2019-2023.

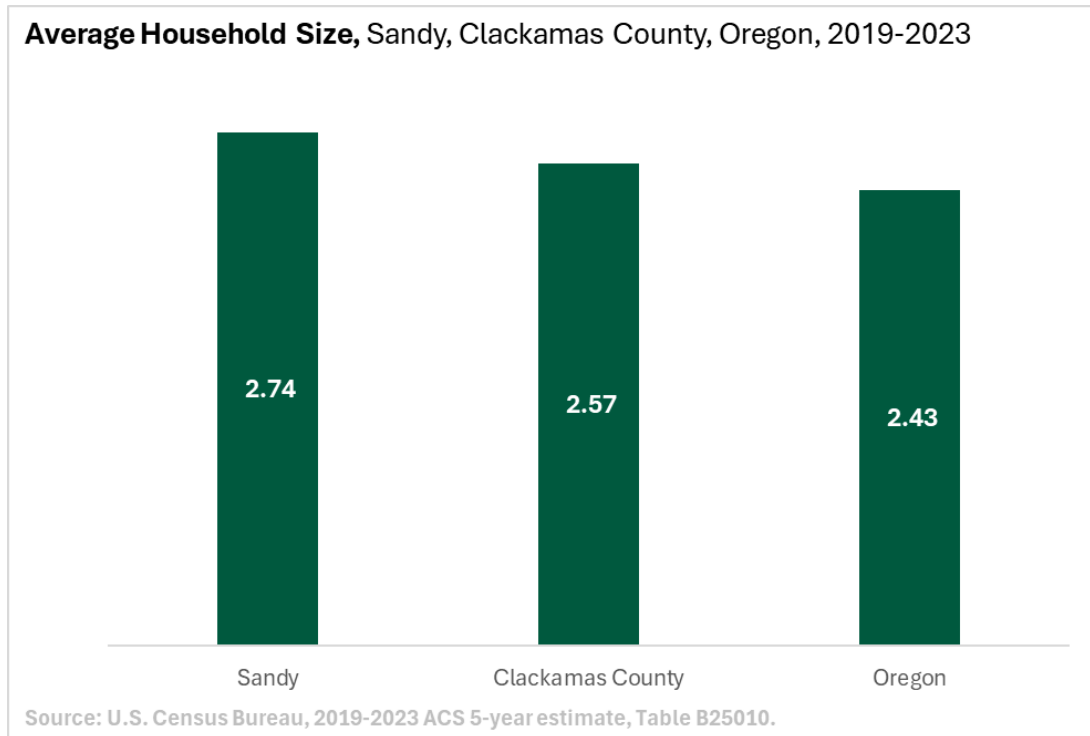


Household Size and Composition

Housing need varies by household size and composition. The housing needs of a single-person household are different than those of a multi-generational family. On average, Sandy's households are larger than Clackamas County's and Oregon's. Sandy's average household size (2.74) was larger than the Clackamas County (2.57) and Oregon (2.43) average (**Exhibit 15**).

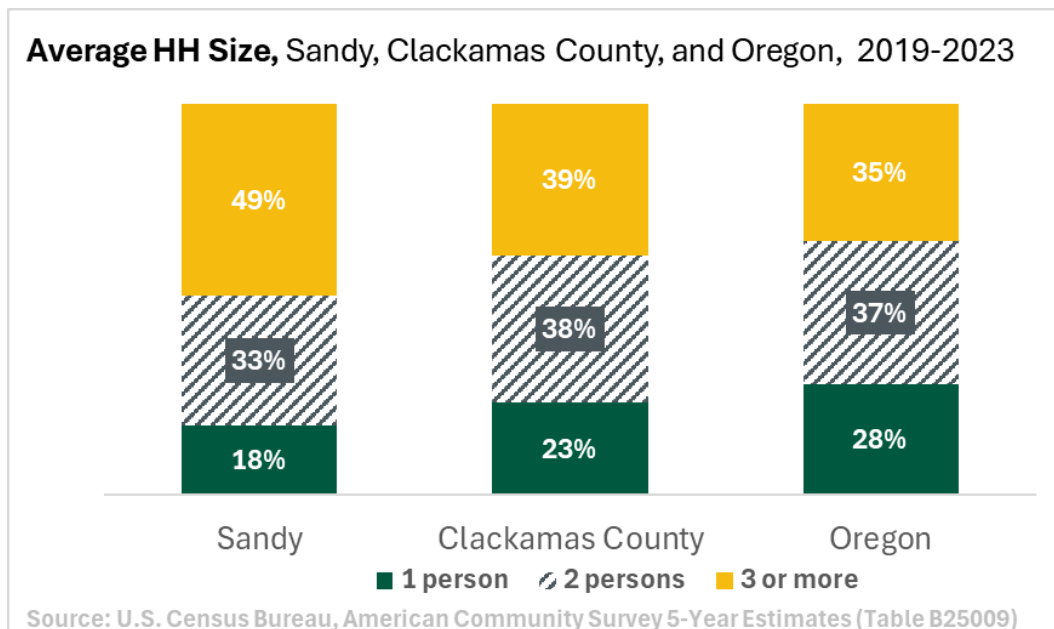
Sandy Housing Production Strategy

Exhibit 15. Average Household Size, Sandy, Clackamas County, Oregon, 2019-2023



Sandy had a larger share of households with 3 or more people than Clackamas County and Oregon (Exhibit 16).

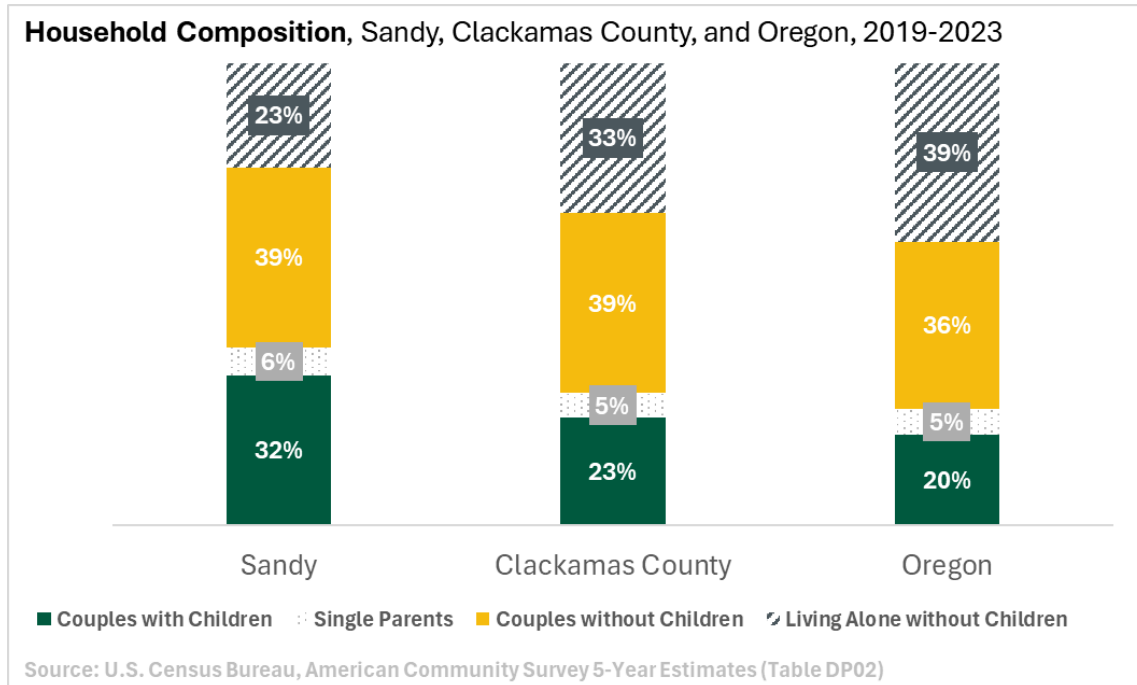
Exhibit 16. Household Size, Sandy, Clackamas County, and Oregon, 2019-2023



Sandy Housing Production Strategy

Sandy has a larger share of households with children (38%) than Clackamas County (28%) or Oregon (25%) (**Exhibit 17**).

Exhibit 17. Household Composition, Sandy, Clackamas County, and Oregon, 2019-2023



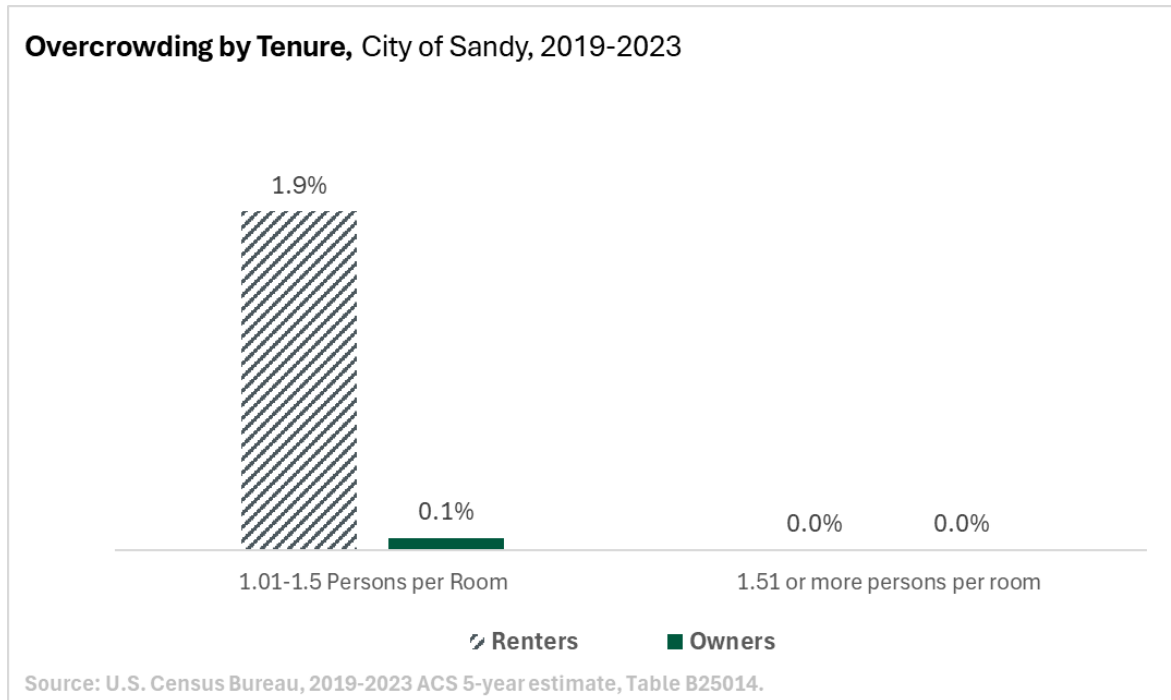
Overcrowding

Overcrowding occurs when a household “double-ups” with another household or lives in a smaller housing unit in order to afford food and other basic needs. An overcrowded household is defined by the Census as having more than one person per room, excluding bathrooms, kitchens, hallways, and porches. Severely overcrowded households are those with more than 1.5 persons per room. Overcrowding can indicate that the community does not have an adequate supply of affordable housing, especially for larger families.

In Sandy it is estimated that 1.9% of all renter households experience overcrowding (**Exhibit 18**).

Sandy Housing Production Strategy

Exhibit 18. Overcrowding by Tenure, City of Sandy, 2019-2023



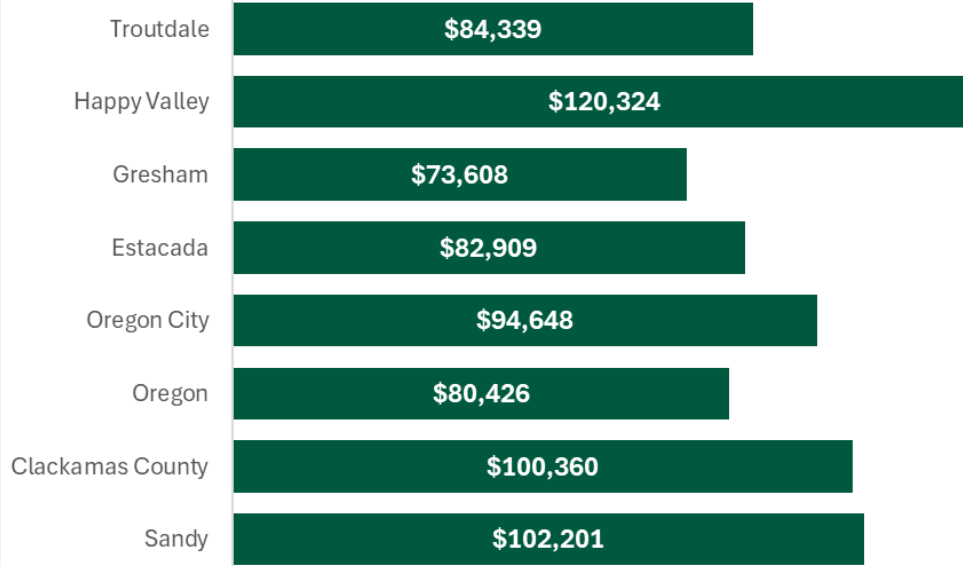
Household Income

Income is one of the key determinants in housing choice and a household's ability to afford housing. In 2023, As shown in **Exhibit 19**, Sandy's median household income (\$102,201) was slightly higher than the Clackamas County median (\$100,360). Without adjusting for inflation, Sandy's household income nearly doubled since 2000, eclipsing county and statewide growth trends. The increase in household income occurred at a time when rent and housing prices in Sandy and the region increased substantially.

Sandy Housing Production Strategy

Exhibit 19. Median Household Income, Sandy, Clackamas County, Oregon, Comparison Cities, 2019-2023

Median Household Income, Sandy, Clackamas County, Oregon, Comparison Cities, 2019-2023

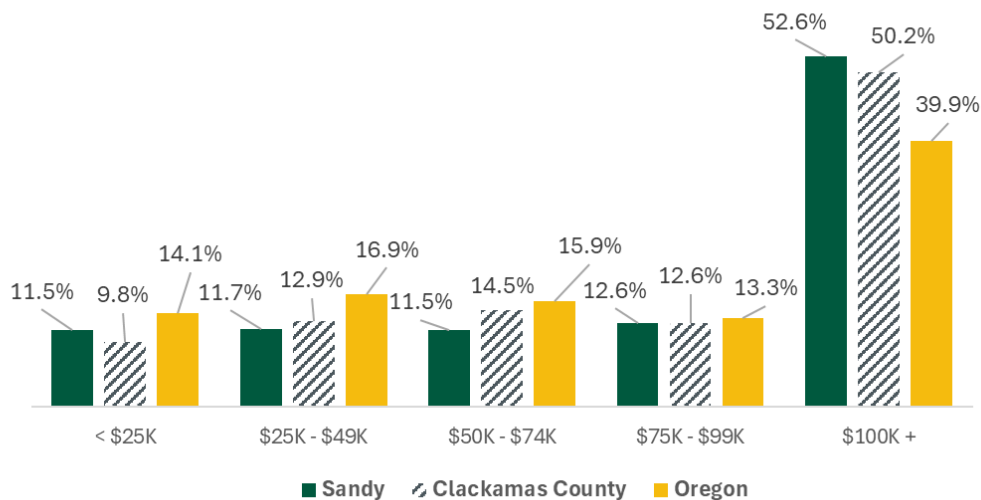


Source: U.S. Census Bureau, 2019-2023 ACS 5-year estimate, Table B25119.

Just under two thirds of all households in Sandy (65%) earned more than \$75,000 per year, compared to 63% of Clackamas County households and 53% of Oregon households. Sandy has a smaller share of households earning less than \$50,000 than the state (**Exhibit 20**).

Exhibit 20. Household Income Distribution, Sandy, Clackamas County, Oregon, 2019-2023

Household income, Sandy, Clackamas County, and Oregon, 2019-2023

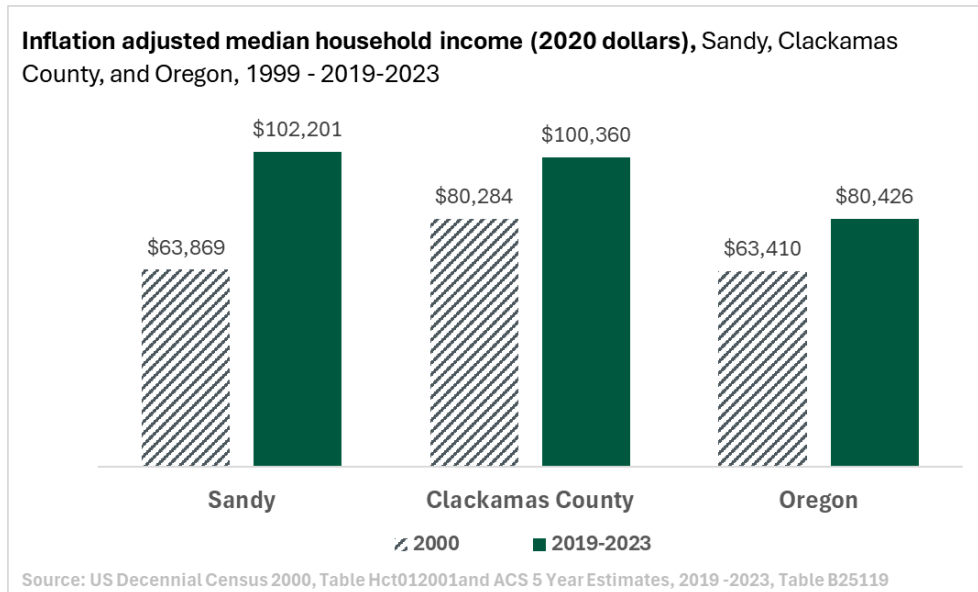


Source: ACS 5-Year Estimates 2019-2023 Table B19001

Sandy Housing Production Strategy

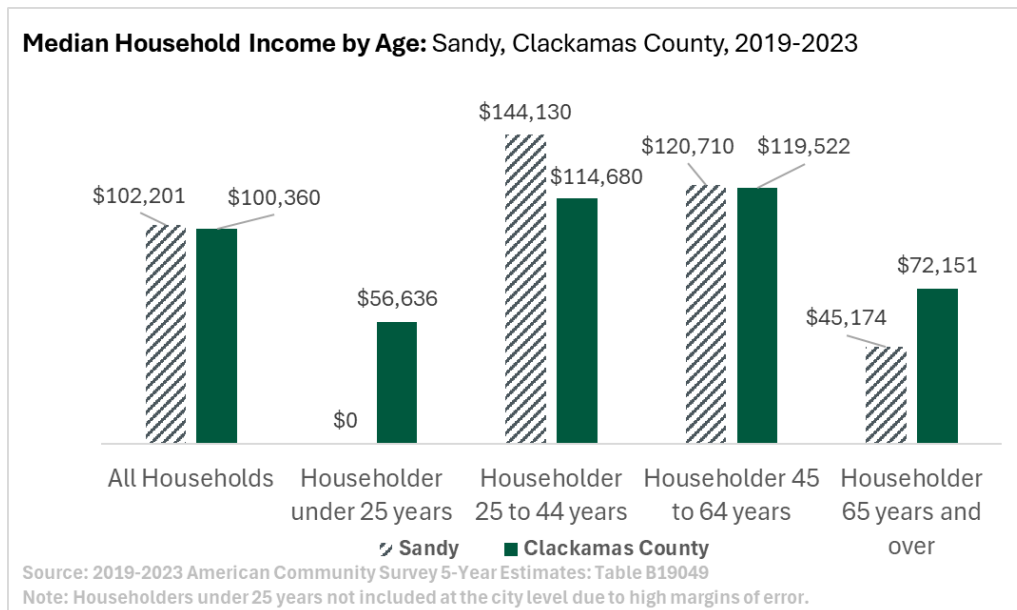
Adjusting for inflation, Sandy's median household income increased by 60% between 1999 and 2023—from \$63,869 in 1999 to \$102,201 in 2023. This was a faster rate of income growth than experienced at the county and state levels (**Exhibit 21**).

Exhibit 21. Median Household Income, Sandy, Clackamas County, Oregon, 2019-2023, not Inflation-Adjusted



Senior households (over age 65) had median household income of approximately \$45,000 in 2023 which was well below the overall citywide median household income (\$102,201). Working-aged households (those 25 to 65 years old) had the highest median income, consistent with county and state data (**Exhibit 22**).

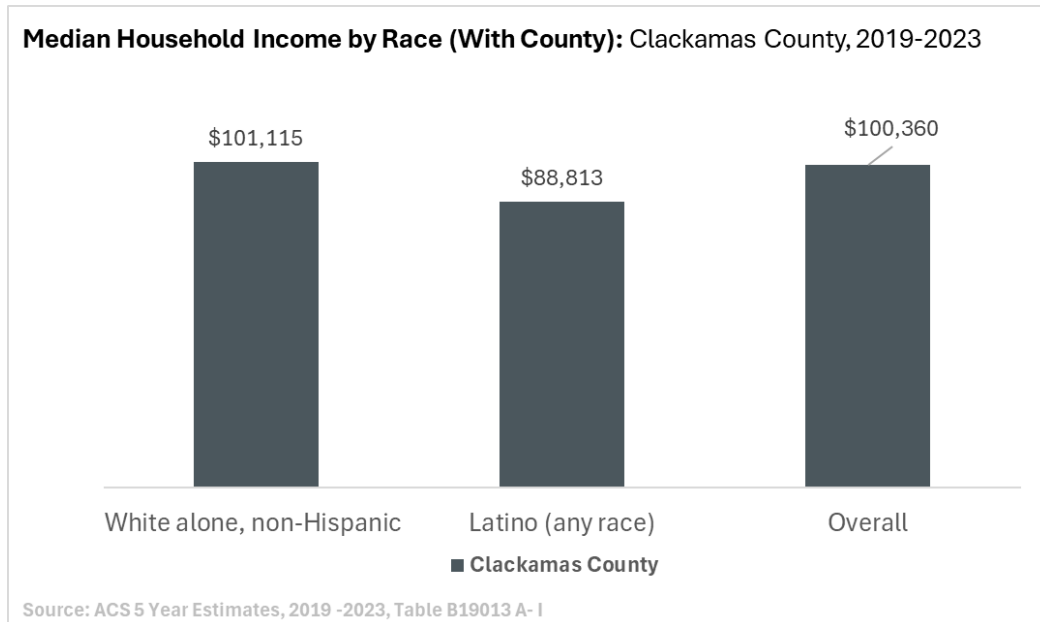
Exhibit 22. Median Household Income by Age of Householder, Sandy, 2019-2023



Sandy Housing Production Strategy

In Clackamas County, Latino households had a median household income of \$89,000, which was below the overall county median household income of \$103,000 (**Exhibit 23**). City-level data was omitted due to a relatively high margin of error.

Exhibit 23. Median Household Income by Race/Ethnicity of the Head of Household, Sandy, 2019-2023



HOUSING MARKET CONDITIONS AND TRENDS

An analysis of housing market conditions and trends in Sandy provides insight into the local housing market. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

Single-family detached includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units. Single-family detached also includes cottage cluster housing.

Single-family attached are all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or town houses.

Multi-dwelling with 2 to 4 units are attached structures such as duplexes, triplexes, and quadplexes. These units are referred to as “plexes” in this report.

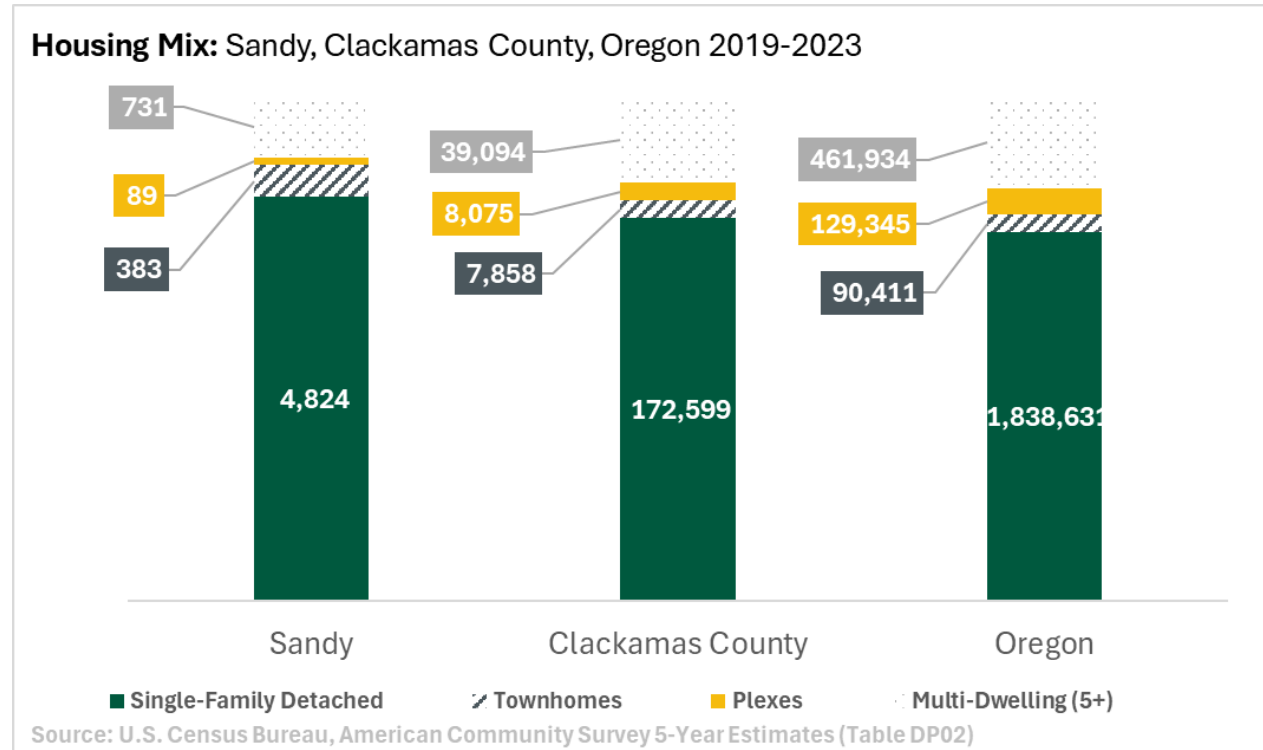
Multi-dwelling with 5 or more units are attached structures with five or more dwelling units per structure.

Sandy Housing Production Strategy

Existing Housing Stock

According to the 2019-2023 American Community Survey (ACS) from the U.S. Census, Sandy had 6,027 dwelling units, an increase of 3,948 dwelling units between 2000 and 2023. Most new housing units were single-family detached dwellings. In total, 80% of Sandy's existing housing inventory consists of single-family detached homes (**Exhibit 24**).

Exhibit 24. Housing Mix, Sandy, Clackamas County, and Oregon, 2019-2023

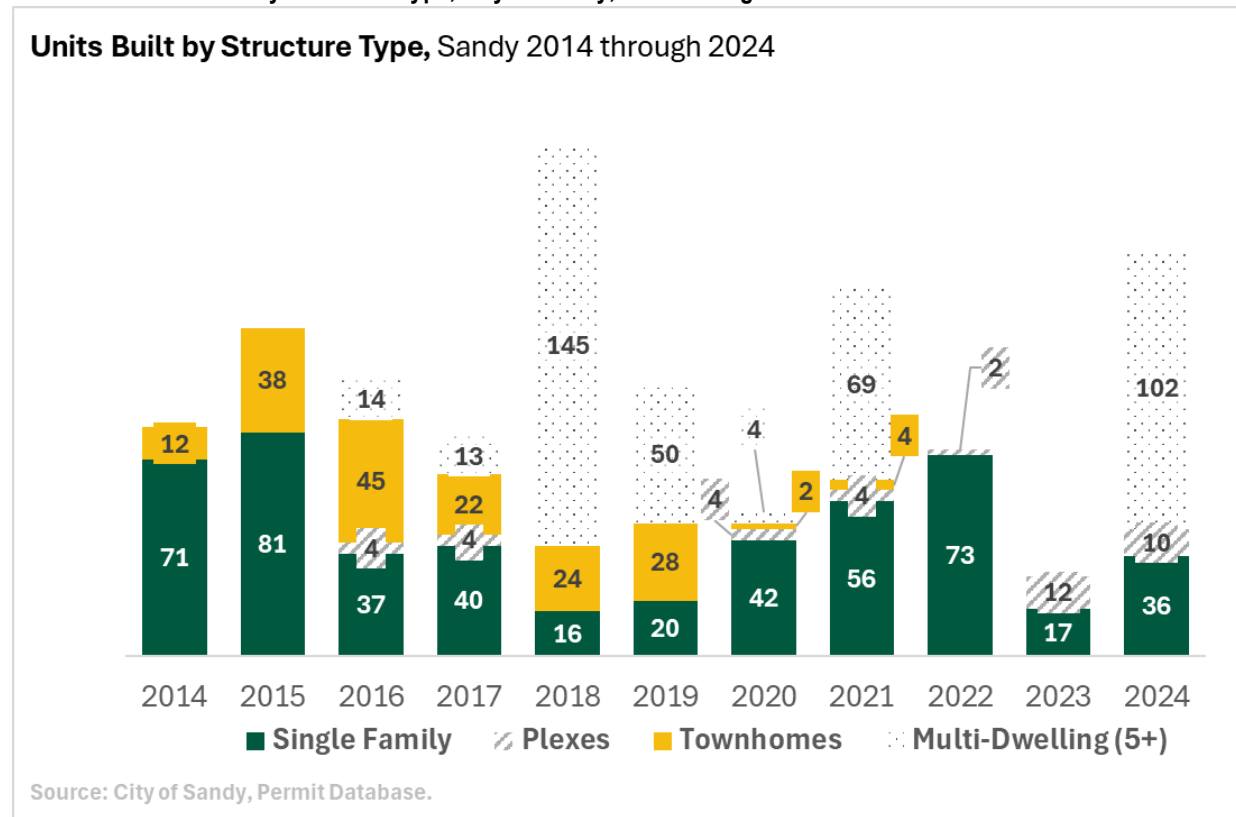


Sandy Housing Production Strategy

BUILDING PERMITS

Over the 2014 through year-end 2024 period, 1,101 new housing units were built in the City of Sandy. Of the 1,101 units built, 44% were single-family units, 16% were townhomes, 4% were plexes, and 36% were multi-dwelling units (**Exhibit 25**).

Exhibit 25. Units Built by Structure Type, City of Sandy, 2014 through 2024

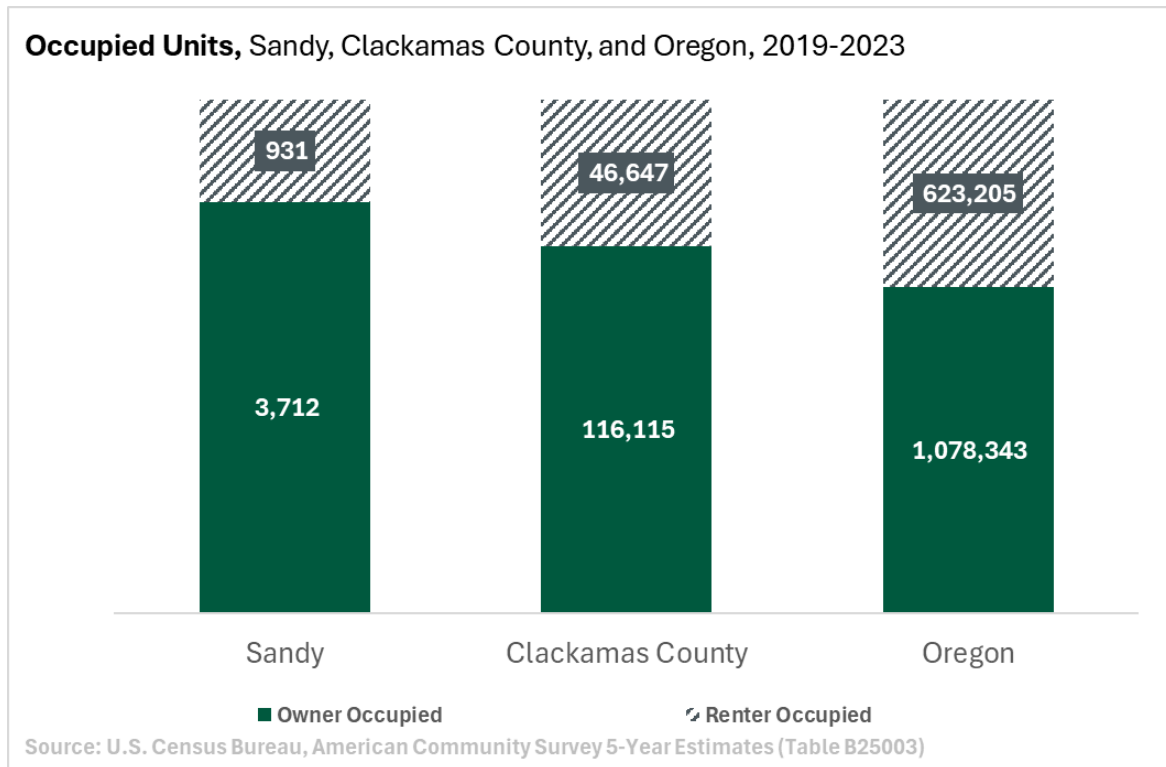


Sandy Housing Production Strategy

HOUSING TENURE

Housing tenure describes whether a dwelling is owner-occupied or renter-occupied. Currently it is estimated that approximately 8 in 10 housing units are owner occupied and 2 in 10 are renter occupied. Sandy's homeownership rate increased by twelve percentage points between 2000 and 2023. The City's home ownership rate is well above the overall rate in the County and the State (**Exhibit 26**).

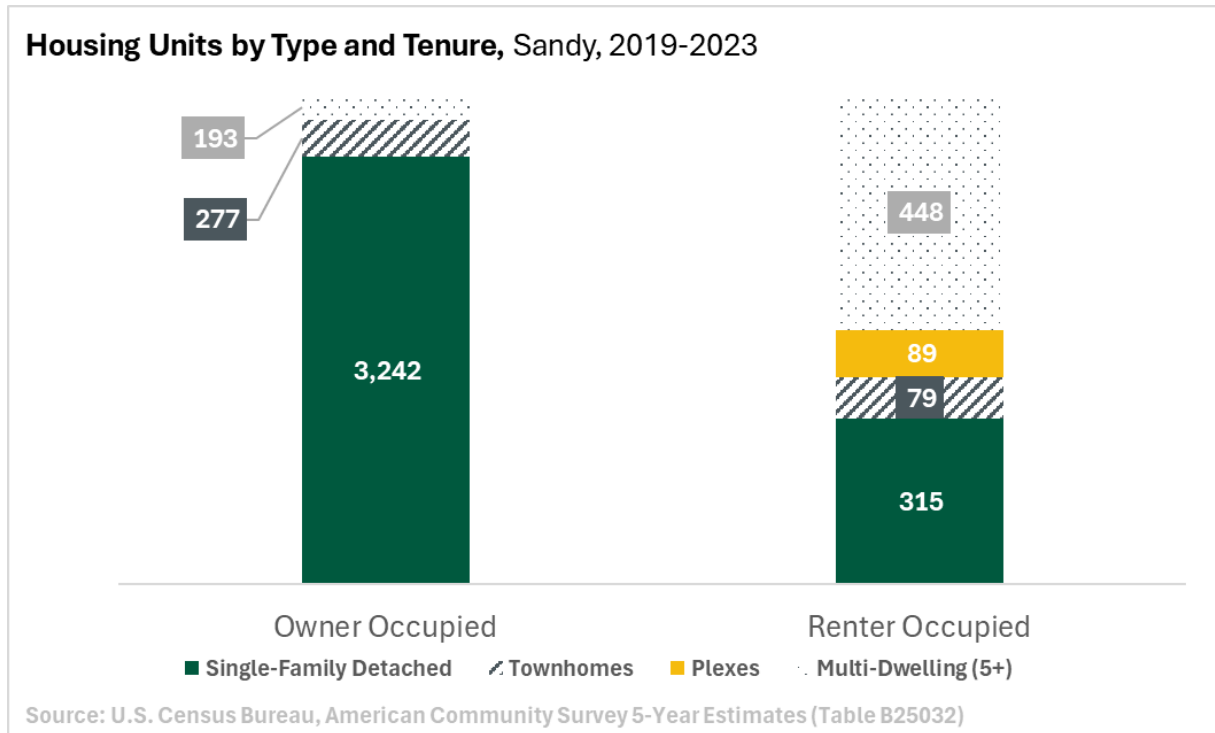
Exhibit 26. Tenure, Occupied Units, Sandy, Clackamas County, and Oregon, 2019-2023



Sandy Housing Production Strategy

Most of Sandy's homeowners (87%) reside in single-family detached housing. In comparison, 34% of Sandy renters reside in single-family detached housing; 10% live in duplex, triplex, or quadplex housing; and 48% live in multi-dwellings while the remaining 8% live in townhomes (**Exhibit 27**).

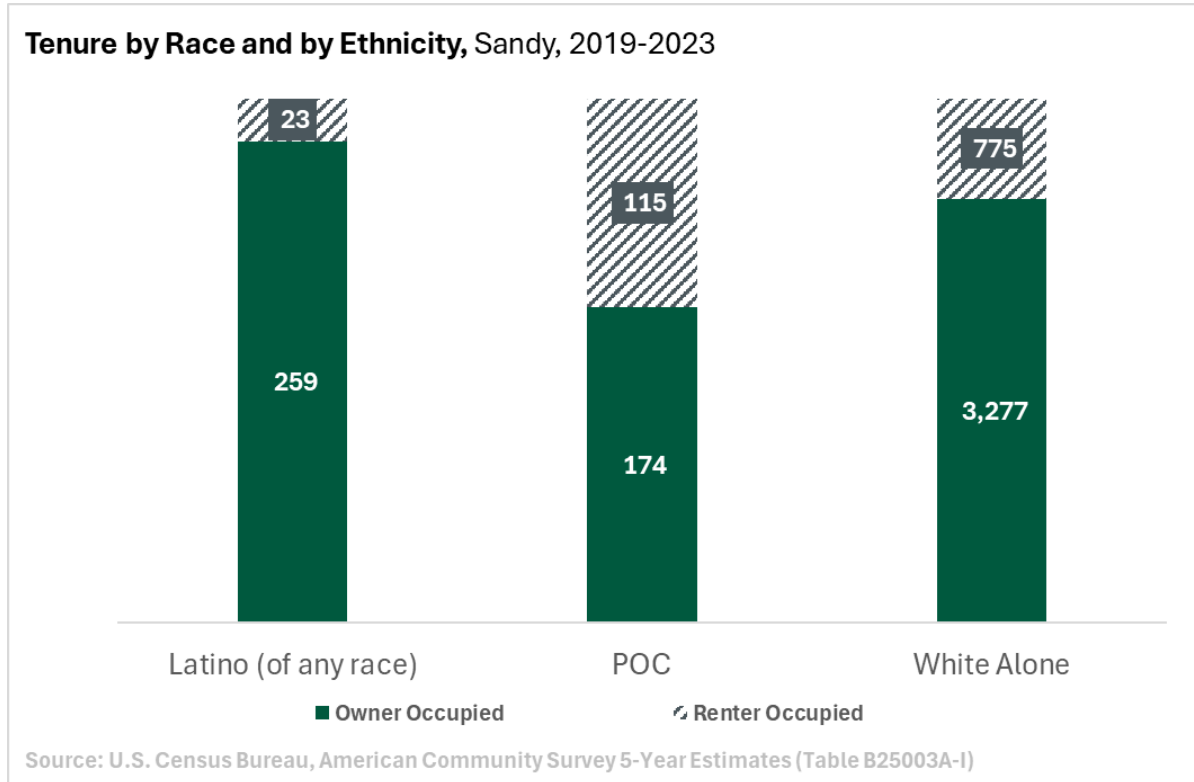
Exhibit 27. Housing Units by Type and Tenure, Sandy, 2019-2023



Sandy Housing Production Strategy

An analysis of local home ownership by race and ethnicity indicates that 8 in 10 white households own their homes compared with 6 in 10 persons of color households and 9 in 10 Latino households (**Exhibit 28**).

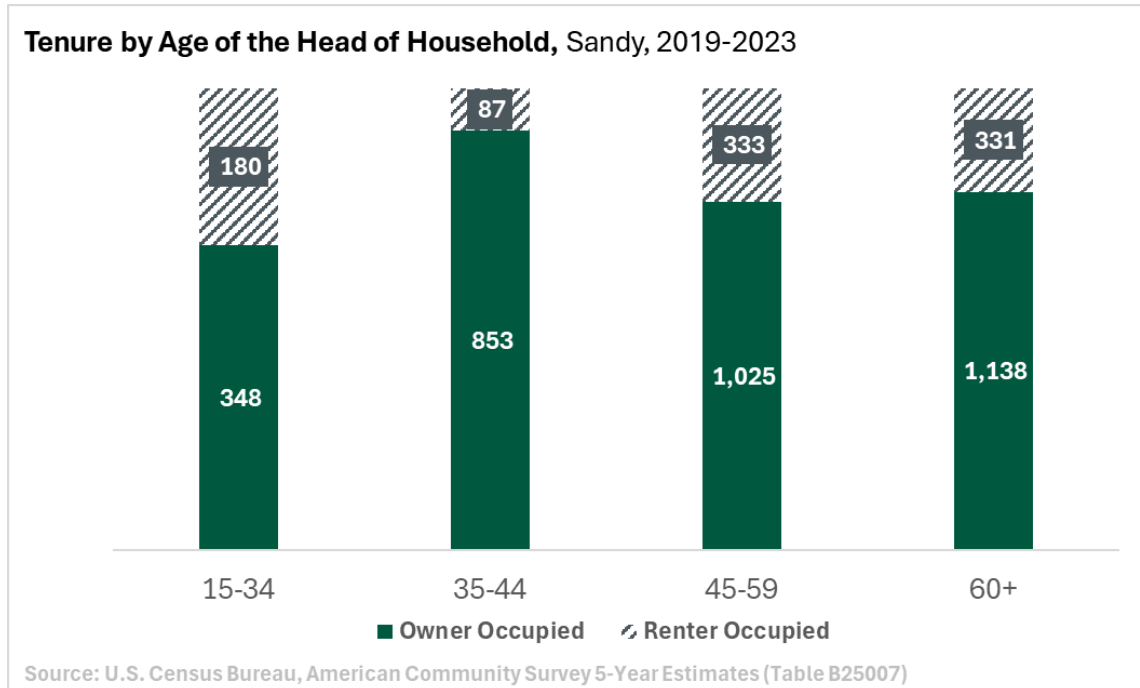
Exhibit 28. Tenure by Race and by Ethnicity, Sandy, 2019-2023



Sandy Housing Production Strategy

The homeownership rate in Sandy is also high across all age groups. As would be expected, the homeownership rate is slightly lower for younger households under age 35 (**Exhibit 29**).

Exhibit 29. Tenure by Age of the Head of Household, Sandy, 2019-2023



Rent-Restricted and Emergency Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low and moderate-income households in renting or purchasing a home. There are six government-assisted housing developments in Sandy with a total of 142 dwelling units (**Exhibit 30**).

Exhibit 30. Government-Assisted Housing, Sandy, 2022

Development Name	Total Units	SRO	Studio	1-bd	2-bd	3-bd	4-bd
Cedar Park Gardens	20	-	-	18	2	-	-
Country Garden Apts	10	-	-	10	-	-	-
Evans Street Senior	28	-	-	24	4	-	-
Hummingbird Apts	6	-	-	6	-	-	-
Sandy Vista I	30	-	-	10	8	12	-
Sandy Vista II	24	-	-	-	10	10	4
Timer Grove - Firwood Village	24	-	-	2	16	6	-
Total	142	-	-	70	40	28	4

Source: Oregon Department of Health and Human Services, Affordable Housing Inventory in Oregon, July 2022.

Sandy Housing Production Strategy

The Clackamas County Continuum of Care (CoC) region has 198 emergency shelter beds, 37 transitional shelter beds, and 1,447 permanently supportive housing beds supporting people experiencing homelessness in the Clackamas County region (**Exhibit 31**).

Exhibit 31. Facilities and Housing Targeted to Households Experiencing Homelessness, Clackamas County Continuum of Care Region, 2024

	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Yr-Round Beds	Subset of Total Bed Inventory		
						Chronic Beds	Veteran Beds	Youth Beds
Emergency Shelter	32	100	98	-	198	n/a	24	0
Transitional Housing	9	17	20	-	37	n/a	0	11
Permanent Housing	247	726	720	1	1,447	182	222	50
Total	288	843	838	1	1,682	182	246	61

Source: https://files.hudexchange.info/reports/published/CoC_HIC_State_OR_2024.pdf

MANUFACTURED HOMES

Manufactured homes provide a source of attainable housing in Sandy. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492). Sandy has five manufactured home parks within its UGB. Within these manufactured home parks, there are a total of 247 spaces (of which 7 spaces were vacant as of 2025) (**Exhibit 32**).

Exhibit 32. Inventory of Mobile/Manufactured Home Parks, Sandy UGB, 2025

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Hood Chalet Mobile Estates	17655 Bluff Rd Sp 1	Family	82	0	R-3
Johnston Park	17805 Sue Ln	Family	16	7	R-3
Knollwood Mobile Estates	37600 Sunset St	Family	52	0	R-3
Swiss Meadow Village	38595 Strawbridge Pkwy	Family	50	0	R-3
Sandy Trailer Park	17340 University Ave	Family	7	unknown	C-2
Total			247	7	

Source: OHCS, Manufactured Dwelling Park Directory, <https://Appsprod.Hcs.Oregon.Gov/Mdpcrparks/Parkdirquery.Jsp>

Sandy Housing Production Strategy

People Experiencing Homelessness

Gathering reliable data from individuals experiencing homelessness is difficult precisely because they are unstably housed. People can cycle in and out of homelessness and move around communities and shelters. Moreover, the definition of homelessness can vary between communities. Individuals and families temporarily living with relatives or friends are often insecurely housed, but they are often not included in homelessness data. Even if an individual is identified as lacking sufficient housing, they may be reluctant to share information. As a result, information about people experiencing homelessness in Sandy is limited. AntFarm Youth Services, a community partner that serves the homeless population in Sandy, estimated there are 10 adults (25 and older) and 40 youth (24 and younger) experiencing homelessness in Sandy as of 2023.⁶

According to HUD's 2022 Annual Homeless Assessment Report (AHAR), across the United States, the number of people experiencing homelessness increased slightly (less than one percent) between 2020 and 2022.⁷ This increase reflects a 3% increase in people experiencing *unsheltered* homelessness, offset by a 2% decline in people experiencing *sheltered* homelessness. However, between 2021 and 2022, *sheltered* homelessness increased by 7%, possibly due to the easing of pandemic-related restrictions that resulted in fewer beds available and declines in the perceived health risks of staying in a shelter. The following exhibits provide more localized estimates of homelessness in Sandy's region.

About 571 sheltered and unsheltered people were identified as experiencing homelessness in Clackamas County in 2022 (**Exhibit 33**).

Homelessness Data Sources

Point-in-Time (PIT) count: The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. The count records the number and characteristics of people who live in emergency shelters, transitional housing, rapid rehousing, Safe Havens, or PSH—as well as recording those who are unsheltered.

McKinney Vento data: This data records the number of school-aged children who live in shelters or hotels/motels and those who are doubled up, unsheltered, or unaccompanied. This is a broader definition of homelessness than that used in the PIT.

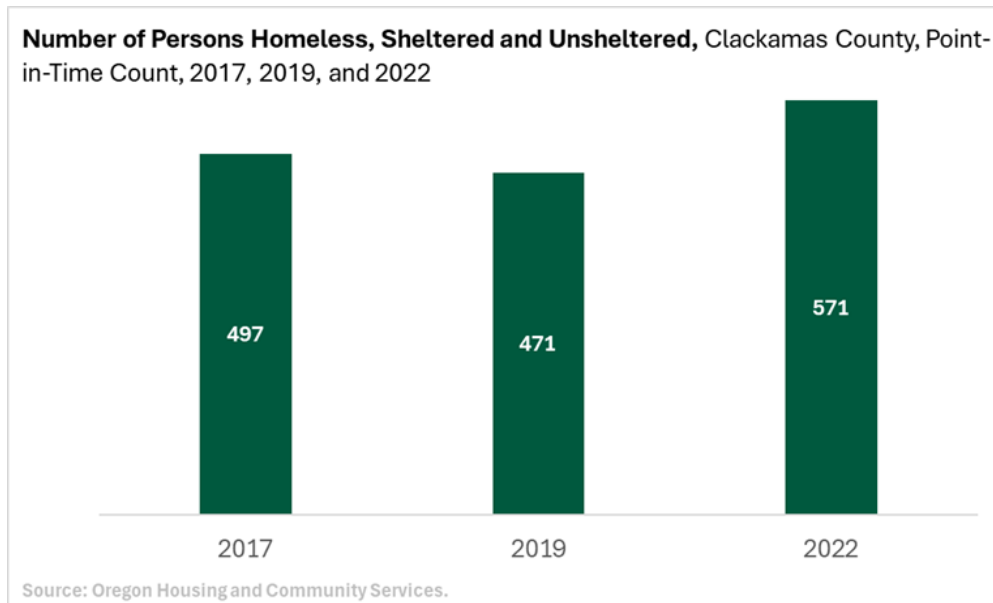
Although these sources of information are known to undercount people experiencing homelessness, they are consistently available for counties in Oregon.

⁶ These numbers are for all of the Sandy zip code and not necessarily within city limits.

⁷ From 2020 and 2022 the number of people in the US increased 0.6%. The proportion of people experiencing homelessness compared to the total US population stayed about the same.

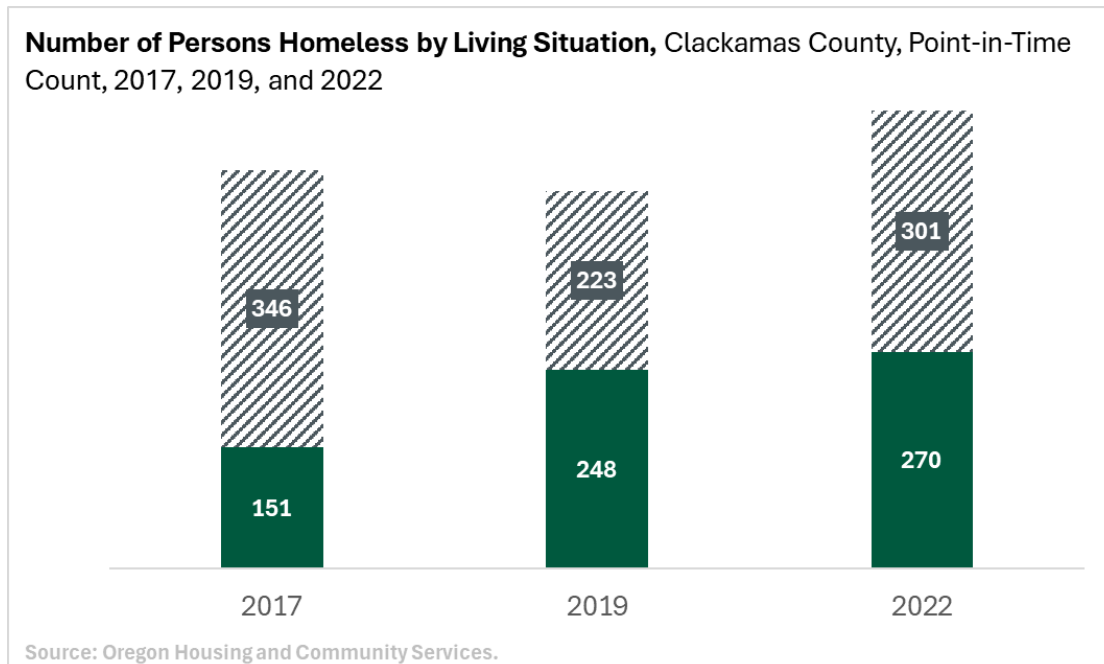
Sandy Housing Production Strategy

Exhibit 33. Number Homeless, Sheltered and Unsheltered, Clackamas County, Point-in-Time Count, 2017, 2019, and 2022



In 2022, 47% of people experiencing homelessness were sheltered (270 people) and 53% were unsheltered (301 people)(**Exhibit 34**). AntFarm, a nonprofit serving the homeless population in Sandy, estimate that there were 10 adults experiencing homelessness in Sandy in 2023.

Exhibit 34. Number of Persons Homeless by Living Situation, Clackamas County, Point-in-Time Count, 2017, 2019, and 2022

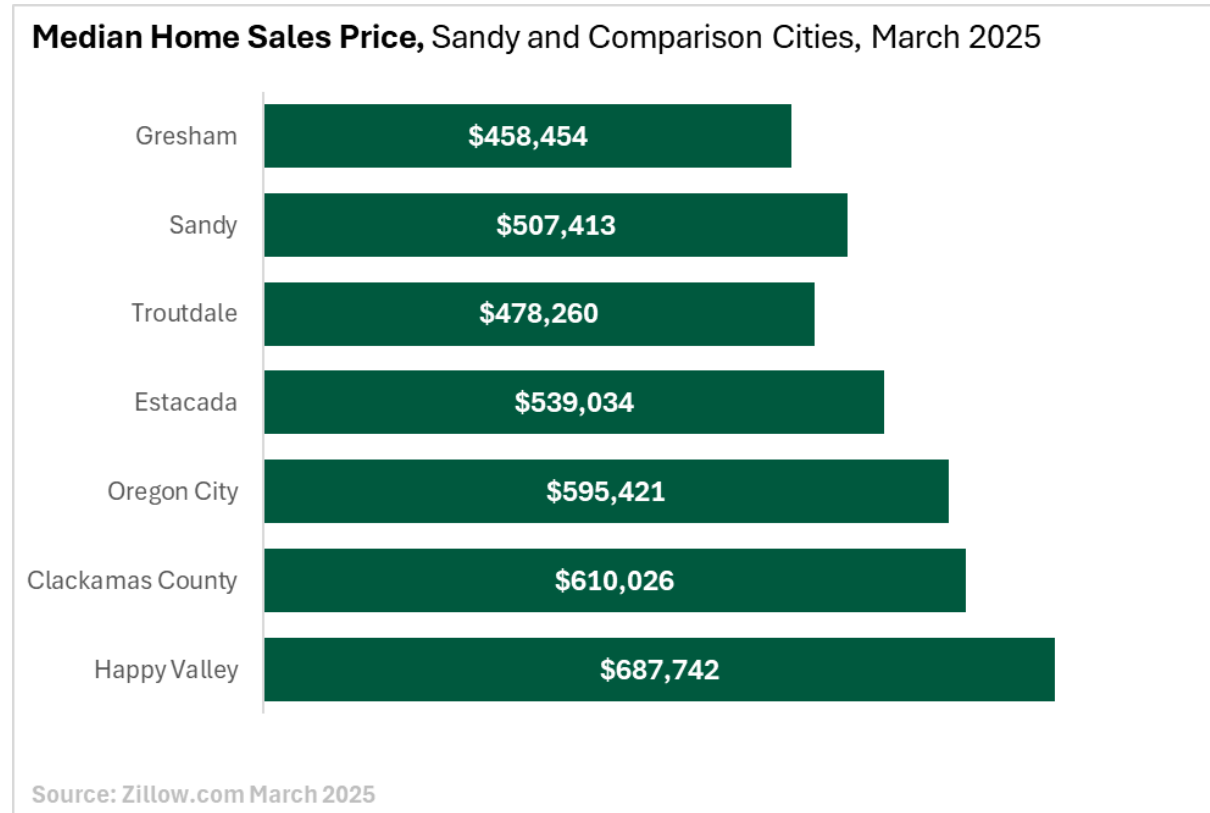


Sandy Housing Production Strategy

Housing Affordability Considerations

This section describes changes in sales prices, rents, and housing affordability in Sandy and a comparison of geographies. Both housing sale prices and rents have increased in Sandy and the greater region over the last several years. As shown below in **Exhibit 35**, Sandy's median home sales price was \$507,413 in February 2024.

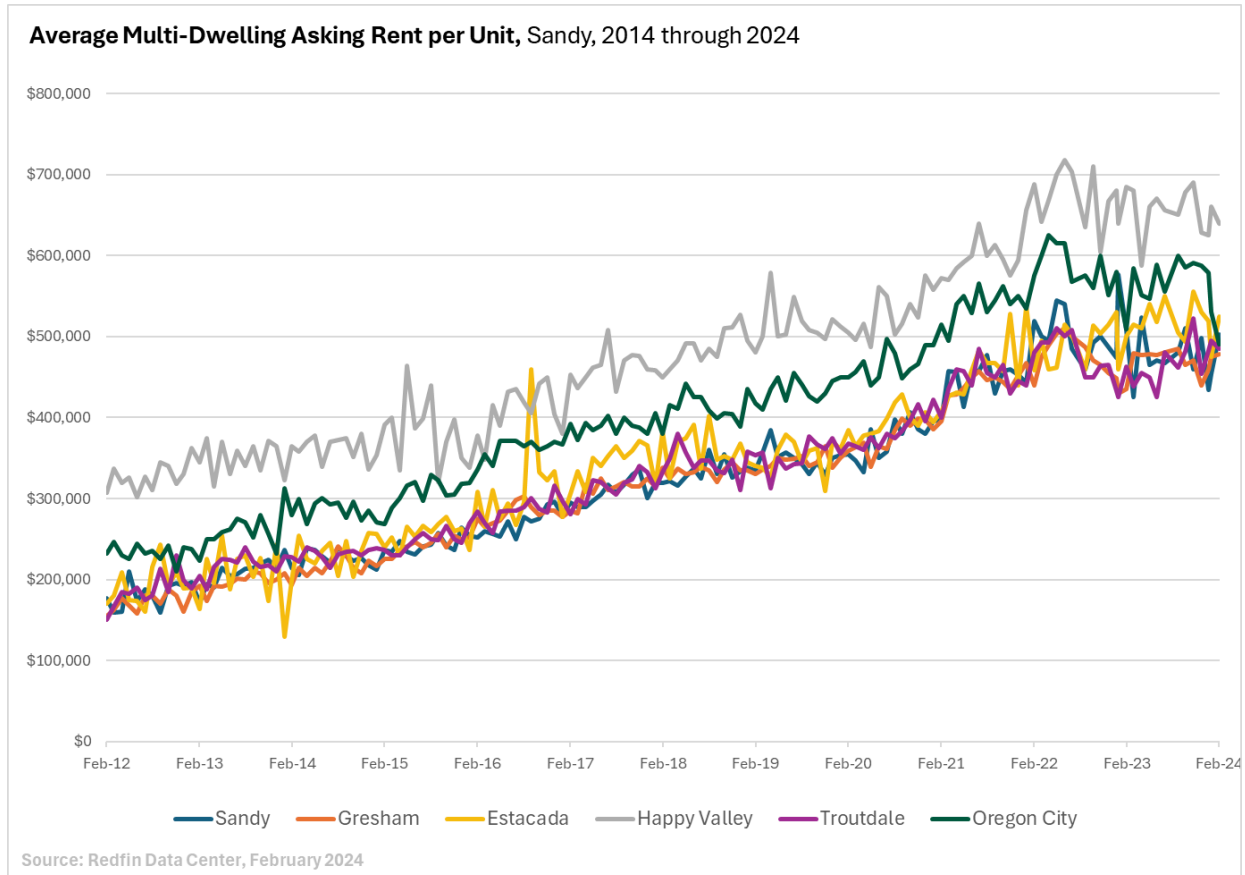
Exhibit 35. Median Home Sales Price, Sandy and Comparison Cities, February 2024



Sandy Housing Production Strategy

Sandy's median home sales price increased by \$287,000 (133%), from \$215,000 in February 2014 to \$502,000 in February 2024 (**Exhibit 36**).

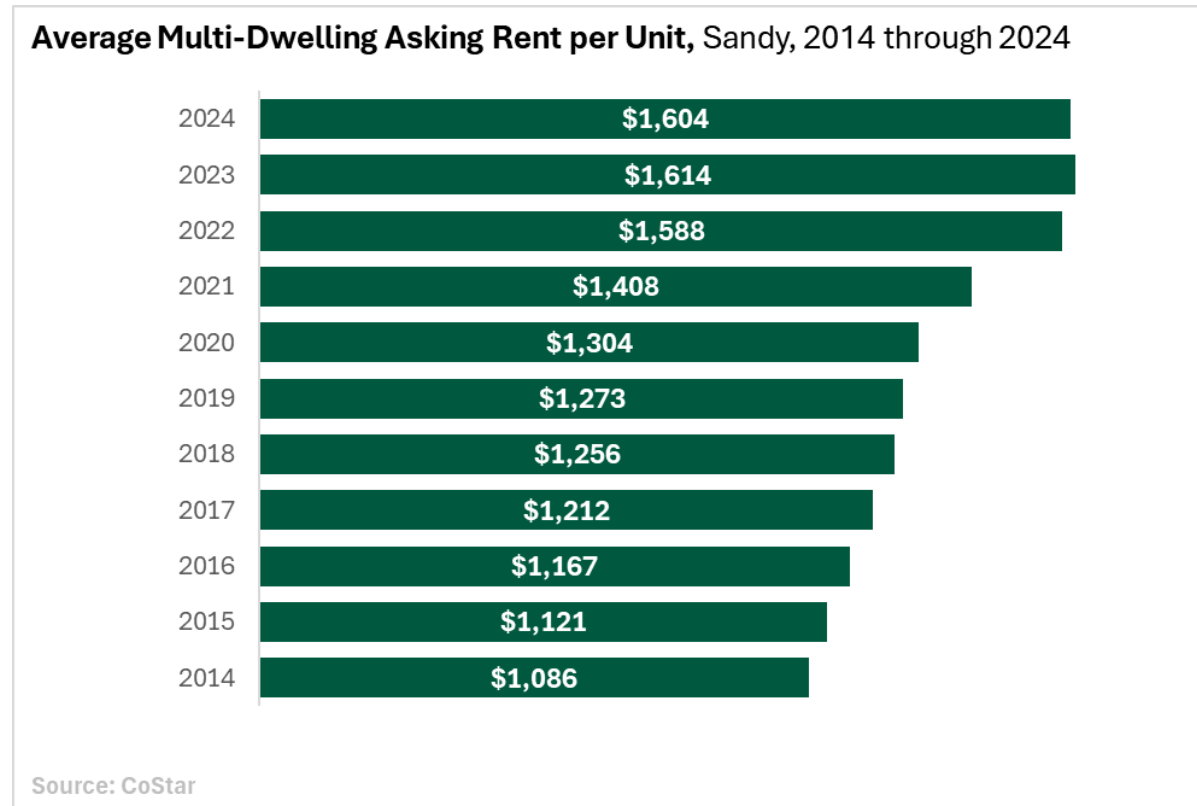
Exhibit 36. Median Sales Price, Sandy and Comparison Cities, Feb 2014 through Feb 2024



Sandy Housing Production Strategy

The average monthly rental rate per multi-dwelling unit in Sandy has increased over the past decade. Between 2014 and 2023, Sandy's average multi-dwelling asking rent increased by nearly 50% from \$1,086 per month to \$1,614 per month (**Exhibit 37**).

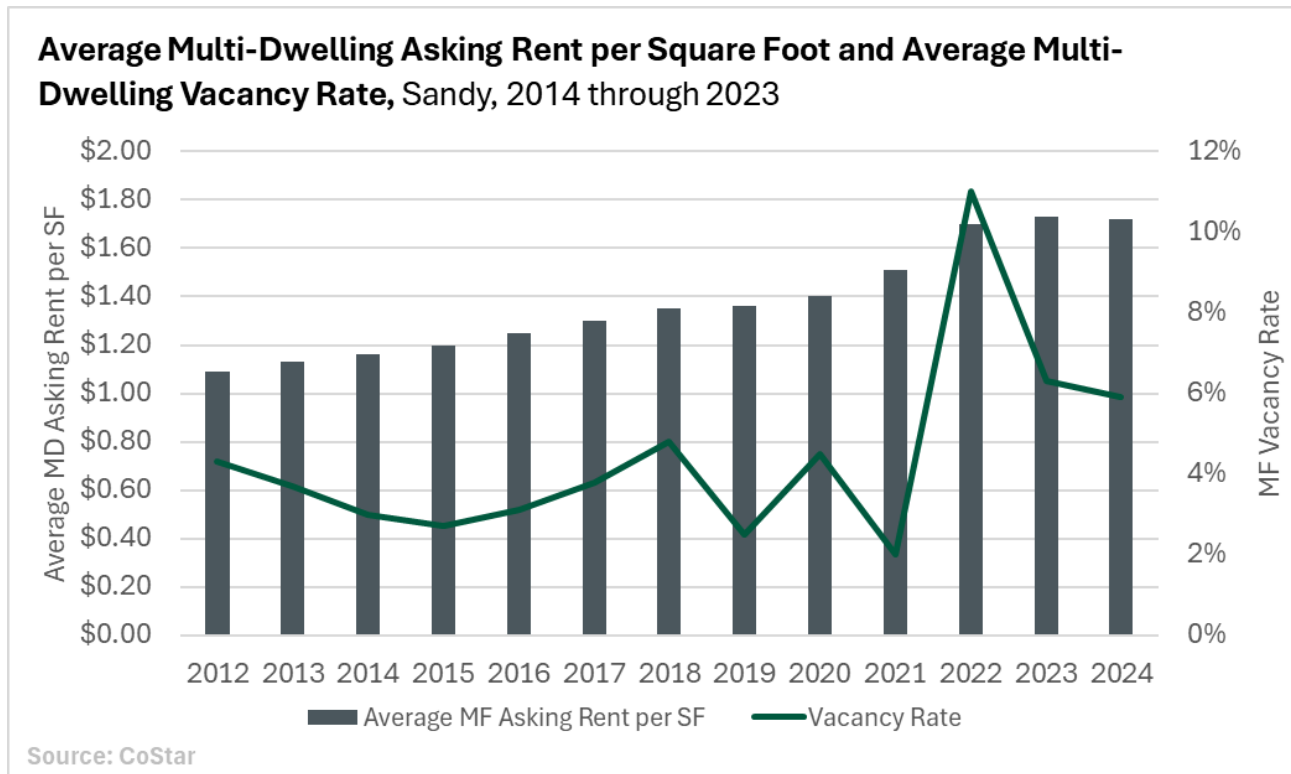
Exhibit 37. Average Multi-Dwelling Asking Rent per Unit, Sandy, 2014 through 2023



Sandy Housing Production Strategy

In 2023, Sandy's average multi-dwelling asking rent was \$1.73 per square foot, up from \$1.16 per square foot in 2014 – a 49% increase. During that period of time, according to Costar data, Sandy's multi-dwelling vacancy rate increased from 3.0% in 2014 to 6.3% in 2023. The recent increase in vacancy is likely attributable to new multi-unit developments coming online that have since increased the supply of apartments (**Exhibit 38**).

Exhibit 38. Average Multi-Dwelling Asking Rent per Square Foot and Average Multi-Dwelling Vacancy Rate, Sandy, 2014 through 2023



Housing Cost Burden

Median home sale prices increased 136% between February 2014 and February 2025, from \$215,000 to \$507,000. Between 2014 and 2023, Sandy's average multi-dwelling asking rent increased 49% from \$1,086 per month to \$1,614 per month, excluding utilities. Sandy's median household income increased 60% from \$63,000 in 2000 to \$102,000 in 2023 (inflation adjusted).

Financially attainable housing costs for households across the income spectrum in Clackamas County were identified in **Exhibit 1**. For example, a household earning median family income in Clackamas County (about \$117,000 per year) can afford a monthly rent of about \$2,920 or a home roughly valued between \$321,000 and \$380,000 without cost burdening themselves.

In Sandy, a household needs to earn about \$155,000 (132% of MFI for a family of four) to afford the median sales price of \$507,000 for a home in Sandy. A household would need to earn about \$74,000

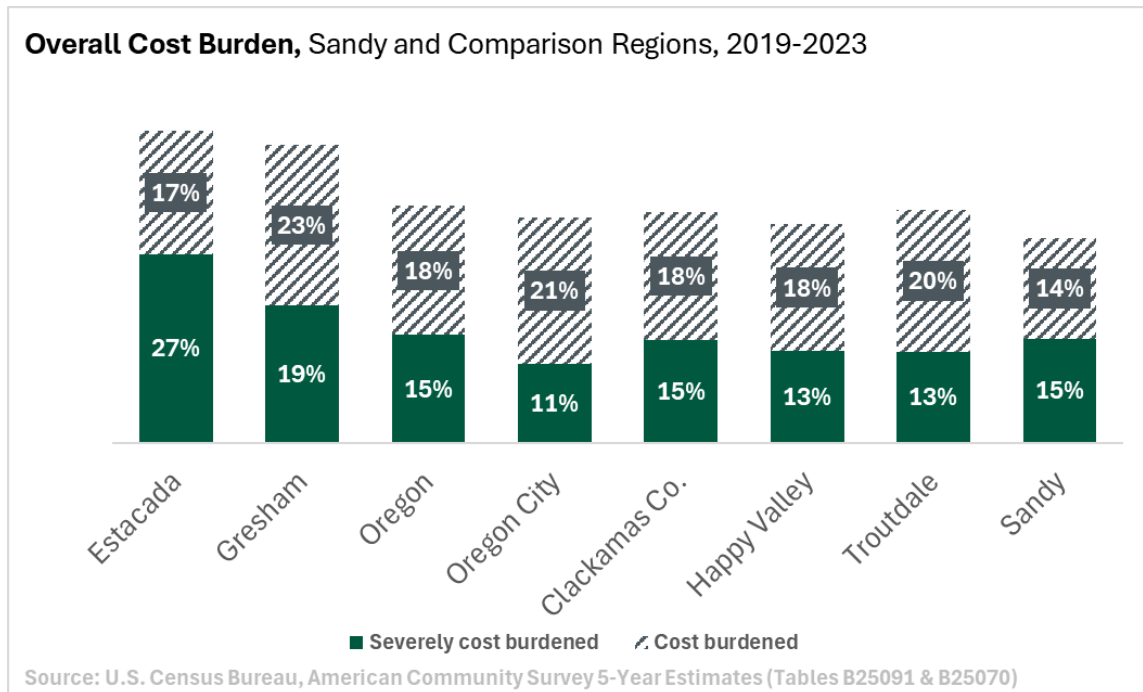
Sandy Housing Production Strategy

(about 63% of MFI) to afford the average asking rent for multi-dwelling housing plus basic utilities of \$1,850.⁸

Because the local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels – and because it cannot often produce middle income/workforce housing without some type of public subsidy, nearly 3 out of 10 households in Sandy are cost burdened. A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened.

As shown in **Exhibit 39**, in 2023, 29% of all households in Sandy were cost burdened, which is less than Clackamas County (33%) and lower than the state average (34%).

Exhibit 39. Housing Cost Burden, Sandy, Clackamas County, Oregon, Other Comparison Cities, 2019-2023

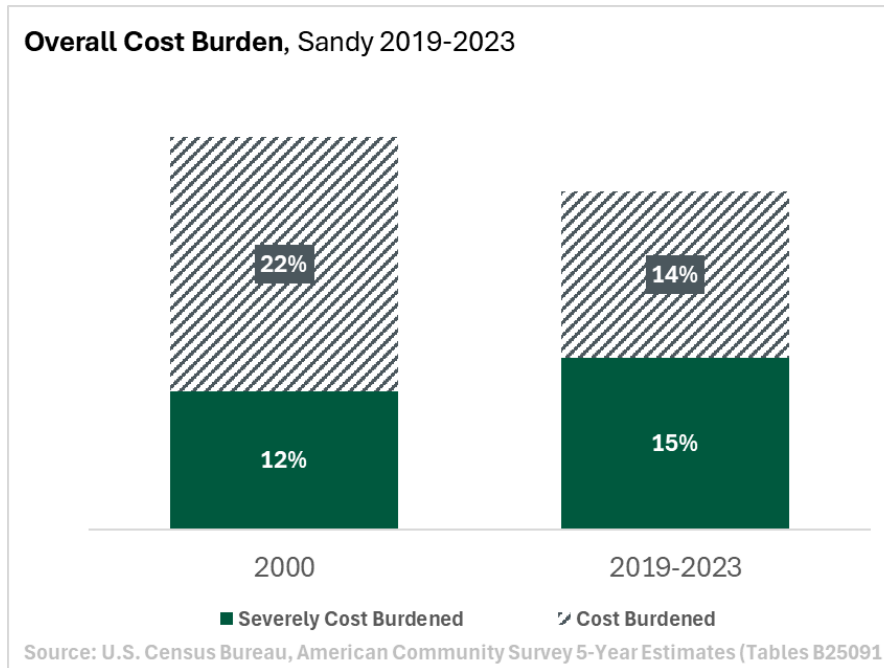


⁸ Average asking rent was about \$1,590 in 2022 according to Costar. This analysis assumed \$250 per month for utilities for a total housing cost of \$1,850.

Sandy Housing Production Strategy

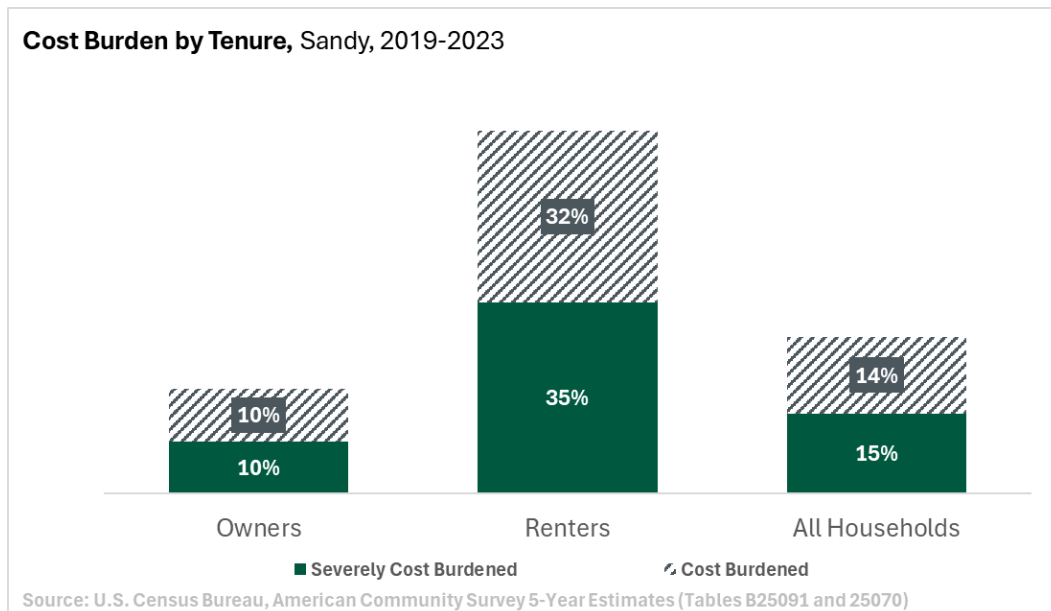
From 2000 to 2022 the number of cost-burdened households decreased by 5% (**Exhibit 40**).

Exhibit 40. Change in Housing Cost Burden, Sandy, 2000 to 2019-2023



Renters in Sandy are much more likely to be cost burdened than homeowners. About 67% of Sandy's renters were cost burdened or severely cost burdened, compared to 19% of homeowners. 32% of Sandy's renters were severely cost burdened. Severely cost burden means households pay over 50% of their income on housing costs alone (**Exhibit 41**).

Exhibit 41. Housing Cost Burden by Tenure, Sandy, 2019-2023



Sandy Housing Production Strategy

As would be expected, cost burden is highest for renter households with the lowest incomes. Most renter households earning less than \$50,000 are cost burdened, with a significant share of those households experiencing severe cost burden. In 2023, 64% of renter households that earn less than \$20,000 were severely cost burdened. Cost burden is significantly less among renter households earning \$75,000 or more (**Exhibit 42**).

Exhibit 42. Cost-Burdened Renter Households, by Household Income, Sandy, 2019-2023

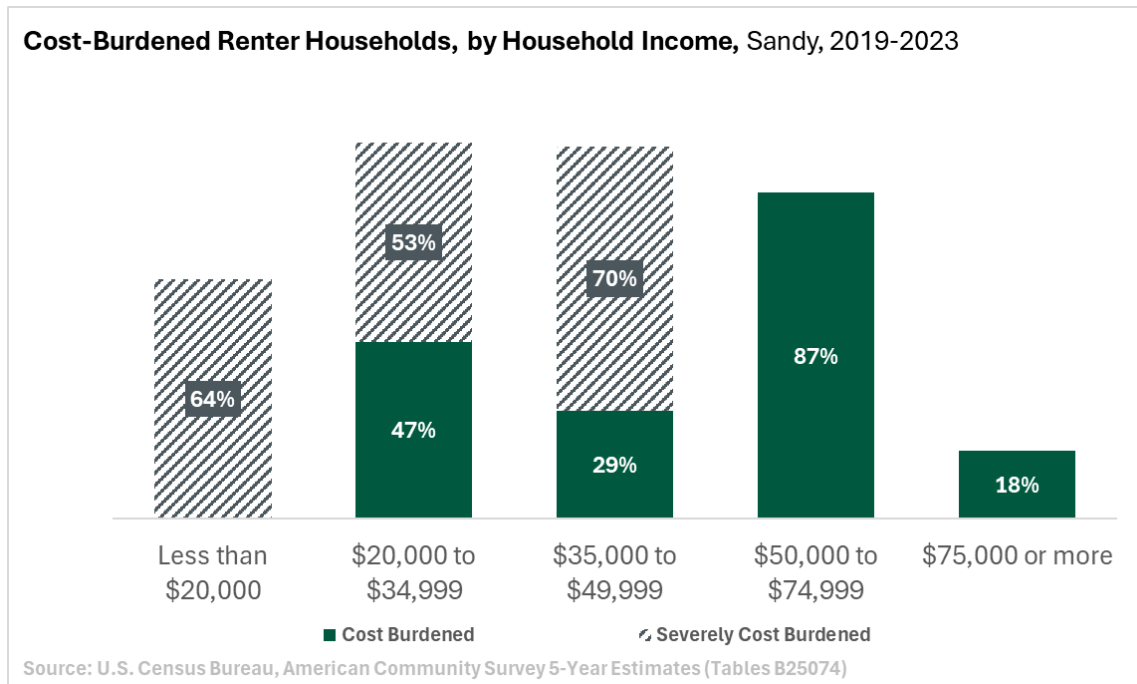
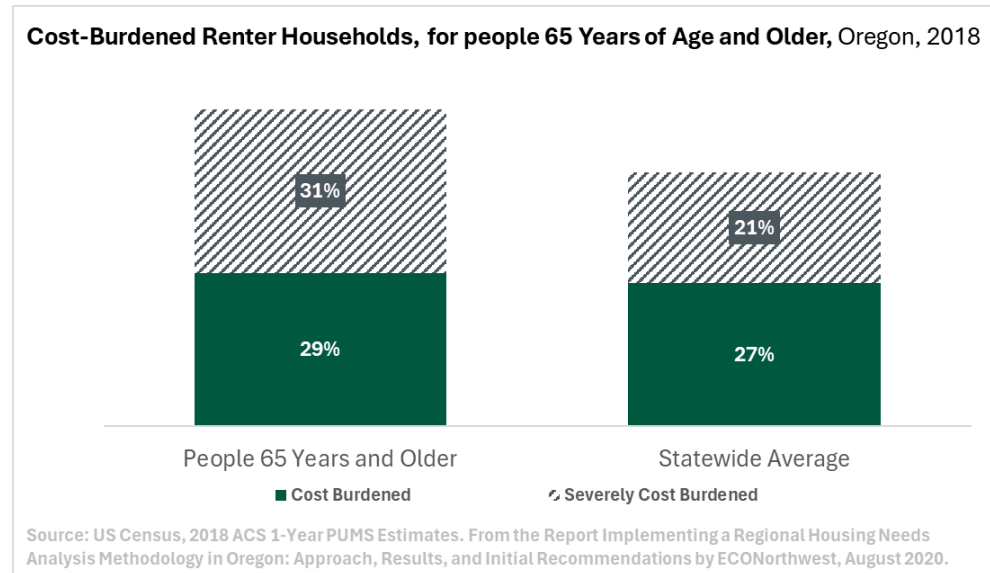


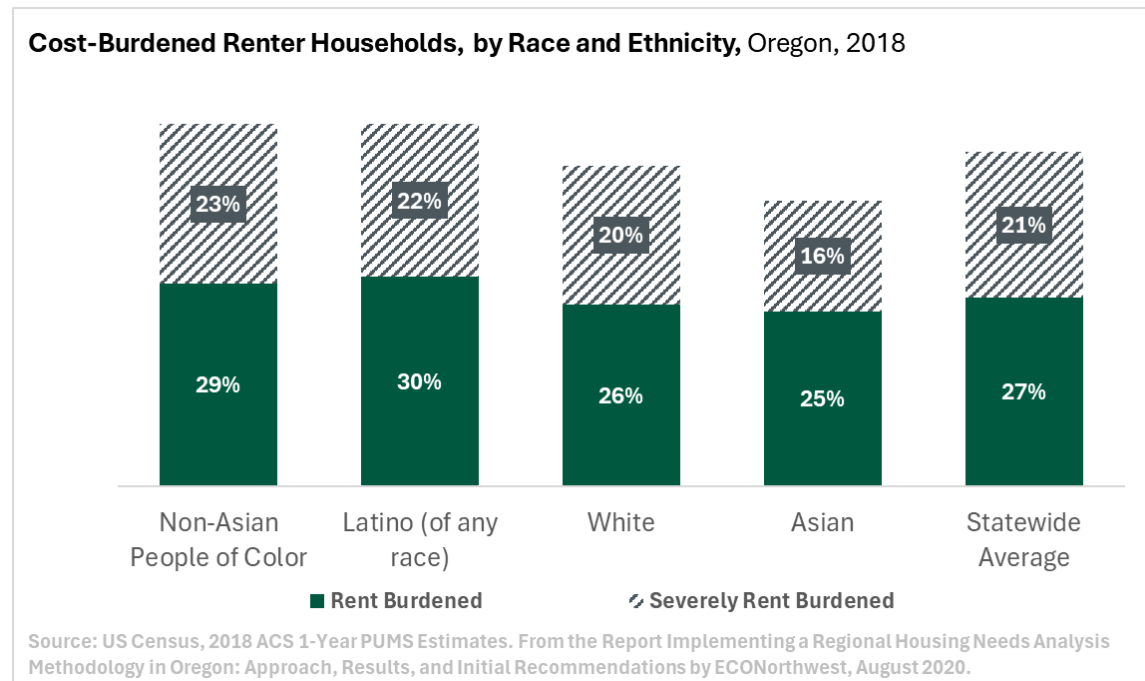
Exhibit 43 through Exhibit 45 show cost burden in Oregon for renter household subgroups, including seniors, people of color, and people with disabilities.⁹ This data is not currently available for a city with a population as small as Sandy, which is why we present statewide information. Overall, this analysis indicates that these demographic subgroups experience cost burden at a relatively higher rate than the overall average.

⁹ From the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, prepared for Oregon Housing and Community Services by ECONorthwest, March 2021.

Sandy Housing Production Strategy

Exhibit 43. Cost-Burdened Renter Households, for People 65 Years of Age and Older, Oregon, 2018

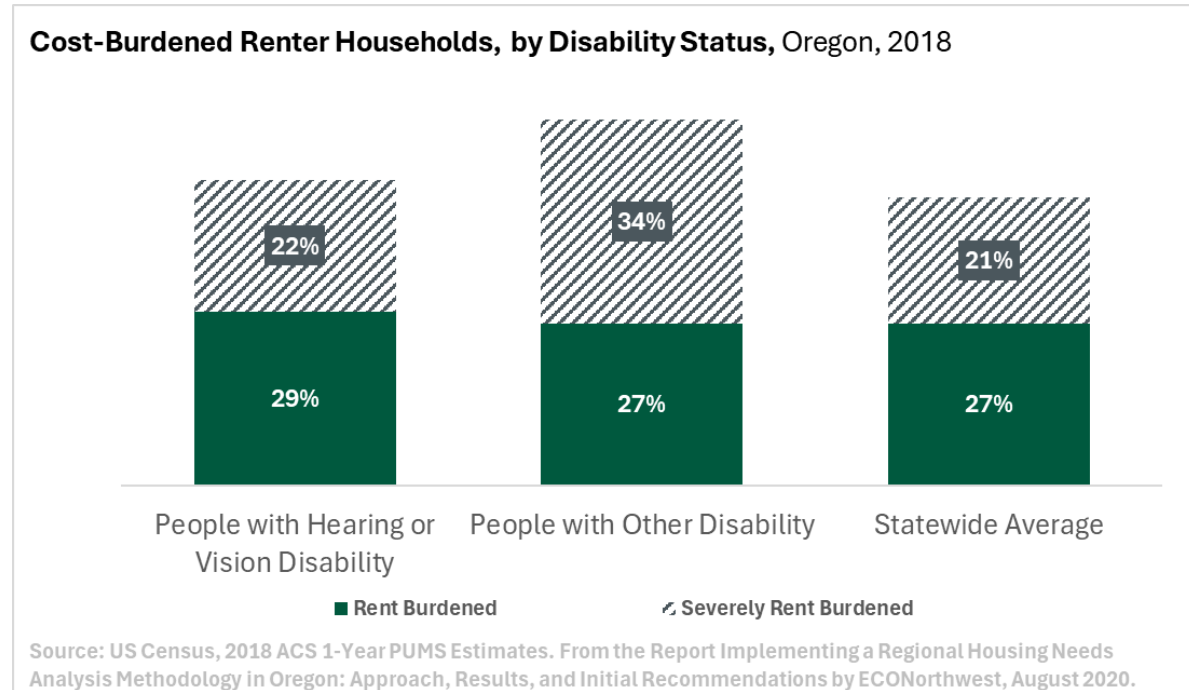
Compared to the average renter household in Oregon, those that identified as a non-Asian person of color or as Latino of any race were disproportionately rent burdened (**Exhibit 44**).

Exhibit 44. Cost-Burdened Renter Households, by Race and Ethnicity, Oregon, 2018

Sandy Housing Production Strategy

People with a disability who are renters in Oregon are also disproportionately cost burdened (**Exhibit 45**).

Exhibit 45. Cost-Burdened Renter Households, for People with Disabilities, Oregon, 2018



Ordinance 2025-30 Findings

Goal 1: Citizen Involvement

It is the purpose of this goal to develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Findings: Over the summer of 2024, consultant staff interviewed four service providers in Sandy. These providers offer services to low-income households, seniors, at-risk youth, the Latino population, and people experiencing homelessness. The interviews focused on understanding community housing needs and identifying strategies for initial consideration. Additionally, meetings were held with interested City Council members to better understand their perspectives on their constituents' needs.

After HPS strategies were drafted in the summer of 2025, consultant staff conducted a second round of stakeholder interviews with service providers and housing developers who work in the Sandy housing market. These interviews focused on how appropriate the policies being considered by the City were to the issues being faced by residents.

As part of the HPS planning process, City staff and the consultants met with local decision makers to keep them informed of the contents and progress of the report. Those meetings included three joint meetings with the Planning Commission and the City Council. The meetings occurred on September 16, 2024, May 19, 2025, and on October 6, 2025, including a review of proposed policies to be considered, the issue of the development moratorium stemming from wastewater capacity constraints imposed on the City, and the requirements of the HPS process.

The City then held public hearings before both the Planning Commission and City Council to afford the public the opportunity to be involved. Notice of the two hearings was published in the Sandy Post, posted on the City's website, and on the City Facebook account. Notice was provided to the Department of Land Conservation and Development on September 16, 2025.

Conclusion: *Goal 1 Public Involvement requirements are met.*

Goal 2: Land Use

It is the purpose of this goal to establish a land use process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions.

Findings: This HPS includes data and analysis from the City of Sandy's 2024 Housing Capacity Analysis (HCA). The HCA report helps remove uncertainty surrounding specific housing development needs while maintaining desired community outcomes. Key findings from the HCA informed the discussions that produced the strategies in the HPS. The City also has a state-acknowledged Comprehensive Plan that was adopted in 2024. As required by goals 37, 38, and 39 of the Comprehensive Plan, the City has identified barriers to private sector housing development for a range of housing types, including affordable housing. The HPS includes strategies that

reduce the development barriers for providing needed housing in Sandy.

Conclusion: *Goal 2 Land Use requirements are met.*

Goal 10: Housing

It is the purpose of this goal to provide for the housing needs of citizens of the state.

Findings: The HPS is intended to expand on the work of the HCA by examining how a city can impact housing affordability, access and choice issues, displacement, and housing stability. To accommodate the city's forecasted population growth of 6,350 people, Sandy needs to plan for 2,424 new dwelling units or about 121 new dwelling units per year over the twenty-year planning period. The housing mix for this growth is expected to consist of 60% single-family detached homes, 7% townhouses, 5% duplexes, triplexes, and quadplexes, and 28% multi-dwelling housing with five or more units in each structure.

The HPS process included a review of the City's policies, past actions, future housing needs, and an analysis of who is at risk of being left behind in the existing housing environment. Community input was obtained to identify and evaluate recommended policy changes that can be implemented to increase production of needed subsidized and market-rate housing. At its core, the HPS identifies which tools, actions, or policies the City can implement to promote housing production, affordability, and choice, especially as it relates to the needs identified in the HCA. The strategies in the HPS are intended to increase the provision of needed housing in Sandy, as required by ORS 197A.100.

Conclusion: *Goal 10 Housing requirements are met.*

Goal 14: Urbanization

It is the purpose of this goal to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Findings: The proposed strategies assist with the orderly development of needed housing within the existing Sandy Urban Growth Boundary. As detailed in the 2024 Housing Capacity Analysis (HCA) the City of Sandy has sufficient residential land to accommodate residential growth over the 20-year planning period of 2023-2043 as detailed in the HCA.

Conclusion: *Goal 14 Urbanization requirements are met.*



Date: October 24, 2025

To: Kelly O'Neill Jr., City of Sandy

From: Tim Wood, FCS

RE: DLCD Recommended Edits to the City of Sandy HPS report

On Sunday, October 19th the Oregon Department of Land Conservation and Development (DLCD) provided preliminary feedback on the Sandy Housing Production Strategy (HPS) report. Recommended edits from DLCD included the following:

- Specify, in the title and executive summary, that the HPS covers the 2026-2033 timeframe.
- Include the City's pre-HPS survey as an appendix item at the end of the report.
- Add a graphic that illustrates the implementation schedule for each strategy.
- Add a "partners" section to each housing action identifying the stakeholders the City will work with during implementation.
- Under the "Implementation Steps" section for each strategy, define what "completion" means for each strategy. This is likely to include adoption of the strategy.
 - For example, strategy H (promote accessible design standards), should include a step in which the City adopts development code modifications to that end.
- Expand the Benefits and Burdens discussions for each strategy to focus on the communities named in OAR 600-008-0050(3)(d)(C) which includes:
 - Low-income communities
 - Communities of color
 - People with disabilities
 - Other state and federal protected classes
- Add an "Other Considerations" section to each strategy to discuss market considerations which currently appear in the Benefits and Burdens section.
- Regarding the construction excise tax, the HPS report should be specific about which communities will be accommodated by housing funded by the tax.
- Strategy G (amend the zoning code to allow additional middle housing options) should be adopted a year earlier.
- Strategy I (monitor and require registration for short-term rentals) should be mentioned in the Fair and Equitable Housing Outcomes section.
- Also, in the Fair and Equitable Housing Outcomes section, when strategies are listed, the action identifier (e.g., "Action A/B/C/etc.") should be next to the action title for increased clarity.
- In the Measuring Strategy Implementation And Progress section, the HPS report should outline criteria to measure success for each individual strategy.
- The HPS report should include a discussion of existing and expected barriers to the development of housing. This would be an opportunity to detail the impacts of the consent decree.

The HPS project team will incorporate this feedback in 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.

APPENDIX A: PRE-HPS SURVEY

Housing Portal

Pre-HPS Survey Submission

Page: 1 of 1

Year: 2023 City: Sandy

Submitted Date: 01/26/2024

10/19/2025 3:05:09 pm

Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A01 - Ensure Land Zoned for Higher Density is not Developed at Lower Densities	Yes	No	No
Comments:				
A - Zoning and Code Changes	A09 - Short-Term Rentals Regulations	Yes	No	No
Comments:				
B - Reduce Regulatory Impediments	B03 - Expedite Permitting for Needed Housing Types	Yes	No	No
Comments:				



STAFF REPORT PLANNING COMMISSION

Item # 3.

Meeting Type:	Planning Commission
Meeting Date:	October 27, 2025
From:	Patrick Depa, Senior Planner
Subject:	Economic Development Strategic Plan Adoption

DECISION TO BE MADE:

Hold a legislative public hearing to review the 2023 Economic Development Strategic Plan (EDSP) and make a recommendation to the City Council to adopt the EDSP as a supportive document to the Envision Sandy 2050 Comprehensive Plan .

APPLICABLE COUNCIL GOAL:

Development Services

- **6.2: Review and formally adopt the Economic Development Strategic Plan as a Comprehensive Plan background document.**

BACKGROUND / CONTEXT:

In early 2021, the City Council met and established their 2021-2023 Biennial City Council Goals. One of the goals discussed was the need to grow the City's economic base. From that came; Goal 3. Foster Economic Recovery and Growth:

"Develop a long-term plan for economic development that provides clear direction for commercial, industrial, and small business growth."

In July 2022, the City contracted with Community Attributes Inc. to produce an Economic Development Strategic Plan (See Exhibit A). The Economic Development Advisory Board (EDAB) was tasked to review the data, provide input, and assist in developing a work plan that included tactics, tasks, and measurable action steps.

Community Attributes Inc. and the Economic Development Advisory Board (EDAB) met four (4) times in 2022 to help develop and provide feedback on the elements of the Economic Development Strategic Plan (EDSP). At the beginning of 2023, Community Attributes Inc. and the EDAB held two meetings to review the rough draft of the EDSP, with the first of these meetings on March 1, 2023. After a final draft was developed, a work session with the City Council took place in May of 2023. At the work session, City Council recommended two changes to be incorporated into the EDSP. The changes were completed and the EDSP was approved at the June 5, 2023, City Council meeting.

Because no formal resolution or ordinance was adopted by City Council at that meeting, our City Attorney advised the City that having an ordinance would set a stronger foundation for supporting various actions when the City sets new economic development policy or uses existing policy to implement community and economic development activities. For instance, the 2023 Economic Development Strategic Plan (EDSP) will assist in distribution of the conditional 190 ERUs. Also, if employment projects are consistent with the goals and strategies of the EDSP, they should be prioritized.

KEY CONSIDERATIONS / ANALYSIS:

This economic development strategic plan is a tool to articulate and realize our community's economic vision and take control of our economic future. At the heart of the Economic Development Strategic Plan (EDSP) is a roadmap to achieving the economic vision for the City of Sandy for a 5- to 10-year time horizon.

The Economic Development Strategic Plan (EDSP) is intended to identify issues pertaining to commercial and industrial land use and unmet economic needs. The project goals of the plan are to establish a clear economic development direction that identifies the city's strengths and opportunities, and its position in the broader Mt. Hood and east Clackamas County region (See Exhibit B – Supportive Findings).

Staff are asking that the Planning Commission review the supportive findings, hold a legislative hearing and provide a recommendation to the City Council, however, staff prefer that the Planning Commission does not take an excessive appraisal of the document as it has already been acknowledged by the City Council through motion. If you feel strongly about something you believe needs to be changed or updated, staff will take suggestions on content, however, the consultants are no longer under contract to update the substance or the formatting of the document. The EDSP is only a couple years old so new data may be unavailable but staff believe the data used for this plan is still relevant.

CONCLUSION:

The Sandy Comprehensive Plan is a legislative regulatory guidebook intended to regulate development and guide growth for the city of Sandy. The Comprehensive Plan also needs to be amended over time by introducing revised supportive technical documents to respond to a growing population and economy. Staff find that the draft findings (Exhibit B) established in this staff report, and the Economic Development Strategic Plan satisfies all applicable criteria of the City's Development Code for plan amendments and is consistent with all the Statewide Planning Goals. Staff find that the Economic Development Strategic Plan is in full compliance with all state statutes and administrative rules.

BUDGET IMPACT:

City Attorney charges

RECOMMENDATION:

Staff recommend that the Planning Commission hold a legislative public hearing and forward a recommendation to the City Council to adopt the Economic Development Strategic Plan as an addendum to the Comprehensive Plan.

SUGGESTED MOTION LANGUAGE:

I move to recommend that the City Council adopt the Economic Development Strategic Plan, as presented as Exhibit A and supported by the findings in Exhibit B.

LIST OF ATTACHMENTS / EXHIBITS:

- Attachment 1. Draft Ordinance No. 2025-31
 - Exhibit A. Economic Development Strategic Plan
 - Exhibit B. Supportive Findings



ORDINANCE NO. 2025-31

AN ORDINANCE ADOPTING THE 2023 ECONOMIC DEVELOPMENT STRATEGIC PLAN

WHEREAS, in February 2021, the City Council met and established their 2021-2023 Biennial City Council Goals; and

WHEREAS, one of the goals was to, “Develop a long-term plan for economic development that provides clear direction for commercial, industrial, and small business growth”; and

WHEREAS, in July 2022, the City contracted with Community Attributes Inc. to collaborate with the Economic Development Advisory Board (EDAB) to produce an Economic Development Strategic Plan (EDSP); and

WHEREAS, at the June 5, 2023, City Council meeting the 2023 Economic Development Strategic plan (EDSP) was acknowledged by motion; and

WHEREAS, the EDSP is adopted by ordinance, as an addendum to the Envision Sandy 2050 Comprehensive Plan; and

WHEREAS, notice of two public hearings was published in the Sandy Post, posted on the City’s website, and promoted in the monthly City Newsletter; and

WHEREAS, the City provided notice of the proposed amendment to the Oregon Department of Land Conservation and Development on September 19, 2025, as required under applicable law; and

WHEREAS, the Planning Commission held a public hearing on October 27, 2025, and recommended City Council adopt the EDSP; and

WHEREAS, on November 17, 2025, the City Council held a public hearing to receive additional public testimony on the proposed EDSP; and

WHEREAS, at the close of the public hearing, the Council gave due consideration to the Planning Commission recommendation and all testimony received and hereby adopts the findings outlined in the staff report attached hereto as Exhibit A as their own in regard to this matter.

NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:

Section 1: After full and due consideration of the application, the Planning Commission recommendation, the record, and evidence presented at the public hearings, the Economic

Attachment 1.

Development Strategic Plan, identified as Exhibit A, and attached to this Ordinance, is hereby adopted as an addendum to the Envision Sandy 2050 Comprehensive Plan.

Section 2: In support of this ordinance, the City Council adopts the findings and conclusions attached as Exhibit B.

Section 3: This Ordinance shall become effective 30 days from its adoption.

This ordinance is adopted by the City Council of the City of Sandy this 17th day of November, 2025.

Kathleen Walker , Mayor

ATTEST:

Jeffrey Aprati, City Recorder



Economic Development Strategic Plan

SANDY
OREGON

March 2023

where innovation meets elevation

EXHIBIT A

ACKNOWLEDGEMENTS

Item # 3.

City of Sandy Staff

Jordan Wheeler, City Manager
Greg Brewster, Director, SandyNet
Jeff Aprati, Director of Policy and Community Relations
David C. Snider, Economic Development Manager

The Sandy Community

The Economic Development Advisory Board

- Jeremy Pietzold (Chair, former Council President)
- Hans Wipper (Owner, Wippersnappers Kid's Play Place)
- William Schwartz (Owner, Boring Brewing)
- Khrys Jones (Executive Director, Sandy Area Chamber)
- Paul Reed (Owner, Mt. Hood Athletic Club)
- Kurt McKnight (Owner, Everfresh Fruit Company)
- Ernie Brache (Owner, AEC, Inc.)

Extra thanks to Hans Wipper and Tiffany Vanek for hosting the Future Fest event in October at Wippersnappers.

Sandy Mayor & Council

Stan Pulliam, Mayor
Laurie Smallwood, Council President
Chris Mayton
Rich Sheldon
Kathleen Walker
Carl Exner
Don Hokanson
Jeremy Pietzold (Fmr Council President)

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Chris Mefford, President & CEO, CAI
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Cassie Byerly, Planning Analyst, CAI
Carly Bednarski, GIS Analyst, CAI
Bryan Lobel, Senior Planner, CAI

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A VISION...

...for Sandy's economic future

Item # 3.

This vision statement is aspirational and describes what stakeholders in this planning process desire for the economic future of Sandy. Implementation of strategies and actions in this plan in the coming months and years will move Sandy forward toward this vision.

Sandy is a vibrant community that leverages the economic might of the metropolitan area and the outdoor gems of Mt. Hood, offering businesses and residents a unique balance between professional opportunity and outstanding quality of place. We cherish the small businesses that propel our dynamic downtown and welcome visitors who wish to experience all that Sandy has to offer, while strategically investing in new, high-quality jobs for our talented residents.

INTRODUCTION

Purpose

Simply put, an economic development strategic plan is a tool to articulate and realize your community's economic vision and take control of your economic future. At the heart of an Economic Development Strategic Plan is a roadmap to achieving this economic vision for a town, city, county, or region, typically in a 5- to 10-year time horizon.

- Establish a baseline against which to assess Sandy's economy by profiling the socio-economic characteristics of the City over time, and compared to the County, region, nation and / or peer cities.
- Identify & convene partners & stakeholders in Sandy's economic future and negotiates roles, capacities, and coordination.
- Articulate a diverse, sustainable, equitable and place-based vision for Sandy's economic future and establishes a roadmap for how to achieve it.

- Signal intention on the part of the City and its partners regarding economic policy to provide assurance to potential investors & developers.
- Facilitate implementation by identifying priority actions to develop near-term momentum and excitement for mid- and longer-term interventions.

Process

The creation of Sandy's Economic Development Strategic Plan relied on data collection and analysis and robust outreach to stakeholders and the community at large. Key components of this process include the following:

- Economic Development Advisory Board Meetings.
- Technical Assistance Committee Meetings.
- Future Fest Open House.

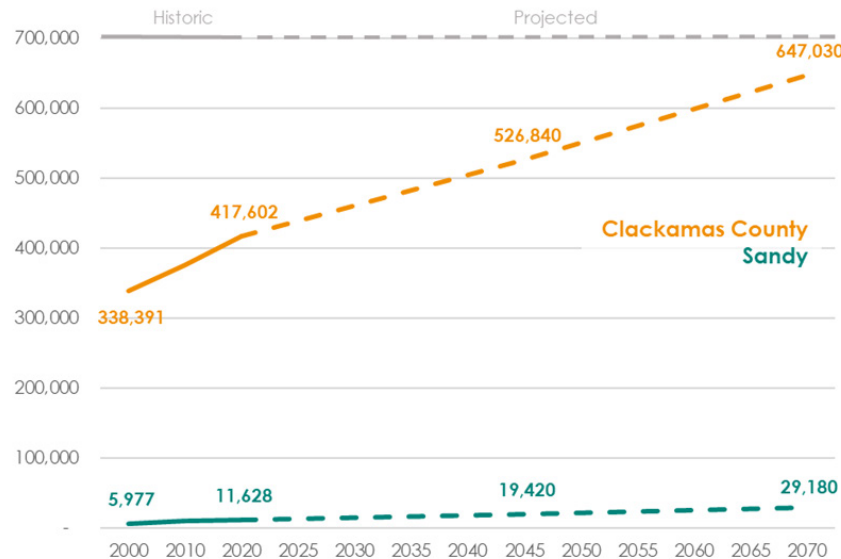
Context

Supplemental information to the Economic Opportunity Analysis (EOA) was developed that highlights historic and projected population and economic trends, analysis of current jobs and employment, an assessment of conditions and trends of Sandy's resident workforce, housing, and COVID-19 impacts.

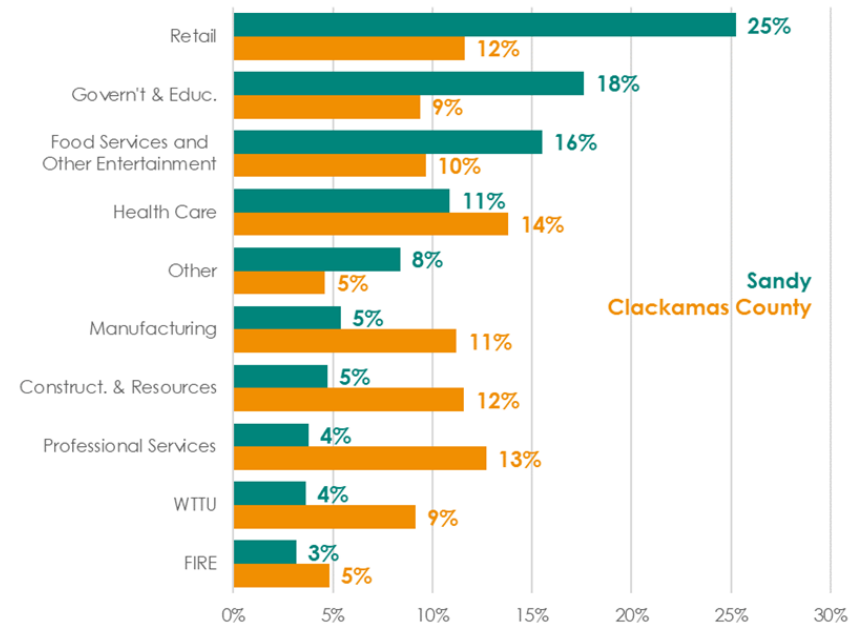


SANDY'S LARGEST INDUSTRY IS RETAIL, WHICH ACCOUNTS FOR ONE-QUARTER OF ALL JOBS.

Observed and Forecasted Population, City of Sandy and Clackamas County, 2000-2070 (PSU)



Share of Jobs by Industry, City of Sandy and Clackamas County, 2019 (LEHD)



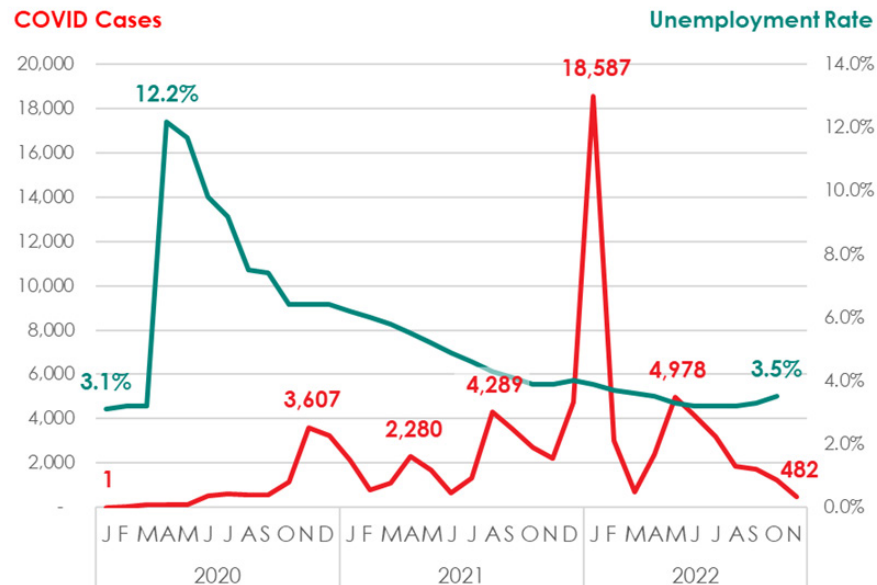
SANDY WILL DOUBLE ITS POPULATION BY 2050 AND REACH A POPULATION OF 29,180 BY 2070. IT IS ESTIMATED TO ADD BETWEEN 2,000 AND 2,500 NEW JOBS AND CLOSE TO 3,000 NEW PEOPLE BY 2043.



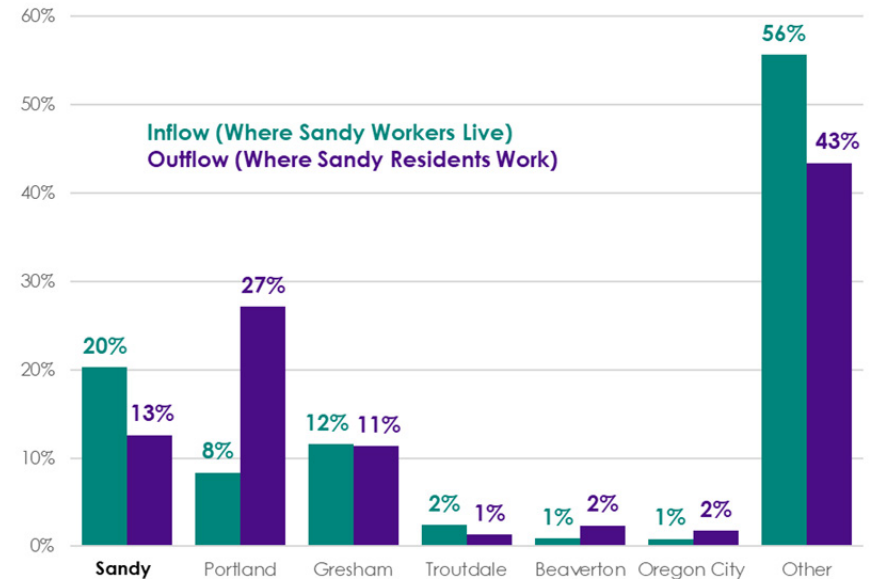


OVER A QUARTER OF SANDY'S RESIDENTS COMMUTE TO WORK IN PORTLAND (27%), WHILE A SMALLER PORTION REMAIN IN SANDY (13%) OR COMMUTE TO GRESHAM (11%).

Unemployment Rate and Positive COVID-19 Tests by Week, Clackamas County, 1/20-11/22 (Oregon Health)



Top Destinations and Origins for Commuters, City of Sandy, 2019 (LEHD)



UNEMPLOYMENT IN CLACKAMAS COUNTY RETURNED TO NEAR PRE-PANDEMIC LEVELS IN LATE 2022 AS COVID CASES SPIKED AND THEN DECREASED TO BELOW SUMMER 2020 LEVELS.



CHAPTER 3

Goals, Strategies & Actions

Navigating this Document

Item # 3.

The following section presents the Goals, Strategies, and Actions aimed at growing a sustainable and inclusive economy for Sandy. The following example illustrates how this section of the Strategic Plan is organized.

The plan contains 6 Goals around which the strategies and actions are organized. Goals are color-coded for easy identification.

Individual Strategies correspond to each goal with like colors. Strategies represent a cohesive approach to achieving a goal and consist of a number of specific, inter-related Actions.

Actions are where the rubber hits the road in this plan. Specific, implementable tactical measures are highlighted and organized numerically.

goal 3 Build on our businesses and workers in manufacturing to establish Sandy as a destination for metals fabrication and related activities.

Strategy 3.1: Support and identify opportunities for business expansion among strong base of metals fabrication industries

Action 3.1.1 Establish an informal quarterly forum for area metal fabrication businesses to share industry-specific retention and expansion needs.

Strategy 3.2: Carve a niche in subsectors of metals fabrication specific to outdoor equipment and tool manufacturing

Action 3.2.1 Collaborate with the private sector and other regional economic development organizations to host a summit or convention in Sandy for local metal fabrication and related businesses to opportunities in outdoor equipment and tool manufacturing.

Action 3.2.2 Identify opportunity sites for both expansion and recruitment of metals fabrication and outdoor tool manufacturing and equipment providers that responds to notable land constraints in the Economic Opportunity Analysis.

Action 3.2.3 Establish marketing to support alignment between area metal fabrication industries and outdoor gear and apparel.

Goals At-A-Glance

Item # 3.

goal 1

Improve systems to ensure broad and durable access to economic opportunity and maintain Sandy's high quality of life.

goal 2

Leverage our investments in technology to maximize economic benefits.

goal 3

Build on our assets in manufacturing to establish Sandy as a destination for metals fabrication and related activities.

goal 4

Cultivate innovation in specialty food and beverage industries and align with the region's robust food storage and processing sector.

goal 5

Invest in hospitality and place-based tourism to make Sandy the most active and vibrant basecamp for Mt. Hood area adventures.

goal 6

Be a leader as both retail hub and heart of East Clackamas County.

Strategies At-A-Glance

- 1.1 Improve access to health care, child care, job training, and assistance programs
- 1.2 Expand job training and wraparound services for youth and disadvantaged workers
- 2.1 Foster entrepreneurship and drive new business creation
- 2.2 Invest in broader awareness and utility of Sandynet and other resources and amenities that support and attract home-based workforce
- 3.1 Support and identify opportunities for business expansion among strong base of metals fabrication industries
- 3.2 Carve a niche in subsectors of metals fabrication specific to outdoor equipment and tool manufacturing
- 4.1 Leverage proximity to nearby produce growers and Fruit Loop to expand cold storage and processing industry
- 4.2 Expand on Sandy's innovative outlets for food service providers
- 5.1 Identify and market opportunity sites for expansion of lodging and supportive retail connected to Mt. Hood vicinity opportunities
- 5.2 Establish Sandy as the most active and vibrant basecamp for Mt. Hood area adventures
- 5.3 Expand on local recreation opportunities to establish Sandy as its own destination for area outdoor adventure
- 6.1 Leverage undeveloped areas to support larger retail business expansion
- 6.2 Expand small downtown retail opportunities as part of Pleasant Street Master Plan and infill of underutilized sites
- 6.3 Focus business attraction on experiential retail and retail options that can sidestep competition with online shopping

goal 1

Improve systems to ensure broad and durable access to economic opportunity and maintain Sandy's high quality of life.

Strategy 1.1 Improve access to health care, child care, job training, and assistance programs

Action 1.1.1

Communicate Sandy's anticipated needs and advocate for expansion of local health care facilities that ensure health services, with a specific focus on 24/7 urgent care.

Action 1.1.2

Conduct outreach to the City of McMinnville, Sherman and White River health districts (or others as appropriate) to identify and implement best practices in expanding health care services in non-metropolitan settings.

Action 1.1.3

Work with local healthcare providers to support and communicate resources available to attract qualified workers to Sandy, including onboarding, coaching & mentoring, and supportive services like childcare; position Sandy as a traveling nurse destination for skiers, climbers, mountain bikers, etc.

Action 1.1.4

Expand accessible and affordable child care facilities to increase available workforce for local businesses and ensure greater economic mobility for working families.

Action 1.1.5

Work with Sandy Area Metro (SAM) to identify opportunities to align transportation services, including through route planning, to improve access to assets and programs described above.

Strategy 1.2: Expand Job training and wraparound services for youth and disadvantaged workers

Action 1.2.1 Expand on job training, financial guidance, and assistance programs to remove barriers to economic opportunity for youth and other priority communities.

Action 1.2.2 Enhance the career path into metal fabrication sectors by investigating the feasibility of a program with US Metal Works, Northwest Technologies, and / or other metal fab firms in and around Sandy, and Sandy High School and Mount Hood Community College to route middle and high school students to metal fab training, apprenticeships, and jobs.

Action 1.2.3 Tailor youth and adult workforce training to skills and workforce gaps among nearby health service providers and low-barrier industries that support service needs in Sandy that can create career pathways for local youth and disadvantaged workers.

goal 2 Leverage our investments in technology to maximize economic benefits.

Strategy 2.1: Foster entrepreneurship and drive new business creation

- Action 2.1.1** Develop "third place" options or programs, such as city-sponsored meet-ups, for entrepreneurs to connect and share information.
- Action 2.1.2** Expand link between areas schools and advanced technology and business management training programs.

Strategy 2.2: Invest in broader awareness and utility of SandyNet and other resources and amenities that support and attract home-based workforce

- Action 2.2.1** Assess conditions or "audit" SandyNet as a resource in business and talent attraction to make Sandy a destination for telecommuters to live in. Identify gaps, upgrades, and opportunities for expansion in new development areas.
- Action 2.2.2** Identify partnerships with economic development partners in east Clackamas County and the Greater Portland region to develop and distribute marketing collateral communicating the benefits of SandyNet to remote workers and other target audiences.
- Action 2.2.3** Identify essential amenities and resource needs to ensure Sandy can retain and attract Oregon's growing workforce that is remote, home-based.

goal 3 Build on our businesses and workers in manufacturing to establish Sandy as a destination for metals fabrication and related activities.

Strategy 3.1: Support and identify opportunities for business expansion among strong base of metals fabrication industries

Action 3.1.1 Establish an informal quarterly forum for area metal fabrication businesses to share industry-specific retention and expansion needs.

Strategy 3.2: Carve a niche in subsectors of metals fabrication specific to outdoor equipment and tool manufacturing and other unique regional assets

Action 3.2.1 Collaborate with the private sector and other regional economic development organizations to host a summit or convention in Sandy for local metal fabrication and related businesses to opportunities in outdoor equipment, tool manufacturing, mass timber components and other unique regional assets.

Action 3.2.2 Identify opportunity sites for both expansion and recruitment of metals fabrication and outdoor tool manufacturing and equipment providers within the urban growth boundary (UGB) that may be available via annexation in the future.

Action 3.2.3 Establish marketing to support alignment between area metal fabrication industries and outdoor gear and apparel.

goal 4 Cultivate emerging innovators in specialty food and beverage industries and align business development activities with the robust food storage and processing sector of the region. Item # 3.

Strategy 4.1: Leverage proximity to nearby produce growers and Fruit Loop to expand cold storage and processing industry

Action 4.1.1 Identify existing retention and expansion needs among area food processing, produce, and / or cold storage industry activities – especially those paying higher wages or having higher local employment densities – and identify any gaps or opportunities associated with sites in commercially-zoned areas of new development.

Strategy 4.2: Expand on Sandy's innovative outlets for food service providers

Action 4.2.1 Establish a forum for local food service provider businesses to identify key opportunities for contracting with the City, other business expansion activities, and B2B intersects.

Action 4.2.2 Establish alignment between specialty food and beverage entrepreneurs and broader food processing and storage industries associated with nearby produce suppliers and food facilities in nearby areas as well as industrial areas in Troutdale and other parts of Columbia Corridor.

goal 5 Invest in hospitality and place-based tourism to make Sandy the most active and vibrant basecamp for Mt. Hood area adventures.

Strategy 5.1: Identify and market opportunity sites for expansion of lodging and supportive retail connected to Mt. Hood vicinity opportunities

- Action 5.1.1** Identify key gaps in lodging options within the Mt. Hood vicinity and investigate feasibility of locating larger scale lodging in expansion areas and smaller, boutique lodging experiences on infill sites within downtown Sandy and Pleasant Street Master Plan area.
- Action 5.1.2** Establish connections with hotel, lodging providers locally and regionally to identify distinct needs (including Mt. Hood Expresss connections to winter sports and mountain biking destinations) associated with securing specific lodging types on specific opportunity sites.

Strategy 5.2: Establish Sandy as the most active and vibrant basecamp for Mt. Hood area adventures

- Action 5.2.1** Make improvements to lodging, entertainment, food and beverage options that cater to interests and preferences of Mt. Hood visitors that are not met in nearby vicinity.
- Action 5.2.2** Continue to invest in downtown walkability with sidewalk and streetscape improvements as part of Pleasant Street Master Plan to ensure safety and community improvement for residents and approachability for outside visitors.
- Action 5.2.3** Support and highlight ODOT's Transit Vision Around the Mountain work underway to strengthen transit network connections linking the area's outdoor recreation destinations, including Mt. Hood, the Columbia Gorge, and ski resorts in Clackamas and Hood River Counties.

Action 5.2.4 Establish stronger presence of marketing specific to Sandy's recreation and accommodation assets to support build out planned community and tourism assets around Sandy (downtown park, Sandy River Park improvements, Pleasant Street, and Sandy Community Campus).

Strategy 5.3: Expand on local recreation opportunities to establish Sandy as its own destination for area outdoor adventurers

Action 5.3.1 In alignment with the Parks Master Plan, identify and pursue opportunities to expand, designate, market, or otherwise improve local bikeways.

Action 5.3.2 Connect biking routes from Sandy to the Marmot Dam, Sandy Ridge and Government Camp. Invest in signage and facility improvements for a long-distance bikeway route off of US26 between downtown Sandy, Sandy Ridge, and extending to other trails and bike-way destinations (where appropriate) to improve access for cyclists and encourage extended visitation in Sandy.

Action 5.3.3 Improve signage and marketing of Meinig Memorial Park and Mt. Hood Scenic Byway - Jonsrud Viewpoint to leverage it more fully as a tourist attraction.

Action 5.3.4 Implement existing plans to establish downtown park, bicycle recreation assets, and formalize the entrypoint to Sandy River Park as part of parks development proposals.

Action 5.3.5 Connect Tickle Creek Trail to Cazadero Trail and other extensions to regional trails.

Action 5.3.6 Explore completion of a proposed trail system that may include formal pathway construction as well as informal, sidewalk trail extensions to form an 8-10-mile loop around the city that can be marketed as a connecting network between existing park and trail assets.

goal 6 Be a leader as both retail hub and heart of East Clackamas County.

Strategy 6.1: Leverage undeveloped areas to support larger retail business expansion

- Action 6.1.1** Secure large, anchor retail business to the 362nd and Bell St. area, or otherwise align recruitment activities with long term plans for the area.
- Action 6.1.2** Commission a new retail market analysis to determine specific targets appropriate for the expansion of Sandy's retail business sector.
- Action 6.1.2** Assess feasibility of recruitment of major outdoor equipment or apparel establishment to align with sub-sector development for outdoor tool and equipment manufacturing with a focus on areas of Sandy expected to redevelop in the near future.

Strategy 6.2: Expand small downtown retail opportunities as part of Pleasant Street Master Plan and infill of underutilized sites

- Action 6.2.1** Leverage underutilized sites (including Muff property on Pleasant and Strauss, old lumberyard property, and current Sandy Community Campus site) and development proposals as part of Pleasant Street Master Plan to support expansion of existing retailers and recruitment of smaller scale retailers in region seeking to expand.

Strategy 6.3: Focus business attraction on experiential retail and retail options that can sidestep competition with online shopping

Action 6.3.1

Targeted recruitment of retail businesses based on demand in Sandy and nearby Estacada, Molalla and other east Clackamas County communities.

CHAPTER 4

Implementation

1 Improve systems to ensure broad and durable access to economic opportunity and maintain Sandy's high quality of life.

1.1 Improve access to health care, child care, job training, and assistance programs

Strategy	Lead Organization	Supporting Organizations	Priority
1.1.1 Expansion of local health care facilities that ensure health services	Adventist Health Portland, Legacy Medical Group, Sandy Health Center, El Hospital Del Calzado, Providence, Kaiser Permanente	City of Sandy	Medium
1.1.2 Best practices in expanding health care services in non-metropolitan settings	City of Sandy	Adventist Health Portland, Legacy Medical Group, Sandy Health Center, El Hospital Del Calzado, Providence, Kaiser Permanente	Medium
1.1.3 Resources and positioning to attract qualified health care workers	City of Sandy	Adventist Health Portland, Legacy Medical Group, Sandy Health Center, El Hospital Del Calzado, Providence, Kaiser Permanente	Low
1.1.4 Access to child care facilities	City of Sandy	AntFarm Youth Services, Clackamas Workforce Partnership	High

Implementation Metrics

Metric 1a: Percent uninsured (health insurance) (U.S. Census ACS)

Metric 1b: Count of childcare workers, and home health aides (U.S. Census ACS)

Metric 1c: Social services expenditures per capita (U.S. Census ACS)

Metric 1d: Labor force participation rate (U.S. Bureau of Labor Statistics; Census)

Metric 1e: Unemployment rate (U.S. Bureau of Labor Statistics)

Metric 1f: Median income by occupation (U.S. Census ACS)

Metric 1g: Open job postings on Indeed.com (Indeed.com)

1.2 Expand Job training and wraparound services for youth and disadvantaged workers

1.2.1	Job training, financial guidance, and assistance programs	Oregon Trail School District	AntFarm Youth Services, Sandy Area Chamber of Commerce, City of Sandy	Medium
1.2.2	Enhance the career path into metals fabrication	Oregon Trail School District	City of Sandy, Mt. Hood and Clackamas Community Colleges, local metals fabrication businesses	High
1.2.3	Tailor workforce training to skills and workforce gaps	Mt. Hood Community College, health care providers such as: Adventist Health Portland, Legacy Medical Group, Sandy Health Center, El Hospital Del Calzado, Providence, Kaiser Permanente	Oregon Trail School District and City of Sandy	High

2 Leverage our investments in technology to maximize economic benefits.

2.1 Foster entrepreneurship and drive new business creation

Strategy	Lead Organization	Supporting Organizations	Priority
2.1.1 "Third place" programs for entrepreneurs	City of Sandy	Business Oregon and nearby incubator organizations in Gresham	Medium
2.1.2 Link between areas schools and advanced techand business training programs	Oregon Trail School District, Mt. Hood and Clackamas Community Colleges	City of Sandy, SandyNet Director (Greg Brewster)	Medium

2.2 Invest in broader awareness and utility of SandyNet and other resources and amenities that support and attract home-based workforce

2.2.1 Assess SandyNet as a resource in business and talent attraction	City of Sandy Economic Development Office, SandyNet Admin.	Marketing and economic consultants.	High
2.2.2 Economic development partnerships to market SandyNet	City of Sandy Economic Development Office, SandyNet Admin.	Greater Portland Inc., Clackamas County Economic Development Department	High
2.2.3 Essential amenities and resources to retain a remote, home-based workforce	City of Sandy	SACC, GPI and economic development partners.	Medium

Implementation Metrics

Metric 2a: Count of total business establishments (ESRI Business Analyst; D&B Hoovers; Business Licenses)

Metric 2b: Count of total employment (U.S. Census LEHD)

Metric 2c: New business starts and entrepreneur transitions (startup to growth, eg) (U.S. Census BFS)

Metric 2d: Number of private sector engagements with local educational institutions (City of Sandy)

Metric 2e: Count of SandyNet customers / bandwidth utilization (SandyNet)

Metric 2f: Marketing material distribution / page views (City of Sandy)

Metric 2g: Count of new business licenses (City of Sandy)

3 Build on our businesses and workers in manufacturing to establish Sandy as a destination for metals fabrication and related activities.

3.1 Support and identify opportunities for business expansion among strong base of metals fabrication industries

Strategy	Lead Organization	Supporting Organizations	Priority
3.1.1 Forum for area metal fabrication businesses	City of Sandy Economic Development Office	Oregon Manufacturing Innovation Center (OMIC), Oregon Manufacturing Extension Partnership (OMEP), local area metal fabrication businesses.	High

3.2 Carve a niche in subsectors of metals fabrication specific to outdoor equipment and tool manufacturing

3.2.1 Host a summit or convention for local metal fabrication and related businesses	City of Sandy, Clackamas County Economic Development Department	Greater Portland Inc., Oregon Manufacturing Innovation Center (OMIC) and Oregon Manufacturing Extension Partnership (OMEP), Estacada Economic Dev.	Medium
3.2.2 Opportunity sites for metals fabrication and outdoor tool manufacturing	City of Sandy, Clackamas County Economic Development Department	Oregon Manufacturing Innovation Center (OMIC) and Oregon Manufacturing Extension Partnership (OMEP)	Medium
3.2.3 Alignment between metal fabrication industries and outdoor gear and apparel.	City of Sandy, Clackamas County Economic Development Department	Greater Portland Inc.? Clackamas County Business and Economic Development (Cindy Moore)	Low

Implementation Metrics

Metric 3a: Count of new business establishments by industry (ESRI; D&B Hoovers; City of Sandy)

Metric 3b: Revenue growth by establishment in metals (ESRI; D&B Hoovers)

Metric 3c: Business retention & expansion visits (City of Sandy)

Metric 3d: Leads generated in target industry companies (City of Sandy)

Metric 3e: Growth in livable wage employment occupations (U.S. Bureau of Labor Statistics)

Metric 3f: Growth in target sector firms, employment, and wages (U.S. Census LEHD)

4 Cultivate emerging innovators in specialty food and beverage industries and align business development activities with the robust food storage and processing sector of the region.

4.1	Leverage proximity to nearby produce growers and Fruit Loop to expand cold storage and processing industry			
4.1.1	Opportunities and needs of food processing, produce, and cold storage	City of Sandy	Everfresh Fruit Company administration	Medium
4.2	Expand on Sandy's innovative outlets for food service providers			
4.2.1	Forum for local food service provider businesses	SACC, Oregon Restaurant and Lodging Association (ORLA)	City of Sandy, Sandy Area Chamber of Commerce	Medium
4.2.2	Alignment between specialty entrepreneurs and food industries	City of Sandy	Sandy Commissary Kitchen, Sandy Area Chamber of Commerce	Medium

Implementation Metrics

Metric 4a: Count of new business establishments by industry (ESRI; D&B Hoovers; City of Sandy)

Metric 4b: Revenue growth by establishment in food & beverage (ESRI; D&B Hoovers)

Metric 4c: Business retention & expansion visits (City of Sandy)

Metric 4d: Leads generated in target industry companies (City of Sandy)

Metric 4e: Growth in livable wage employment occupations (U.S. Bureau of Labor Statistics)

Metric 4f: Growth in target sector firms, employment, and wages (U.S. Census LEHD)

5

Invest in hospitality and place-based tourism to make Sandy the most active and vibrant basecamp for Mt. Hood area adventures.

Item # 3.

5.1 Identify and market opportunity sites for expansion of lodging and supportive retail connected to Mt. Hood vicinity opportunities

Strategy	Lead Organization	Supporting Organizations	Priority
5.1.1 Gaps in lodging options	City of Sandy, SACC	Existing and prospective lodging businesses	High
5.1.2 Build connections to identify distinct needs	City of Sandy, SACC	Hoteliers, hiking and mountain biking groups	Medium

5.2 Establish Sandy as the most active and vibrant basecamp for Mt. Hood area adventures

5.2.1 Improve hospitality options	City of Sandy, SACC	Existing and prospective lodging businesses	Medium
5.2.2 Invest in downtown walkability	City of Sandy	ODOT, City of Sandy Development Services Department	High
5.2.3 Transit network connections for outdoor rec	City of Sandy Ec Dev Office, City of Sandy Transit Dept, Clackamas County	ODOT Public Transportation, Travel Oregon	Medium
5.2.4 Outdoor recreation marketing	City of Sandy	SACC, Travel Oregon, other nearby chambers and tourist brochure producers, Clackamas County Tourism & Cultural Affairs	High

Implementation Metrics

Metric 5a: Growth of transient lodging tax revenue (Clackamas County)

Metric 5b: Growth in number of lodging & hospitality business / TLT / liquor licenses (City of Sandy; Clackamas)

Metric 5c: Growth in retail sales per capita (Oregon Office of Economic Analysis)

Metric 5d: Local recreation amenities messaging partnerships (City of Sandy)

Metric 5e: Net expansion of recreation infrastructure / facilities (eg, number of trail miles) (City of Sandy)

Metric 5f: Increased recreation / facilities spending (City of Sandy)

Metric 5g: Estimated/observed visitation at recreation sites (U.S. Forest Service; City of Sandy; Clackamas County)

Metric 5h: Highway 26 traffic counts (Oregon Department of Transportation)

Metric 5i: Hotel occupancy rates and REVPAR (revenue per available room) trends (City of Sandy; Clackamas)

5.3 Expand on local recreation opportunities to establish Sandy as its own destination for area outdoor adventurers

5.3.1	Expand local bikeways	City of Sandy, City of Sandy Parks & Recreation Dept	Oregon Metro, ODOT	Medium
5.3.2	Bike route connectivity	City of Sandy, City of Sandy Parks & Recreation Dept	Bureau of Land Management, Clackamas County (Tourism and Economic Development)	Medium
5.3.3	Meinig and Jonsrud Viewpoint marketing	City of Sandy, City of Sandy Parks & Recreation Dept	PGE, Travel Oregon	Low
5.3.4	Implement existing multi-modal transit plans	City of Sandy, City of Sandy Parks & Recreation Dept	Partner agencies and funding partners	High
5.3.5	Connect Tickle Creek Trail to Cazadero Trail	City of Sandy, City of Sandy Parks & Recreation Dept, Clackamas County Tourism & Cultural Affairs	Metro, City of Sandy Parks & Recreation Department	Medium
5.3.6	Sandy Hiking Loop extension	City of Sandy, City of Sandy Parks & Recreation Dept	City of Sandy Parks & Recreation Department	Medium

6.1 Leverage undeveloped areas to support larger retail business expansion

Strategy	Lead Organization	Supporting Organizations	Priority
6.1.1 Anchor retail in 362nd and Bell St. area	City of Sandy	Consultant support and retail businesses	Medium
6.1.2 Retail market analysis	City of Sandy	Consultant support, Sandy Area Chamber of Commerce	High
6.1.3 Feasibility and alignment of major outdoor company	City of Sandy	Prosper Portland, GPI, CREDC, Washington County	Medium
6.2 Expand small downtown retail opportunities as part of Pleasant Street Master Plan and infill of underutilized sites			
6.2.1 Leverage underutilized sites and proposals as part of Pleasant Street Master Plan	City of Sandy	Consultant support, property owners, City of Sandy Development Services Dept	High
6.3 Focus business attraction on experiential retail and retail options that can sidestep competition with online shopping			
6.3.1 East Clackamas County retail recruitment	City of Sandy	Marketing consultants	Medium

Implementation Metrics

Metric 6a: Growth in retail sales per capita by category (U.S. Census ACS)**Metric 6b: Retail sales as a percent of personal income** (U.S. Census ACS)**Metric 6c: Value of commercial property** (Clackamas County Assessor)**Metric 6d: Count of tourist visitation** (Clackamas County TDC)**Metric 6e: Retail gap analysis** (Oregon Office of Economic Analysis)**Metric 6f: Dollars spent in local establishments / revenue.** (ESRI; D&B Hoovers)

CHAPTER 5

Appendix

Planning & Policy Context

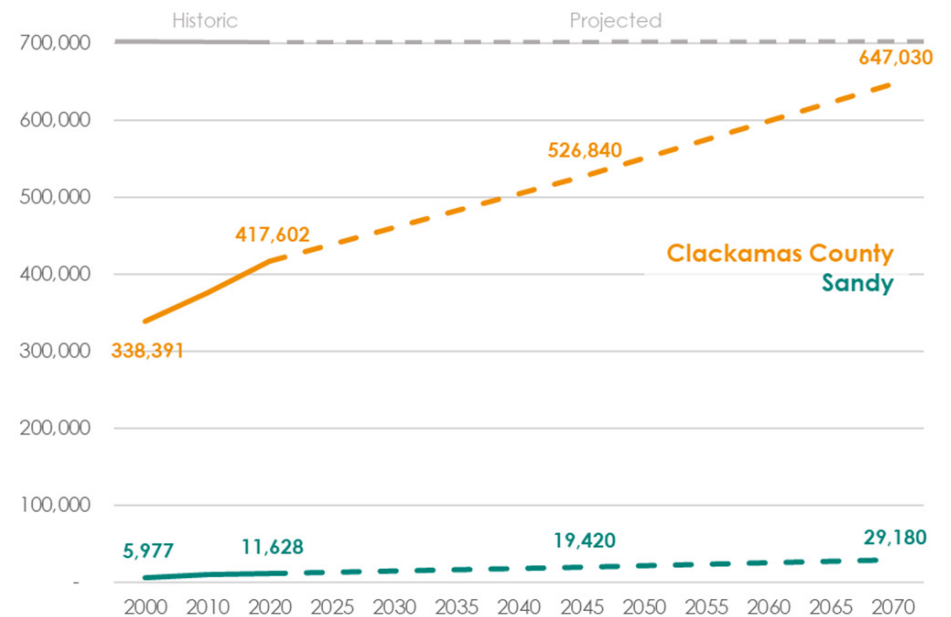
Localized planning aligns with Clackamas County’s focus on broad-based business expansion with a strategic investment in industrial and commercial development consistent with area resident needs and other objectives for community livability and environmental quality.

SANDY WILL DOUBLE ITS POPULATION BY 2050 AND REACH A POPULATION OF 29,180 BY 2070. IT IS ESTIMATED TO ADD BETWEEN 2,000 AND 2,500 NEW JOBS AND CLOSE TO 3,000 NEW PEOPLE BY 2043.



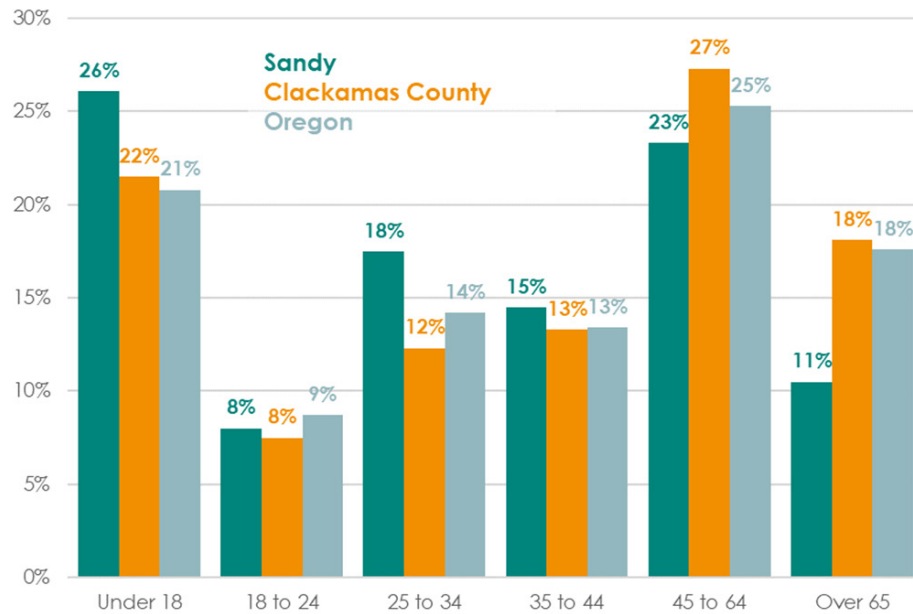
Demographic Conditions

Historic and Projected Population, Clackamas County, 2000-2070



Source: Portland State University Population Research Center, 2020; CAI, 2022.

Age of Residents, Sandy and Clackamas County, 2020

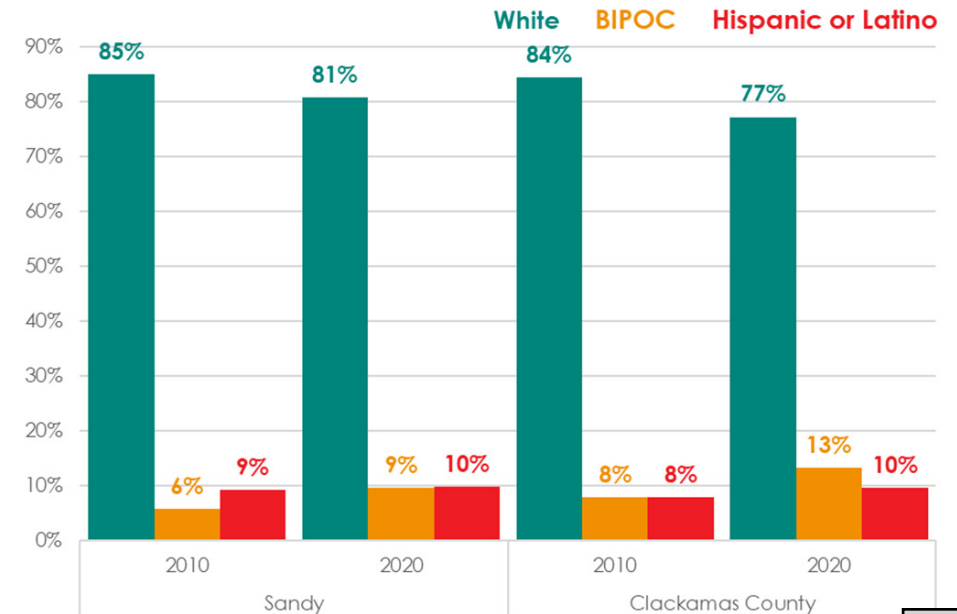


Source: ACS, 2010, 2020; CAI, 2022.

SANDY HAS AN AGING POPULATION, BUT THE MEDIAN AGE IS LOWER THAN CLACKAMAS COUNTY AND OREGON.



Race and Ethnicity of Residents, Sandy and Clackamas County, 2010 and 2020



Source: ACS, 2010, 2020; CAI, 2022.

THE BIPOC POPULATION IN SANDY IS GROWING AT A FASTER RATE THAN CLACKAMAS COUNTY, CHANGING FROM 6% TO 9% OF THE POPULATION OVER THE LAST TEN YEARS.

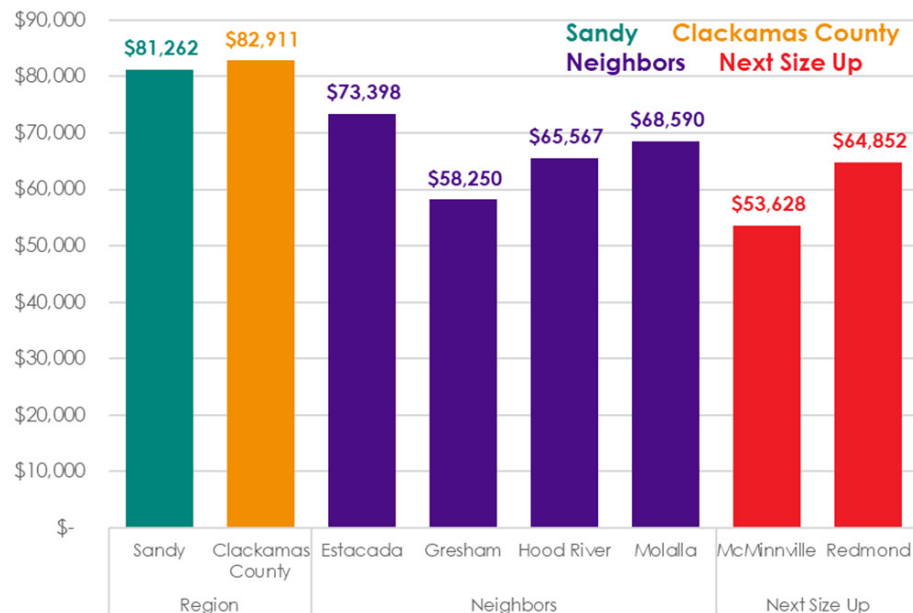


Economic Indicators

Economic indicators refer to data on jobs that are based in Sandy or the region. Workers in these jobs commute from across the region and state. Data that refers to workers or job numbers in this section include, but are not limited to, workers who live in Sandy.

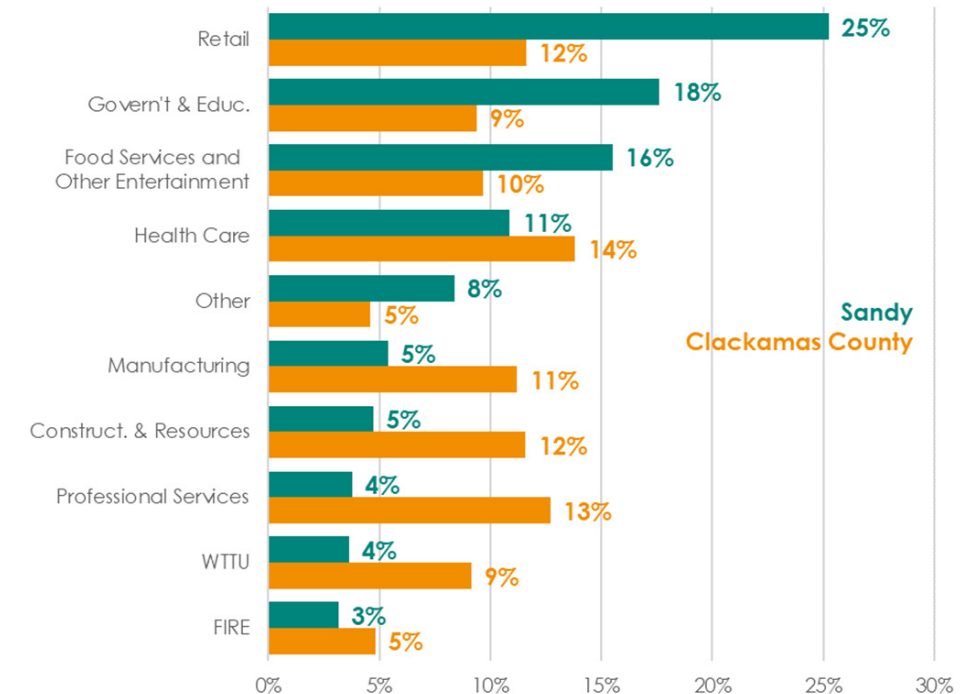
SANDY'S LARGEST INDUSTRY IS RETAIL, WHICH ACCOUNTS FOR ONE-QUARTER OF ALL JOBS.

Median Resident Income, Sandy and Clackamas County, 2020



Source: LEHD, 2019, 2020; CAI, 2022.

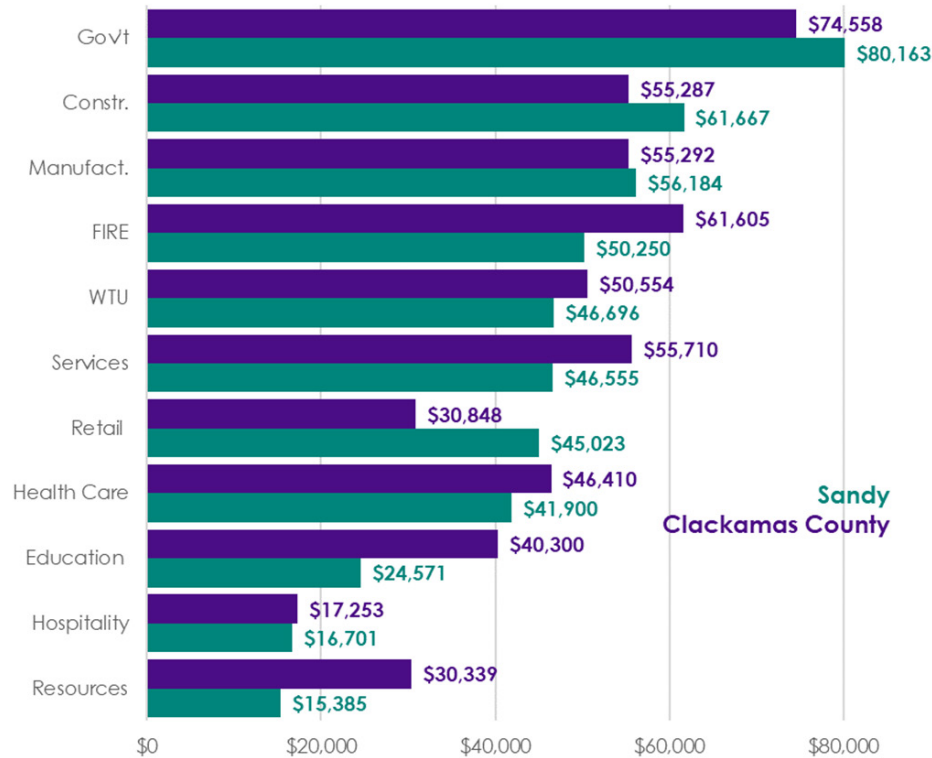
Employment by Industry, Sandy and Clackamas County, 2019 (**Metric 3f, 4f**)



Source: LEHD, 2019, 2020; CAI, 2022.

SANDY'S MEDIAN INCOME (\$81,262) IS SLIGHTLY LOWER THAN CLACKAMAS COUNTY (\$82,911), BUT IT IS HIGHER THAN COMPARABLE NEIGHBORING CITIES AND CITIES OF THE NEXT SIZE UP (RANGING FROM \$58,250 TO \$73,400).

Median Workforce Income by Industry, Sandy and Clackamas County, 2020



Source: ACS, 2020; CAI, 2022.

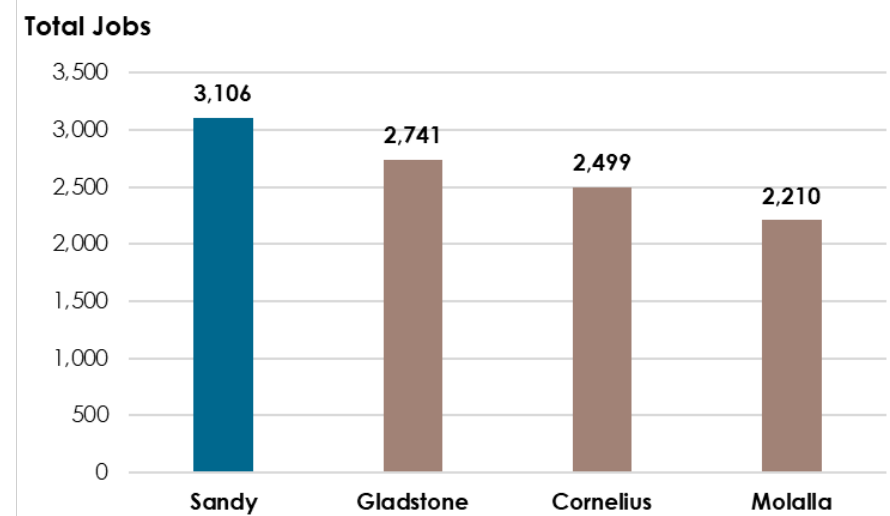
GOVERNMENT JOBS PAY THE HIGHEST MEDIAN WAGE IN SANDY, WHILE THE LOWEST WAGES ARE IN THE HOSPITALITY AND NATURAL RESOURCES INDUSTRIES (RANGING FROM \$15,400 TO \$16,700).



SANDY AND CLACKAMAS COUNTY HAVE MANY OF THE SAME SECTORS REPRESENTED AMONG THEIR LARGEST EMPLOYERS.



Total Employment, Sandy and Selected Comparison Cities, 2018 (Metric 2b)



Source: U.S. Census LEHD, 2018; CAI, 2022.

Major Employers, Clackamas County, 2022

Rank	Company	Employees	Sector	HQ
1	KinderCare Education	1,500	Education	Yes
2	NAVEX Global	1,000	Software-IT	Yes
3	Siemens EDA	1,000	Computers & Electronics	
4	Unosquare	768	Software-IT	Yes
5	Oregon Tool	700	Athletic & Outdoor	
6	The Greenbrier Companies	651	Manufacturing	Yes
7	TE Connectivity	601	Computers & Electronics	
8	Swire Coca-Cola	600	Food & Beverage	
9	Sysco	600	Food & Beverage	
10	Xerox Corporation	600	Computers & Electronics	
11	Micro Systems Engineering	550	Bioscience	Yes
12	Bob's Red Mill	500	Food & Beverage	Yes
13	Logical Position	405	Design and Media	Yes
14	Aldrich Group	377	Financial Services	Yes
15	Benchmade	359	Athletic & Outdoor	Yes
16	Teledyne Flir Systems	350	Manufacturing	Yes
17	ESS, Inc.	250	Climate Tech	
18	I&E Construction	219	Construction	Yes

Source: Portland Business Journal, Oregonian, local municipalities, LinkedIn, Greater Portland Inc., 2022; CAI, 2022.

Major Employers, City of Sandy, 2022

Rank	Company	Sector
1	Oregon Trail School District	Education
2	Safeway Stores Inc.	Food & Beverage
3	US Metal Works Inc.	Metals &
4	Quality Tank Construction	Metals &
5	Web Steel Buildings NW	Metals &
6	G&L Screw Machine	Metals &
7	Konnel Construction	Construction
8	Firwood Medical Center	Health Care
9	Eclectic Institute Lab	Health Care
10	Suburban Ford	Automotive
11	Fred Meyer	Food & Beverage

Source: Clackamas County, 2022; CAI, 2022.

Workforce Indicators

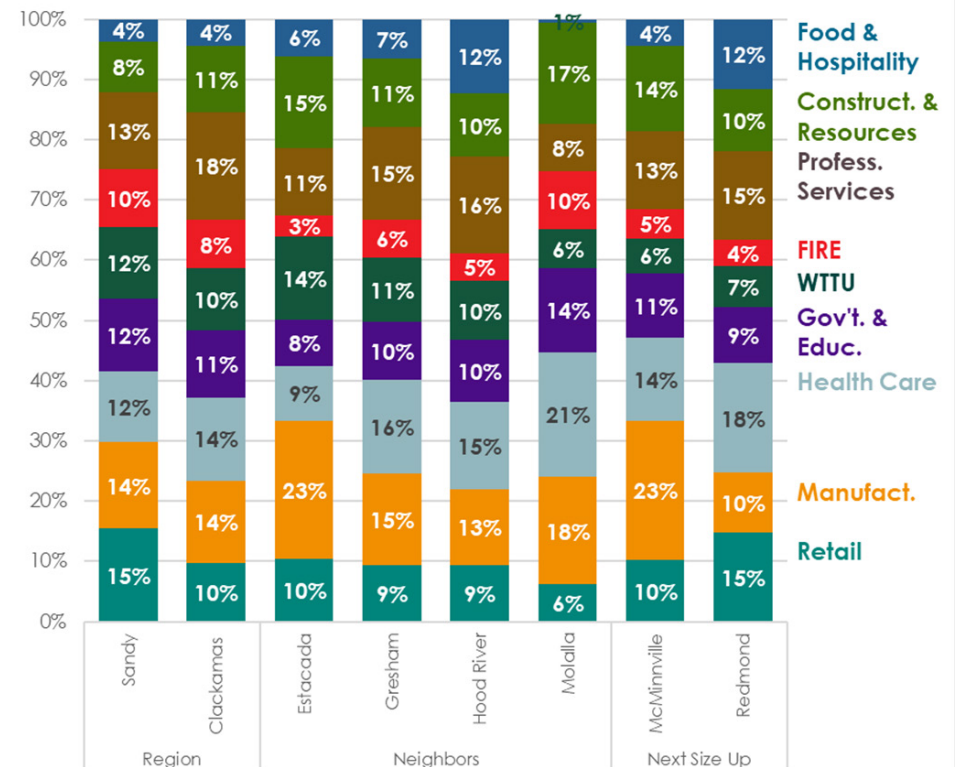
Workforce indicators refers to job numbers and industries of workers who live in Sandy. A portion of these jobs employ workers that live and work in the city, but data in this section will also refer to jobs across the county and region held by Sandy residents.

SANDY'S RESIDENTS ARE EMPLOYED BY A DIVERSE SET OF INDUSTRIES WITH A SLIGHTLY HIGHER SHARE WITH JOBS IN RETAIL (15%), MANUFACTURING (14%), AND PROFESSIONAL SERVICES (13%).



MAJOR EMPLOYERS OF SANDY SPAN SIX INDUSTRIES: AUTOMOTIVE, CONSTRUCTION, EDUCATION, FOOD & BEVERAGE, HEALTH CARE, AND METALS & MACHINERY.

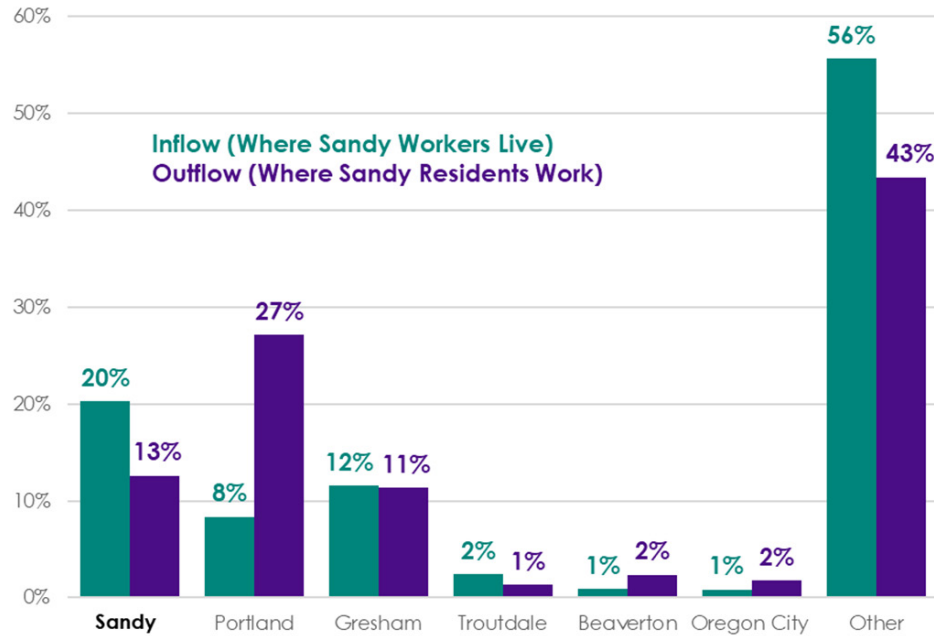
Resident Job Share by Industry, Sandy and Comparison Cities, 2020



Source: ACS, 2020; CAI, 2022.



Top Destinations and Origins, Sandy, Clackamas County and Region, 2019



Source: U.S. Census LEHD, 2019; CAI, 2022.

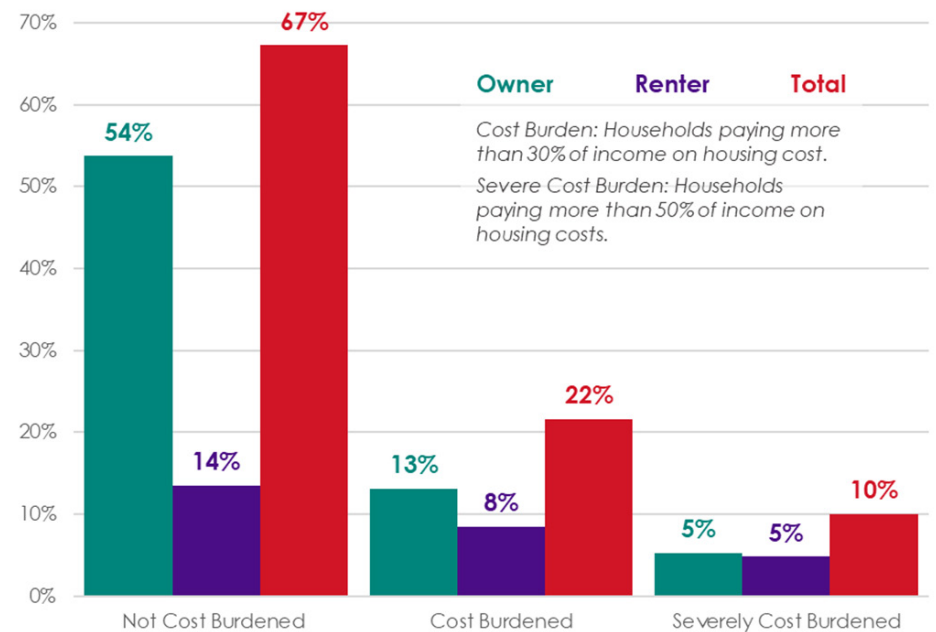
Housing Conditions

ABOUT ONE THIRD OF SANDY'S residents are either COST-BURDENED (22%) or SEVERELY COST-BURDENED (10%) WITH A HIGH SHARE THAT ARE HOMEOWNERS (18%) and a somewhat lower share that are renters (13%).



OVER A QUARTER OF SANDY'S RESIDENTS COMMUTE TO WORK IN PORTLAND (27%), WHILE A SMALLER PORTION REMAIN IN SANDY (13%) OR COMMUTE TO GRESHAM (11%).

Share of Cost Burdened Households, Sandy, 2015-2019

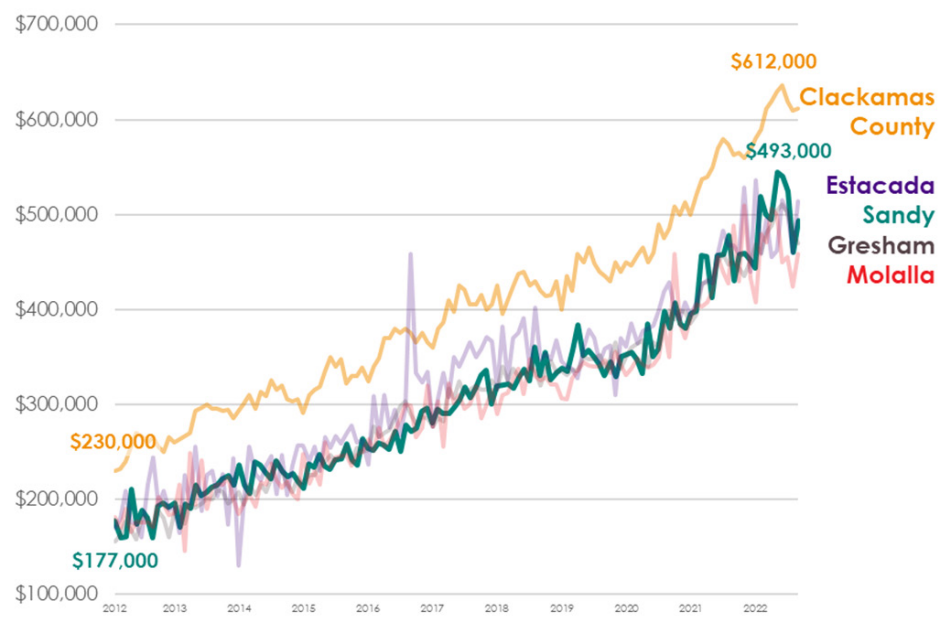


Source: HUD CHAS, 2015-2019; CAI, 2022.

MEDIAN HOME SALE PRICES IN SANDY (\$493,000) ARE MORE AFFORDABLE THAN CLACKAMAS COUNTY (\$612,000) AND SIMILAR TO NEARBY GRESHAM, MOLALLA, AND ESTACADA.



Median Home Sale Price, Sandy and Clackamas County, 2012-2022

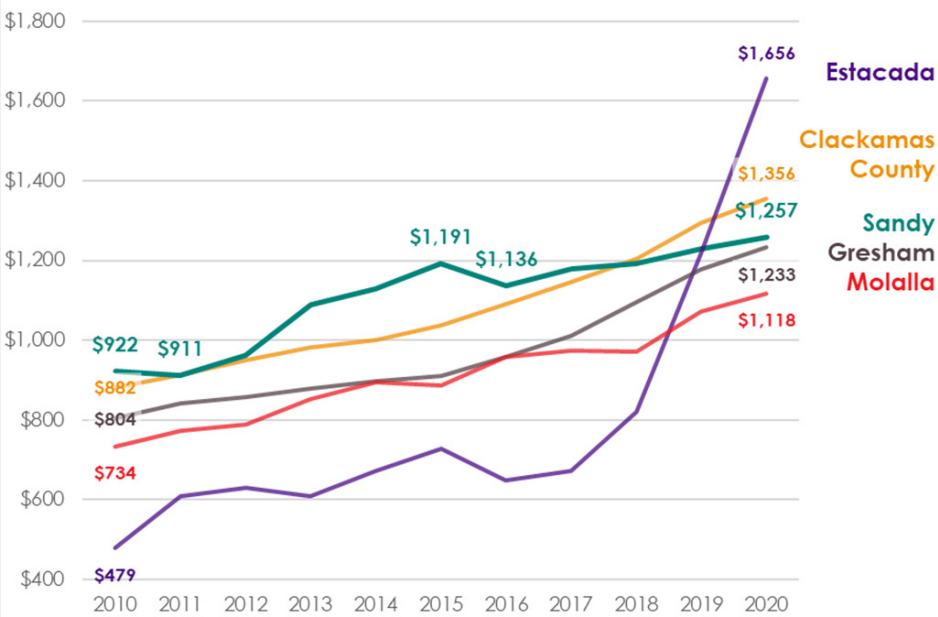


Source: Redfin, 2012-2022; CAI, 2022.

MEDIAN RENTS IN SANDY ARE LESS AFFORDABLE THAN MOLALLA AND MORE AFFORDABLE THAN BOTH ESTACADA AND CLACKAMAS COUNTY AS A WHOLE - ESSENTIALLY THE SAME AS GRESHAM AT ABOUT \$1,250 PER MONTH

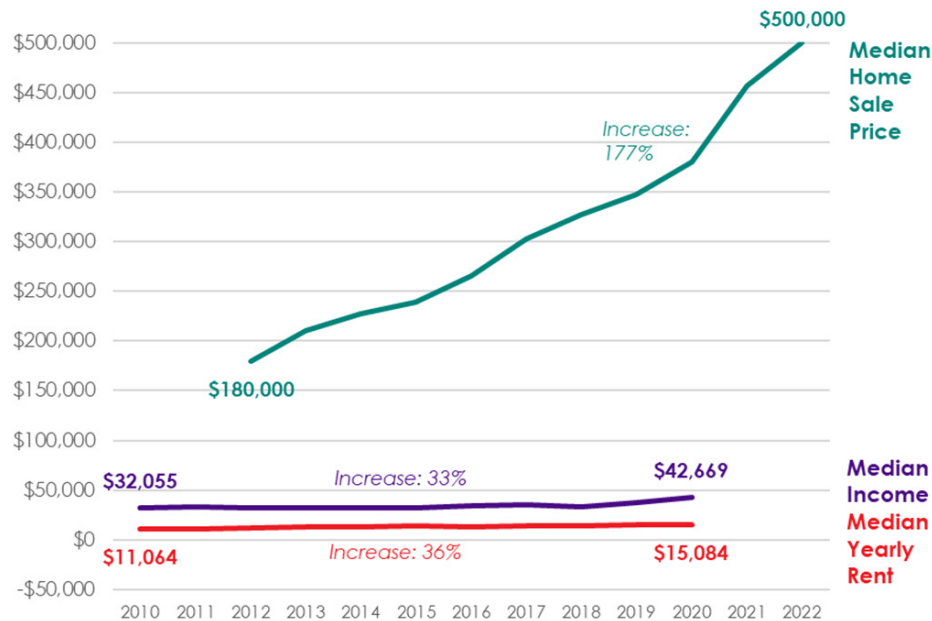


Median Rent, Sandy and Region, 2010-2020



Source: ACS, 2010-2020; CAI, 2022.

Housing Costs and Income Change, Sandy, 2010 to 2022



Source: Redfin, 2022; ACS, 2010-2020; CAI, 2022.

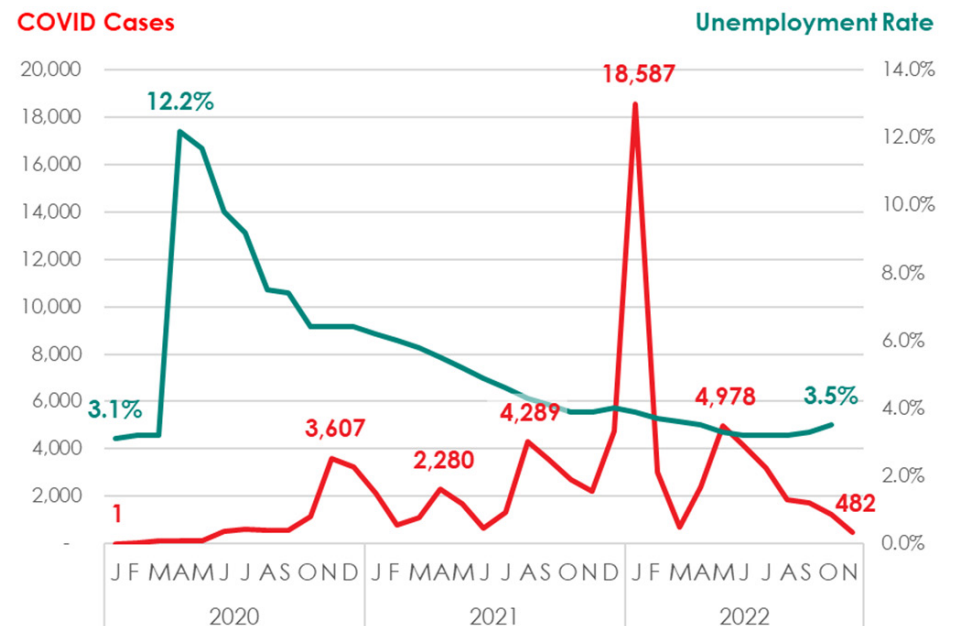
Covid-19 Impacts

UNEMPLOYMENT IN CLACKAMAS COUNTY RETURNED TO NEAR PRE-PANDEMIC LEVELS IN LATE 2022 AS COVID CASES SPIKED AND THEN DECREASED TO BELOW SUMMER 2020 LEVELS.



MEDIAN INCOME HAS INCREASED AT ALMOST THE SAME RATE AS THE RISE OF MEDIAN YEARLY RENT, BUT HOMEOWNERSHIP IS BECOMING UNATTAINABLE AS INC.N SALES PRICE INCREASES

Unemployment Rate and Positive COVID-19 Tests by Week, Clackamas County, January 2020-November 2022 **(Metric 1e)**



Source: Oregon Health, 2020; WA ESD, 2022; CAI, 2022.

Industry Clusters

The existing and historic performance of specific industry clusters can inform planning and programming of site development investment priorities, investments in infrastructure and other industry supports. This section provides background research on high-performing industry clusters in the City of Sandy and Clackamas County, and an analysis of specific target industries identified for further investigation.

Key sectors and industries that are relevant to Sandy have been elevated by county and regional economic and workforce development organizations:

DESIGN AND MEDIA; METALS AND MACHINERY; OTHER MATERIALS MANUFACTURING; FOOD AND BEVERAGE; APPAREL AND OUTDOOR; HEALTH CARE; AND WHOLESALE TRADE, TRANSPORT, AND DISTRIBUTION.



Key Sectors and Industries	Metro CEDS	GPI CEDS	WSI Key Sectors	Clackamas County Emerging Trends	Sandy EOA
Technology					
Software	Yes	Yes		Yes	
Design & Media	Yes	Yes		Yes	Yes
Computer & Electronics	Yes	Yes			
Climate Tech	Yes	Yes			
Tech			Yes	Yes	
Manufacturing					
Metals & Machinery	Yes	Yes		Yes	Yes
Advanced Manufacturing			Yes	Yes	
Other Materials Manufacturing				Yes	Yes
Services					
Food & Beverage	Yes	Yes		Yes	Yes
Apparel & Outdoor	Yes	Yes			Yes
Health Care			Yes	Yes	Yes
Professional Business Services				Yes	
Other					
Wholesale Trade, Transport., & Distribution				Yes	Yes
Construction			Yes		
Agriculture, Nurseries & Greenhouses				Yes	

Sources: Oregon Metro, 2021; Greater Portland, Inc., 2021; Work Systems Inc., 2022; Clackamas County, 2022; ECONorthwest, 2022; CAI, 2022.

Findings

Demographic Conditions

- Sandy will double its population by 2050 and reach a population of 29,180 by 2070. It is estimated to add between 2,000 and 2,500 new jobs and close to 3,000 new people by 2043.
- The BIPOC population in Sandy is growing at a faster rate than Clackamas County, changing from 6% to 9% of the population over the last ten years.

Economic Indicators

- Sandy's largest industry is retail, which accounts for one-quarter of all jobs.
- Sandy's median income (\$81,262) is slightly lower than Clackamas County (\$82,911), but it is higher than comparable neighboring cities and cities of the next size up (ranging from \$58,250 to \$73,400).
- Government jobs pay the highest median wage in Sandy (ranging from \$74,600 to \$80,200), while the lowest wages are in the Hospitality and Natural Resources industries (ranging from \$15,400 to \$16,700).

- Sandy and Clackamas County have many of the same sectors represented among their largest employers.
- Major employers of Sandy span six industries: Automotive, construction, education, food & beverage, health care, and metals & machinery.

Workforce Indicators

- Sandy's residents are employed by a diverse set of industries with a slightly higher share with jobs in Retail (15%), Manufacturing (14%), and Professional Services (13%).
- Over a quarter of Sandy's residents commute to work in Portland (27%), while a smaller portion remain in Sandy (13%) or commute to Gresham (11%).

Housing Conditions

- About one third of Sandy's residents are either cost-burdened (22%) or severely cost-burdened (10%) with a high share that are homeowners (18%) and a somewhat lower share that are renters (13%).

- Median home sale prices in Sandy (\$493,000) are more affordable than Clackamas County (\$612,000) and similar to nearby Gresham, Molalla, and Estacada.
- Median rents in Sandy are less affordable than Molalla and more affordable than both Estacada and Clackamas County as a whole - essentially the same as Gresham at about \$1,250 per month.
- Retail and Services; Tourism and Recreation; Health Care and Social Assistance; Remote Work and Office Using Employment; Metals and Fabrication Industries; Specialty Food and Beverage; and Clean Tech industries have been identified for further investment based on cluster analysis, demographic and site conditions, and community and city engagement.

COVID-19 Impacts

- Unemployment in Clackamas County returned to near pre-pandemic levels in late 2022 as COVID cases spiked and then decreased to below Summer 2020 levels.

Industry Clusters

- Key sectors and industries that are relevant to Sandy have been elevated by county and regional economic and workforce development organizations: Design and Media; Metals and Machinery; Other Materials Manufacturing; Food and Beverage; Apparel and Outdoor; Health Care; and Wholesale Trade, Transport, and Distribution.

Ordinance 2025-31 Findings

CHAPTER 17.24 COMPREHENSIVE PLAN AMENDMENT PROCEDURES

Chapter 17.24 provides the criteria for Type IV Comprehensive Plan legislative amendments. The recommendation by the Planning Commission and the decision by the City Council shall be based on consideration of the following factors. The decision-making criteria and findings are as follows.

Section 17.24.70. Review criteria.

Comprehensive Plan amendments shall be reviewed to assure consistency with the purposes of this chapter, policies of the Comprehensive Plan, and any other applicable policies and standards adopted by the City Council. Amendments shall be approved only when the following findings are made:

A. The change being proposed is the best means of meeting the identified public need; and

Finding 1: City governments are responsible for the development of local comprehensive plans. The City is addressing the “Plan Amendment and Update Policies” of the Comprehensive Plan by considering the adoption of a new Economic Development Strategic Plan. Development Services Department staff believe that this technical report is the best means of meeting the requisite for a comprehensive, up-to-date plan for developing and maintaining the City’s economic development needs. As Sandy is anticipated to continue to grow in population and employment, this plan appropriately addresses forecasted needs using industry best practices in assessments and recommendations. **Conclusion: Criteria A. in Section 17.24.70. met.**

B. The change conforms to all applicable Statewide Planning Goals.

THE ECONOMIC DEVELOPMENT STRATEGIC PLAN

Goal 1: Citizen Involvement

Public involvement is a required part of land use planning in Oregon. This requirement is one of the things that make Oregon's land use planning program unique. The requirement for public participation is written in the first goal of nineteen in the statewide land use planning system.

Goal 1 calls for "the opportunity for citizens to be involved in all phases of the planning process."

Finding 2: The City has discussed this topic openly at multiple City Council meetings and the City will hold legislative public hearings before both the Planning Commission and City Council to afford the public the opportunity to be involved. Notice of the two hearings was published in the Sandy Post, posted on the City’s

website, and promoted in the monthly City Newsletter. Notice was provided to the Department of Land Conservation and Development on September 19, 2025.

Conclusion: Goal 1 is satisfied

Goal 2: Land Use

Goal 2 requires each local government in Oregon to have and follow a comprehensive land use plan and implementing regulations. Cities and counties must build their comprehensive plans on a factual base and follow their plan when making decisions on appropriate zoning.

Finding 3: The proposed Economic Development Strategic Plan (EDSP) will create policy that will remove uncertainty surrounding specific economic development needs while maintaining desired community outcomes. The EDSP assisted the City in compiling strong policies in the comprehensive land use plan and implementing regulations. The adoption of the EDSP fulfills Statewide Land Use Planning Goal 2 by building the City's comprehensive plan on a factual base where the City can follow their plan when making decisions on appropriate zoning.

Adding the EDSP as an amendment to the comprehensive plan will continue to assist in creating comprehensive plan policies that are consistent with State law and will have the long-term effect of providing economic development options that meet the needs of all Sandy residents. It will also assist in employment projects competing for distribution of the conditional 190 ERUs by prioritizing the projects that are consistent with the goals and strategies of the March 2023 Economic Development Strategic Plan (EDSP).

Conclusion: Goal 2 is satisfied

Goal 9: Economy

The purpose of Goal 9 planning is to make sure cities and counties have enough land available to realize economic growth and development opportunities. Commercial and industrial development takes a variety of shapes and leads to economic activities that are vital to the health, welfare, and prosperity of Oregon's citizens. To be ready for these opportunities, each local government shall have a unique local vision for economic development. Ideally, this vision reflects community aspirations and has specific objectives and actions.

Finding 4: Sandy's Economic Development Strategic Plan (EDSP) is consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes that a City's economic obligation is to perform "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would

be located.” This is what the Sandy Economic Development Strategic Plan focuses on.

The primary goals of the EDSP are to project the amount of future employment growth within the Sandy city limits and employment land areas in the Urban Growth Boundary (UGB) and evaluate the existing employment land supply within Sandy to determine if it is adequate to meet that need.

The proposed EDSP presents the Goals, Strategies, and Actions aimed at growing a sustainable and inclusive economy for Sandy:

Goal 1: Improve systems to ensure broad and durable access to economic opportunity and maintain Sandy’s high quality of life.

Goal 2: Leverage our investments in technology to maximize economic benefits.

Goal 3: Build on our assets in manufacturing to establish Sandy as a destination for metals fabrication and related activities.

Goal 4: Cultivate innovation in specialty food and beverage industries and align with the region's robust food storage and processing sector.

Goal 5: Invest in hospitality and place-based tourism to make Sandy the most active and vibrant basecamp for Mt. Hood area adventures.

Goal 6: Be a leader as both retail hub and heart of East Clackamas County.

Conclusion: Goal 9 is satisfied.

Goal 11: Public Facilities

This goal is to establish policies to plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding 5: The City’s comprehensive plan contains an acknowledged Goal 11 element that contains policies to ensure sufficient and adequate public services are available (or will be available as appropriate) to serve lands within the UGB. The Economic Development Strategic Plan will support these policies of the Comprehensive Plan.

Sandy will need to address wastewater system deficiencies to support future employment growth. To meet projected demand, Sandy has plans to fix aging sewer pipes, upgrade Sandy’s existing treatment plant, and expand Sandy’s wastewater system capacity, including establishing an alternative discharge location. Sandy’s plans for its wastewater system upgrades will allow Sandy to

accommodate the types and amounts of growth forecast in the Economic Development Strategic Plan.

Conclusion: Goal 11 is satisfied.

Goal 12: Transportation

This goal is to establish policies to provide and encourage a safe, convenient, and economic transportation system. The resulting plan should support a variety of transportation modes so residents are not limited in the ways they can access the jobs, goods, or services available in different parts of their community.

Finding 6: The City's comprehensive plan contains an acknowledged Goal 12 element that contains policies to ensure sufficient and adequate transportation facilities and services are available (or will be available as appropriate) to serve lands within the UGB.

The EDSP promotes a transportation system that serves the employment needs of the community, and priorities that address mobility and connectivity, capital investments/funding, community needs, and system management. Existing conditions and future transportation needs will be analyzed with respect to these goals and strategies.

The City supports economic development throughout Sandy through the function and efficiency of primary and secondary freight routes. Most projects recommended in the TSP support economic development in the city directly or indirectly given that they more efficiently use existing facilities and make transportation options more viable.

Conclusion: Goal 12 is satisfied.

CONCLUSION

The Sandy Comprehensive Plan is a legislative regulatory guidebook intended to regulate development and guide growth for the city of Sandy. The Comprehensive Plan also needs to be amended over time by introducing revised supportive technical documents to respond to a growing population and economy. Staff find that the draft findings established in this staff report, and the Economic Development Strategic Plan (Exhibit A) satisfies all applicable criteria of the City's Development Code for plan amendments and all applicable state criteria.



STAFF REPORT PLANNING COMMISSION

Meeting Type: Planning Commission
Meeting Date: October 27, 2025
From: Patrick Depa, Senior Planner
Subject: Mass Timber Code-UP Amendments to the Sandy Development Code

DECISION TO BE MADE:

Hold a legislative public hearing to review and take comments on the proposed prefabricated, modular, and manufactured housing product code amendments to various chapters in Title 17, of the Sandy Municipal Code and make a recommendation to the City Council.

APPLICABLE COUNCIL GOAL:

Development Services

- **6.9** - Ensure compliance with state legislative and regulatory mandates through code amendments that are responsible and reflect the community's values.

BACKGROUND / CONTEXT:

In 2023, Sandy became one of ten jurisdictions to receive grant-funded Code-UP project technical assistance to identify needed 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.

Changes to State law, including House Bill 4064 (HB 4064, 2022),¹ have resulted in updates to the definitions and regulations related to manufactured dwellings, prefabricated structures, and manufactured dwelling parks. By adopting these amendments, the City will adhere to the ORS 197.478 requirement that local governments allow prefabricated dwellings and manufactured homes on all land zoned to allow the development of single-unit dwellings (within an urban growth boundary).

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

¹ House Bill 4064. <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4064>

construction. The Code-UP project occurred in conjunction with the Mass Timber Equitable Engagement project, which was intended to inform communities about mass timber modular housing and understand each community's views and potential concerns related to mass timber.

The Code-UP project goals included three parts:

- 1) Create a Prefabricated and Modular Housing Model Code and Audit Workbook to assist local governments in updating their development codes.
- 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.
- 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.

The majority of the Code-UP work was done in 2024. On February 18, 2025, the City Council and the Planning Commission held a joint work session to hear the recommendations from the Code-UP audit (Exhibit A). Staff and consultants requested input from the City Council and the Planning Commission on the proposed amendments to the Sandy Development Code ("Code"). The code amendments before the hearing body with this ordinance are the same as were presented in February. However, the Cottage Cluster and Accessory Dwelling Unit (ADU) recommendations that were introduced are absent from these amendments as requested by both the City Council and the Planning Commission. Both bodies believed it would be better to further discuss cottage clusters and ADUs when addressing housing strategies associated with the Housing Production Strategy (HPS).

KEY CONSIDERATIONS / ANALYSIS:

Comprehensive Plan Review and Recommendations

The City's housing Goals and Policies in the adopted Envision Sandy 2050 Comprehensive Plan confirm that the City supports increasing the supply and providing for a range of housing types. Specifically, Goals 37 and 38 include policies that are particularly supportive of the proposed code updates.

Sandy Housing Policies in Envision Sandy 2050:

- **Policy 37.4** – Allow for development of a range of housing types both for ownership and rental, that allow people to live and work in Sandy.
- **Policy 37.5** – As required by State legislation, identify barriers to private sector housing development for a range of housing types, including affordable housing, and develop policies to reduce development barriers.
- **Policy 38.1** – As required by State legislation, identify, and remove barriers to developing needed housing types according to where they are allowed.

The existing Comprehensive Plan housing goals and policies do not conflict with the recommended updates. A broad review of the code amendments to the Statewide Planning

Goals was done and is attached as Exhibit B. No updates are needed for the housing goals and policies if these code amendments are adopted.

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 and it is more fire resistant than traditional wood framed construction. In the event of a wildfire or another natural disaster, mass timber 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. These recommendations were developed by the consultant team, in consultation with City staff and the Department of Land Conservation and Development (DLCDD), with the objective of creating opportunities for new types of housing in Sandy.

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.

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.
- **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.
- **Section 17.90.150 – Residential Design Standards.** Manufactured homes and prefabricated dwellings shall provide a minimum of four design elements, regardless of the garage width percent.

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. The City will outline strategies 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 greater flexibility for manufactured dwellings and

ADU development, and creating pre-approved plan sets for ADUs and Mass Timber prefabricated dwellings.

BUDGET IMPACT:

City Attorney charges

RECOMMENDATION:

Staff recommend that the Planning Commission hold a public hearing, discuss the proposed code modifications, and provide staff with a motion to forward to the City Council.

SUGGESTED MOTION LANGUAGE:

I move to recommend that the City Council approve the proposed text amendments to various chapters in Title 17, as presented in Exhibit A and supported by the findings in Exhibit B.

LIST OF ATTACHMENTS / EXHIBITS:

- Attachment 1. Memo from MIG (Code-Up Audit for Mass Timber)
- Attachment 2. Ordinance No. 2025-32
 - Exhibit A. Code Amendments
 - Exhibit B. Statewide Planning Goals - Findings

memo

to City of Sandy and DLCD

from Brandon Crawford, Emma-Quin Smith, Darci Rudzinski, and Kate Rogers, MIG

re Sandy Draft Code Update
DLCD Mass Timber Code-UP Project

date 12/06/2024

Introduction and Background

This memo proposes updates to the Sandy Development Code that are intended to help facilitate the construction of mass timber and other modular or prefabricated housing products. The recommendations herein are based on an audit of current development regulations and are supported by adopted City housing policy, which is reviewed in the next section, Comprehensive Plan Review and Recommendations. For simplicity, the Sandy Development Code will be referred to as the “Code” in this memo. The recommended updates to the Code are guided by the Oregon Prefabricated and Modular Housing Model Code and Audit Workbook and are the result of an audit performed for Sandy (see Attachment).

This update to the Code is part of the DLCD Mass Timber Development Code Update (Code-UP) project, which includes three parts:

- 1) Create a Prefabricated and Modular Housing Model Code and Audit Workbook (mentioned above) to assist local governments in updating their development codes to facilitate all types of prefabricated and manufactured housing development.
- 2) Provide technical assistance to ten jurisdictions (including Creswell) to update their development codes consistent with guidance and recommendations identified in the Prefabricated and Modular Housing Model Code and Audit Workbook.
- 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.

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.¹ For more information and background on the Code-UP project, visit the [Mass Timber Modular Housing Code-UP Project webpage](#).

Prefabricated and Modular Housing 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.”²

Comprehensive Plan Review and Recommendations

A review of the City’s housing Goals and Policies in the adopted Envision Sandy 2050 Comprehensive Plan confirmed that the City supports increasing supply and providing a range of housing types. Specifically, Goals 37 and 38 include policies that are particularly supportive of the proposed Code updates.

Sandy Housing Policies

- **Policy 37.4** – Allow for development of a range of housing types both for ownership and rental, that allow people to live and work in Sandy.
- **Policy 37.5** – As required by State legislation, identify barriers to private sector housing development for a range of housing types, including affordable housing, and develop policies to reduce development barriers.
- **Policy 38.1** – As required by State legislation, identify, and remove barriers to developing needed housing types according to where they are allowed.

¹ 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. Public outreach activities will also be coordinated with engagement tasks that are part of the other Code update project.

² 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)

The existing Comprehensive Plan housing goals and policies do not conflict with the recommended Code updates. No updates are needed for the housing goals and policies.

Code Amendments

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.³

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.

Proposed Code modifications are presented in an underline/strikeout legislative amendment format, where underlined text indicates new text, and strikeout indicates existing, adopted text recommended for removal. A description and summary of the proposed updates are provided in the gray text boxes for each section. Other Code text may be included for context and reference, otherwise the only sections that are shown are those that have recommended amendments.

³ 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.

SECTION 17.10.30 – MEANING OF SPECIFIC WORDS AND TERMS

The City should update definitions that could have the effect of precluding or limiting prefabricated or manufactured housing and adding definitions needed to support proposed amendments in other sections of the Code.

Cottage Cluster

Cottage cluster housing provides an excellent opportunity to utilize prefabricated construction or manufactured homes to provide more affordable housing options. Although the City is not required to allow cottage clusters, this form of development is ideal for mass timber prefabricated development. Therefore, the City should consider allowing cottage clusters, including adding a new definition and code section regulating cottage clusters. The definition of cottage cluster that is used in state statute (ORS 197A.420(1)(b)) may be suitable.⁴ The City may also consider additional definitions for terms that are used in the proposed cottage cluster standards. Included as proposed Code text are definitions from the cottage cluster model code for the following terms: common courtyard, cottage, and cottage cluster project.

Cottage clusters that are composed of manufactured or prefabricated dwellings may also overlap with the definition of “manufactured dwelling park,” if the cluster development provides spaces for rent. Manufactured dwelling parks with more than six units are subject to the requirements for “Mobile Home and Manufactured Dwelling Parks” in ORS 446.003 to 446.140. To address this potential overlap, we recommend that the City note in the cottage cluster definition that if the development also meets the definition of manufactured dwelling park, it may be subject to additional standards in ORS 446.

Common Courtyard: A common area for use by residents of a cottage cluster. A common courtyard may function as a community yard. Hard and soft landscape features may be included in a common courtyard, such as pedestrian paths, lawn, groundcover, trees, shrubs, patios, benches, or gazebos.

[...]

Cottage: An individual, detached dwelling unit that is part of a cottage cluster.

Cottage Cluster: A grouping of no fewer than four detached dwelling units per acre, each with a footprint of less than 900 square feet, located on a single lot or parcel that includes a common courtyard.⁵ Cottage

⁴ Note, because Sandy is under 25,000 in population, and therefore not subject to the cottage cluster requirements of ORS 197A.420, the City is not required to be consistent with the statutory definition for cottage clusters.

⁵ ORS 197A.420(1)(b)

clusters that also meet the definition of “manufactured dwelling park” or “mobile home park” may be subject to additional requirements, pursuant to ORS 446.003 through 446.140.

Cottage Cluster Project: A development site with one or more cottage clusters. Each cottage cluster as part of a cottage cluster project must have its own common courtyard.

[...]

Manufactured Homes and Prefabricated Dwellings

Changes to State law, including House Bill 4064 (HB 4064, 2022),⁶ have resulted in updates to the definitions and regulations related to manufactured dwellings, prefabricated structures, and manufactured dwelling parks. This includes changes to the statute that requires local governments to allow manufactured and prefabricated homes wherever single-family detached homes are allowed. The City complies with these new state rules, however minor amendments may help simplify and clarify implementation. For example, the City’s current definition for “manufactured home” is consistent with state statute, however the City may consider a simplified definition that more closely reflects the state’s current definition.

Manufactured home: A dwelling constructed to U.S. Department of Housing and Urban Development (HUD) standards since June 15, 1976, but not to State Building Code standard and constructed for movement on public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is used for residential purposes and was constructed, and met the requirements of federal manufactured housing construction and safety standards and regulations in effect at the time of construction. All manufactured homes are to meet the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974, as amended on August 22, 1981, consistent with HB 2863 Oregon Laws, 1989, and current Department of Housing and Urban Development (HUD) Manufactured Home Construction and Safety Standards as embodied in the most recent Federal Register. A structure constructed for movement on the public highways that has sleeping, cooking, and plumbing facilities; that is intended for human occupancy; that is being used for residential purposes; and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.

SECTION 17.12.10 – TYPE I – ADMINISTRATIVE REVIEW

Manufactured Dwellings, Prefabricated Dwellings, and Manufactured Dwelling Parks

The City currently includes manufactured homes under the definition for single-detached dwellings. However, the manufactured homes are listed separately in the Type I Design Review applicability. This could be simplified by just listing single detached

⁶ House Bill 4064. <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4064>

dwellings. If the City wishes to still explicitly list manufactured homes on individual lots, then it is recommended to also list “prefabricated dwellings” on individual lots separately.

The Code currently lists “manufactured homes within manufactured dwelling parks” as subject to Type I review. Because all types of manufactured dwellings (manufactured homes, mobile homes, and residential trailers) and prefabricated dwellings need to be allowed in manufactured dwelling parks, each of these uses should be listed as being subject to a Type I decision, or the code could just use the term “dwellings.”

Type I decisions are made by the Planning Director or someone he or she designates without public notice or a public hearing. The Type I procedure is used when applying standards and criteria to an application requires no use of discretion. A decision of the Director under the Type I procedure may be appealed by an affected party or referred by the Director in accordance with Chapter 17.28.

Administrative Decision Requirements. The City Planning Official or designee's decision shall address all of the approval criteria, including applicable requirements of any road authority. Based on the criteria and the facts contained within the record, the City Planning Official shall approve or deny the requested permit or action. A written record of the decision shall be provided to the applicant and kept on file at City Hall.

Type of Applications:

- A. Design review for single-family dwellings, duplex dwellings, ~~manufactured homes on individual lots, manufactured homes~~ dwellings within manufactured dwelling parks, accessory dwellings and structures.

SECTION 17.34.10 – SFR PERMITTED USES

Manufactured Homes

ORS 197.478 requires that local governments allow prefabricated dwellings and manufactured homes on all land zoned to allow the development of single-unit dwellings (within an urban growth boundary). Sandy’s Code meets this requirement. However, because the Code’s definition for single-detached dwelling currently includes manufactured homes and prefabricated dwellings, the Code also lists manufactured homes separately under allowed uses in the SFR, R-1, and R-2 zones, which is somewhat redundant. To simplify implementation, the City could remove “manufactured homes” as a separately listed use.

Alternatively, if the City wishes to still list manufactured homes separately as an allowed use, then “prefabricated dwelling” should also be listed separately. Listing manufactured home as an allowed use and not prefabricated dwelling may imply that prefabricated dwellings are not allowed in this zone.

Cottage Clusters

None of the residential zones currently allow cottage clusters. As mentioned, this type of development offers an excellent opportunity to provide additional housing options that utilize prefabricated and modular products. Therefore, the City may wish to permit cottage clusters outright in residential zones.

A. Primary Uses Permitted Outright:

1. Single detached dwelling subject to design standards in Chapter 17.90;
2. ~~Single detached manufactured home subject to design standards in Chapter 17.90;~~
3. Duplex.
4. Single room occupancy with up to six SRO units.
5. Cottage clusters, subject to standards in Chapter 17.104.

SECTION 17.36.10 – LOW DENSITY RESIDENTIAL (R-1) PERMITTED USES

A. Primary Uses Permitted Outright

1. Single detached dwelling (subject to design standards in Chapter 17.90);
2. ~~Single detached manufactured home (subject to design standards in Chapter 17.90);~~
- [...]
7. Cottage clusters (subject to the standards in Chapter 17.104)

SECTION 17.38.10 – MEDIUM DENSITY RESIDENTIAL (R-2) PERMITTED USES

A. Primary Uses Permitted Outright

1. Single detached dwelling (subject to design standards in Chapter 17.90);
2. ~~Single detached manufactured home (subject to design standards in Chapter 17.90);~~
- [...]
8. Cottage clusters (subject to the standards in Chapter 17.104)

SECTION 17.40.10 – HIGH DENSITY RESIDENTIAL (R-3) PERMITTED USES

A. Primary Uses Permitted Outright:

[...]

9. Cottage clusters (subject to the standards in Chapter 17.104).

SECTION 17.74.70 – ACCESSORY DWELLING UNITS

Sandy's Code expressly allows ADUs to be modular/prefabricated or a manufactured home, which is supportive of these housing construction types.

ADU Maximum Square Footage

Standards that overly restrict the size of an ADU can pose a barrier, including to the use of prefabricated construction, in which components may come in limited sizes. The City recently increased the ADU maximum square footage from 600 square feet to 720 square feet in 2021.^C The project team feels that the City could increase the maximum ADU size further, as ADUs often reach sizes of 900 or 1,000 square feet, which is a

common ADU size maximum in other communities. Therefore, it is recommended that the City allow ADUs to be at least 800 to 900 square feet or 75 to 85 percent of the primary dwelling's floor area, whichever is less.

While not an issue for prefabricated detached ADUs, it is also recommended that internal ADUs that occupy a whole level of the primary structure (e.g., a basement unit) also be allowed to be as large as the level's floor area.

ADU Setbacks

Overly large setback requirements can limit siting options for an ADU on a lot. ADUs are smaller than typical homes and likely have less impact on adjacent properties.

Therefore, the City should consider allowing reduced rear and side setbacks for ADUs.

B. Dimensional Standards.

Type	Standard
Minimum Average Lot Width, Frontage, Depth	Same as underlying zoning district
Maximum square footage	<u>720 900 sq. ft. or 85% of the primary dwelling's square footage, whichever is less.</u>
Maximum number of occupants	3
Setbacks	<u>Front: Same as underlying zoning district</u> <u>Rear: 10 feet or same as underlying zoning district, whichever is less.</u> <u>Side: 5 feet or same as underlying zoning district, whichever is less.</u>
Structure Height	Same as underlying zoning district
Building Site Coverage	No maximum
Off-Street Parking	No minimum
Landscaping	Same as underlying zoning district

C. Design Standards

1. The accessory dwelling unit shall be accessory to the primary residence.
2. The ADU shall have a pedestrian walkway that connects the primary entrance of the ADU to the public sidewalk. The pedestrian walkway shall consist of concrete, asphalt, stone, brick, permeable pavers and shall be permanently affixed to the ground with gravel subsurface. ~~Other materials may be requested as part of a discretionary review and approved by the Director.~~
3. An ADU may be stick-built, modular/prefabricated, or a manufactured home in compliance with Section 17.90.140.
4. Detached ADUs shall provide at least three of the Required Design Elements in Subsection 17.90.150.F on the street-facing façade(s) and shall provide at least ten percent windows on the ground floor elevation of the street facing façade(s). These standards apply even if the ADU is located behind the primary residence; in such cases, the standards apply to the façade that is closest to and within 45 degrees of the street.

SECTION 17.84.10 – EXCEPTIONS [IMPROVEMENTS]

Requiring public facility improvements for an accessory dwelling unit may be a significant barrier and cost prohibitive for their development, especially for an individual property owner. In addition, this housing type has comparable impacts on public facilities as single-family units and duplexes.

Single family residential, accessory dwelling unit, and duplex development on existing lots with existing public improvements are exempt from this chapter, with the exception of 17.84.30 Pedestrian and Bicyclist Requirements.

SECTION 17.90.10 – DESIGN STANDARDS APPLICABILITY

[...]

- D. Residential Dwelling Exception: Single detached dwellings, duplexes, ~~manufactured homes on individual lots~~, accessory dwelling units, cottage clusters and manufactured dwellings and prefabricated dwellings in parks are exempt from all requirements of this chapter except for Section 17.90.150.

SECTION 17.90.40 – TYPE OF [DESIGN] REVIEW

Cottage Cluster Design Review

If the City chooses to allow cottage clusters, then it is recommended that they be subject to a Type II process, along with multifamily housing.

- A. Type I—Administrative. Type I review applies to single family dwellings, duplex dwellings, ~~manufactured homes on individual lots~~, manufactured homes and prefabricated dwellings within manufactured dwelling parks, and permitted residential accessory dwellings and structures.

- B. Type II—Director's Review. Type II review includes floor area expansions greater than the thresholds for a Type I review and all other multi-family, cottage cluster, commercial, industrial development, and non-residential development on residentially zoned land that is in compliance with code standards, except where a Type III procedure is requested or required.

SECTION 17.98.20 – OFF-STREET PARKING REQUIREMENTS

Off-street parking requirements can pose a significant barrier to housing development, as parking can limit site design flexibility and increase development costs. Therefore, the recommendation is to require no more than one space per unit for cottage clusters.

Residential / Congregate Living Uses	Number of Parking Spaces	Number of Bicycle Spaces
Single Family Detached/Attached	2 per dwelling unit	Exempt
Duplexes	1 per dwelling unit	Exempt
Manufactured Dwelling Park	2 per dwelling, plus 1 visitor space for each 10 vehicle spaces	Exempt
Multi-Family Dwellings	1.5 per studio unit or 1-bedroom unit 2.0 per 2-bedroom unit or greater	1 per dwelling unit
Single Room Occupancy	1 per SRO unit	Exempt
Congregate Living, Retirement Homes, Intermediate Care Facilities, Group Care Facilities, and Halfway Houses	1 per each 3 occupants, plus 1 per 2 employees	5% or 2 whichever is greater
<u>Cottage Cluster</u>	<u>1 space per unit</u>	<u>Exempt</u>

CHAPTER 17.104 COTTAGE CLUSTERS

As mentioned, we recommend that the City consider adopting new standards to facilitate cottage cluster housing. The recommended cottage cluster Code section below

is adapted from DLCD's Middle Housing Model Code, and includes provisions for dwelling size, a shared courtyard area, community buildings, pedestrian connections, parking design, and other issues unique to cottage cluster housing.⁷ The Model Code was developed for jurisdictions that are required to comply with ORS 197A.420 / House Bill 2001 (2019) and is consistent with the Administrative Rules in OAR 660-046. Although Sandy is not required to comply with state cottage cluster requirements, we recommend the model code text as best practice for enabling cottage cluster development, with modifications as necessary to fit local circumstances (provided those modifications are clear and objective).

Section 17.104.00 Intent

Cottage clusters shall meet the standards of this section in addition to any other applicable zoning or development standards. Wherever these standards conflict with requirements in other sections, the standards of this section shall take precedence.

Section 17.104.10 Cottage Cluster Development Standards

A. Applicability.

1. Cottage clusters shall meet the standards in subsections (B) through (F) of this Section 17.104.10.
2. The following standards are invalid and do not apply to cottage clusters allowed by this code, except as specified in this Section 17.104.10:
 - Additional development standards of the applicable base zone related to the standards addressed under subsections (B) through (F) of this Section 17.104.10.
 - Development standards of the applicable base zone related to lot dimensions, lot coverage, floor area ratio, landscape or open space area, or the siting or design of dwellings.
 - The jurisdiction's other development standards that apply only to cottage clusters and that conflict with provisions of this code.

B. Minimum Lot Size and Dimensions. Cottage clusters shall meet the minimum lot size, width, and depth standards that apply to detached single family dwellings in the same zone.

C. Maximum Density. The jurisdiction's pre-existing density maximums do not apply.

D. Setbacks and Building Separation.

1. Setbacks. Cottage clusters shall meet the minimum and maximum setback standards that apply to detached single family dwellings in the same zone, except that minimum setbacks for dwellings in excess of the following are invalid:
 - Front setbacks: 10 feet
 - Side setbacks: 5 feet
 - Rear setbacks: 10 feet

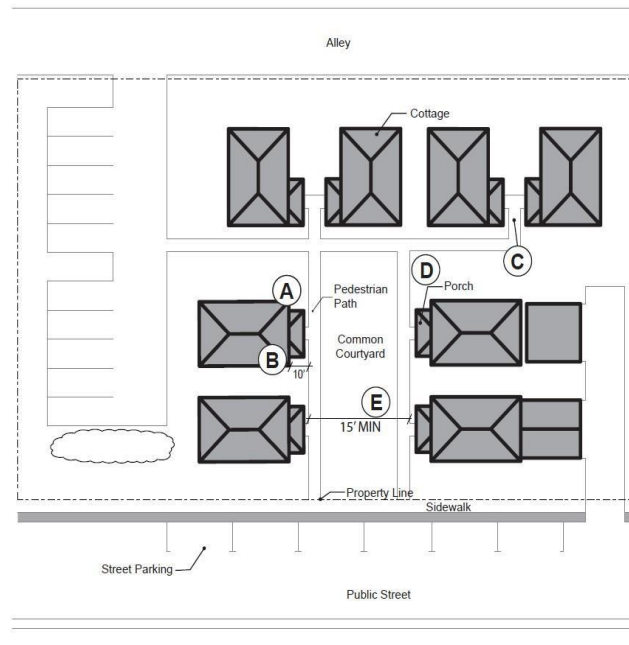
⁷ Middle Housing Model Code. https://www.oregon.gov/lcd/Commission/Documents/2020_12_Item-2-Attachment%20C_LMCMC_Commission%20Draft_final_120220.pdf

2. Building Separation. Cottages shall be separated by a minimum distance of six (6) feet. The minimum distance between all other structures, including accessory structures, shall be in accordance with building code requirements.
- E. Average Unit Size. The maximum average floor area for a cottage cluster is 1,400 square feet per dwelling unit. Community buildings shall be included in the average floor area calculation for a cottage cluster.
- F. Building Height. The maximum building height for all structures is 25 feet or two (2) stories, whichever is greater.

Section 17.104.20 Cottage Cluster Design Standards

Cottage clusters shall meet the design standards in subsections (A) through (H) of this Section 17.104.20. No other design standards shall apply to cottage clusters unless noted in this section. Mandates for construction of a garage or carport and any other design standards are invalid, except as specified in this Section 17.104.20.

- A. Cottage Orientation. Cottages must be clustered around a common courtyard, meaning they abut the associated common courtyard or are directly connected to it by a pedestrian path, and must meet the following standards (see Figure XX):
 1. Each cottage within a cluster must either abut the common courtyard or must be directly connected to it by a pedestrian path.
 2. A minimum of 50 percent of cottages within a cluster must be oriented to the common courtyard and must:
 - a. Have a main entrance facing the common courtyard;
 - b. Be within 10 feet from the common courtyard, measured from the façade of the cottage to the nearest edge of the common courtyard; and
 - c. Be connected to the common courtyard by a pedestrian path.
 3. Cottages within 20 feet of a street property line may have their entrances facing the street.
 4. Cottages not facing the common courtyard or the street must have their main entrances facing a pedestrian path that is directly connected to the common courtyard.
- B. Common Courtyard Design Standards. Each cottage cluster must share a common courtyard in order to provide a sense of openness and community of residents. Common courtyards must meet the following standards (see Figure XX):
 1. The common courtyard must be a single, contiguous piece.
 2. Cottages must abut the common courtyard on at least two sides of the courtyard.
 3. The common courtyard must contain a minimum of 150 square feet per cottage within the associated cluster (as defined in subsection (A) of this Section 17.104.20).
 4. The common courtyard must be a minimum of 15 feet wide at its narrowest dimension.
 5. The common courtyard shall be developed with a mix of landscaping, lawn area, pedestrian paths, and/or paved courtyard area, and may also include recreational amenities. Impervious elements of the common courtyard shall not exceed 75 percent of the total common courtyard area.
 6. Pedestrian paths must be included in a common courtyard. Paths that are contiguous to a courtyard shall count toward the courtyard's minimum dimension and area. Parking areas, required setbacks, and driveways do not qualify as part of a common courtyard.

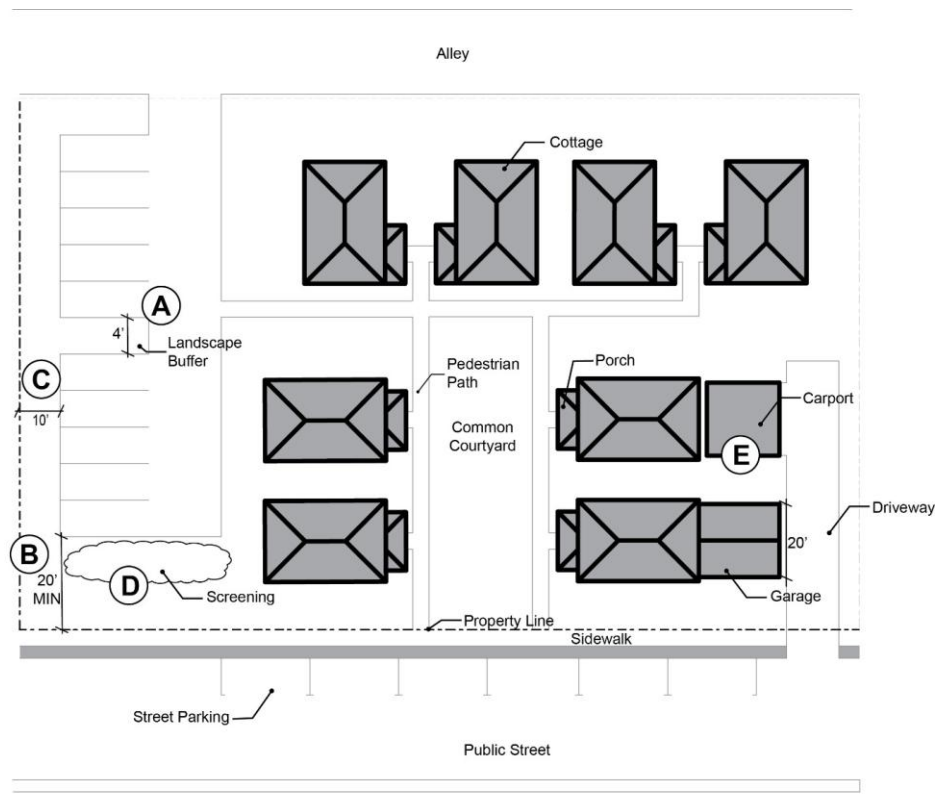
Figure XX. Cottage Cluster Orientation and Common Courtyard Standards

- C. Community Buildings. Cottage cluster projects may include community buildings for the shared use of residents that provide space for accessory uses such as community meeting rooms, guest housing, exercise rooms, day care, or community eating areas. Community buildings must meet the following standards:
1. Each cottage cluster is permitted one community building, which shall count towards the maximum average floor area, pursuant to subsection 17.104.10(E).
 2. A community building that meets the development code's definition of a dwelling unit must meet the maximum 900 square foot footprint limitation that applies to cottages, unless a covenant is recorded against the property stating that the structure is not a legal dwelling unit and will not be used as a primary dwelling.
- D. Pedestrian Access.
- A minimum of 50% of cottages must be oriented to the common courtyard.
 - Cottages oriented to the common courtyard must be within 10 feet of the courtyard.
 - Cottages must be connected to the common courtyard by a pedestrian path.
 - Cottages must abut the courtyard on at least two sides of the courtyard.
 - The common courtyard must be at least 15 feet wide at its narrowest width.
1. An accessible pedestrian path must be provided that connects the main entrance of each cottage to the following:
 - a. The common courtyard;
 - b. Shared parking areas;

- c. Community buildings; and
 - d. Sidewalks in public rights-of-way abutting the site or rights-of-way if there are no sidewalks.
- 2. The pedestrian path must be hard-surfaced and a minimum of four (4) feet wide.
- E. Windows. Cottages within 20 feet of a street property line must meet any window coverage requirement that applies to detached single family dwellings in the same zone.
- F. Parking Design (see Figure XX).
 - 1. Clustered parking. Off-street parking may be arranged in clusters, subject to the following standards:
 - a. Cottage cluster projects with fewer than 16 cottages are permitted parking clusters of not more than five (5) contiguous spaces.
 - b. Cottage cluster projects with 16 cottages or more are permitted parking clusters of not more than eight (8) contiguous spaces.
 - c. Parking clusters must be separated from other spaces by at least four (4) feet of landscaping.
 - d. Clustered parking areas may be covered.
 - 2. Parking location and access.
 - a. Off-street parking spaces and vehicle maneuvering areas shall not be located:
 - Within of 20 feet from any street property line, except alley property lines;
 - Between a street property line and the front façade of cottages located closest to the street property line. This standard does not apply to alleys.
 - b. Off-street parking spaces shall not be located within 10 feet of any other property line, except alley property lines. Driveways and drive aisles are permitted within 10 feet of other property lines.
 - 3. Screening. Landscaping, fencing, or walls at least three feet tall shall separate clustered parking areas and parking structures from common courtyards and public streets.
 - 4. Garages and carports.
 - a. Garages and carports (whether shared or individual) must not abut common courtyards.
 - b. Individual attached garages up to 200 square feet shall be exempted from the calculation of maximum building footprint for cottages.
 - c. Individual detached garages must not exceed 400 square feet in floor area.
 - d. Garage doors for attached and detached individual garages must not exceed 20 feet in width.
- G. Accessory Structures. Accessory structures must not exceed 400 square feet in floor area.
- H. Existing Structures. On a lot or parcel to be used for a cottage cluster project, an existing detached single family dwelling on the same lot at the time of proposed development of the cottage cluster may remain within the cottage cluster project area under the following conditions:
 - 1. The existing dwelling may be nonconforming with respect to the requirements of this code.
 - 2. The existing dwelling may be expanded up to the maximum height in subsection 17.104.10(D) or the maximum building footprint; however, existing dwellings that exceed the maximum height and/or footprint of this code may not be expanded.

3. The floor area of the existing dwelling shall not count towards the maximum average floor area of a cottage cluster.
4. The existing dwelling shall be excluded from the calculation of orientation toward the common courtyard, per subsection (A)(1) of this Section 17.104.20.

Figure XX. Cottage Cluster Parking Design Standards



- (A) Parking allowed in clusters of up to 5 spaces. Clusters separated by minimum 4 feet of landscaping.
- (B) No parking or vehicle area within 20 feet from street property line (except alley).
- (C) No parking within 10 feet from other property lines (except alley). Driveways and drive aisles permitted within 10 feet.
- (D) Screening required between clustered parking areas or parking structures and public streets or common courtyards.
- (E) Garages and carports must not abut common courtyards. Garage doors for individual garages must not exceed 20 feet in width.

Attachment – Cottage Cluster Considerations

COTTAGE CLUSTER MODEL STANDARDS

The recommended cottage cluster standards are from the [Oregon Prefabricated and Modular Housing Model Code and Audit Workbook](#), which is based on the Middle Housing Model Code. The Middle Housing Model Code was developed for jurisdictions that are required to comply with ORS 197A.420 (formerly 197.758 / House Bill 2001 (2019)), and its content is consistent with OAR 660-046 requirements. Jurisdictions not required to comply with ORS 197A.420 are also encouraged to incorporate some or all of the Middle Housing Model Code into their development codes to promote greater housing choices in their communities. The full Middle Housing Model Code can also be downloaded from this webpage: <https://www.oregon.gov/lcd/housing/pages/choice.aspx>.

COTTAGE CLUSTER CHALLENGES FOR SMALL AND RURAL COMMUNITIES

While cottage cluster housing offers an excellent opportunity to use prefabricated and manufactured housing to provide more affordable housing options, it can be challenging to develop, particularly in smaller and rural communities. Local jurisdictions should consider these challenges in developing regulations for cottage cluster housing and in communicating with local property owners and community members about this housing opportunity.

Infrastructure: The Middle Housing Model Code (see appendix) requires cottage cluster housing developers to demonstrate that “sufficient infrastructure” is provided, or will be provided, upon submittal of an application. “Sufficient infrastructure” is defined to include connections to public water and sewer systems capable of meeting established service levels. This can be a challenge in rural communities, where many homes rely on well water and septic systems. Extending public water and sewer facilities to the site could render a project financially infeasible.

Even if relying on septic systems, denser cottage clusters may not be feasible since septic drainfields may take up quite a bit of space. Still, there may be innovative solutions for cottage cluster design where public sewer is unavailable – such as shared septic systems.

Construction Costs: The smaller size of individual cottage units does not necessarily translate to lower construction costs per unit. It may be more challenging to make a cottage cluster development “pencil out” financially in rural areas where property values are often lower – and therefore, potential rents or home sale prices are also lower. Efficient use of space, innovative construction methods, and economies of scale will need to be carefully considered. This is an area where prefabricated construction methods can yield particular benefits for a project.

Community Concerns: Cottage cluster developments can face resistance from existing communities, particularly if residents are not familiar with this housing type. Concerns about increased density and potential impacts on parking or traffic may contribute to community opposition. When considering new cottage cluster regulations, community engagement and education about the need for and benefits of cottage cluster housing will be essential to community acceptance.

**ORDINANCE NO. 2025-32****AN ORDINANCE AMENDING THE SANDY DEVELOPMENT CODE BY REVISING SECTIONS 17.10.30, 17.12.10, 17.34.10, 17.36.10, 17.38.10, 17.40.10, 17.74.70, 17.84.10, AND 17.90.40 OF TITLE 17 OF THE SANDY MUNICIPAL CODE**

WHEREAS, Title 17, Development Code of Sandy’s Municipal Code (SMC), establishes requirements for development regulations in the City of Sandy; and

WHEREAS, the City wants to modify the Sandy Development Code (“Code”) to help facilitate the construction of prefabricated, modular, and manufactured housing products; and

WHEREAS, the City wants to implement the proposed Code Amendments from the recommendations from the DLCD Mass Timber Code-UP project, a federally funded effort to advance mass timber as a viable construction component in housing manufacturing; and

WHEREAS, the current proposed action to amend the Code includes modifications that are informed by state-of-the-practice guidelines related to prefabricated and modular housing, specifically those in the Oregon Prefabricated and Modular Housing Model Code and Audit Workbook; and

WHEREAS, the proposed text amendments are in a legislative amendment, adoption-ready format in Exhibit A; and

WHEREAS, the amendments to the Sandy Development Code are in conformance with the Statewide Planning Goals and the City of Sandy’s Comprehensive Plan goals as addressed in attached Exhibit B; and

WHEREAS, on September 22, 2025, the City provided notice of the proposed amendments to DLCD in conformance with ORS 197.610; and

WHEREAS, the Planning Commission held a public hearing to review the amendments on October 27, 2025, and forwarded a recommendation of approval to the City Council; and

WHEREAS, the City Council then held a public hearing to review the proposal on November 17, 2025.

NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:

Section 1. Sandy Municipal Code sections 17.10.30, 17.12.10, 17.34.10, 17.36.10, 17.38.10, 17.40.10, 17.74.70, 17.84.10, and 17.90.40 are amended as detailed in Exhibit A, attached and incorporated by reference.

Section 2. In support of this ordinance, the City Council adopts the findings and conclusions attached as Exhibit B.

Section 3. This Ordinance shall become effective 30 days from the date of adoption.

This ordinance is adopted by the City Council of the City of Sandy this 17 day of November, 2025.

Kathleen Walker, Mayor

ATTEST:

Jeffrey Aprati, City Recorder

SANDY PROPOSED DEVELOPMENT CODE AMENDMENTS DLCD MASS TIMBER CODE-UP PROJECT

Proposed Code modifications are presented in an underline/~~strikeout~~ legislative amendment format, where underlined text indicates new text, and strikeout indicates existing text recommended for removal.

Section 17.10.30 – Meaning of Specific Words and Terms

Manufactured home: ~~A dwelling constructed to U.S. Department of Housing and Urban Development (HUD) standards since June 15, 1976, but not to State Building Code standard and constructed for movement on public highways that has sleeping, cooking and plumbing facilities; that is intended for human occupancy, that is used for residential purposes and was constructed, and met the requirements of federal manufactured housing construction and safety standards and regulations in effect at the time of construction. All manufactured homes are to meet the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974, as amended on August 22, 1981, consistent with HB 2863 Oregon Laws, 1989, and current Department of Housing and Urban Development (HUD) Manufactured Home Construction and Safety Standards as embodied in the most recent Federal Register.~~ A structure constructed for movement on the public highways that has sleeping, cooking, and plumbing facilities; that is intended for human occupancy; that is being used for residential purposes; and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.

Section 17.12.10 – Type I – Administrative Review

Type of Applications:

- A. Design review for single-family dwellings, duplex dwellings, ~~manufactured homes on individual lots; manufactured homes~~ dwellings within manufactured dwelling parks, accessory dwellings and structures.

Section 17.34.10 – SFR Permitted Uses

- A. Primary Uses Permitted Outright:
 1. Single detached dwelling subject to design standards in Chapter 17.90;
 - ~~2. Single detached manufactured home subject to design standards in in Chapter 17.90;~~

Section 17.36.10 – Low Density Residential (R-1) Permitted Uses

- A. Primary Uses Permitted Outright
 1. Single detached dwelling (subject to design standards in Chapter 17.90);
 - ~~2. Single detached manufactured home (subject to design standards in Chapter 17.90);~~

Section 17.38.10 – Medium Density Residential (R-2) Permitted Uses

A. Primary Uses Permitted Outright

1. Single detached dwelling (subject to design standards in Chapter 17.90);
- ~~2. Single detached manufactured home (subject to design standards in Chapter 17.90);~~

Section 17.84.10 – Exceptions [Improvements]

Single family residential, [accessory dwelling unit](#), and duplex development on existing lots with existing public improvements are exempt from this chapter, with the exception of 17.84.30 Pedestrian and Bicyclist Requirements.

Section 17.90.10 –Applicability

[...]

- D. Residential Dwelling Exception: Single detached dwellings, duplexes, ~~manufactured homes on individual lots~~, [accessory dwelling units](#), and manufactured dwellings [and prefabricated dwellings within manufactured dwelling parks](#) are exempt from all requirements of this chapter except for [Section 17.90.140 and](#) Section 17.90.150.

Section 17.90.40 – Type of [Design] Review

- A. Type I—Administrative. Type I review applies to single family dwellings, duplex dwellings, ~~manufactured homes on individual lots~~, manufactured homes [and prefabricated dwellings](#) within manufactured dwelling parks, and permitted residential accessory dwellings and structures.

Section 17.90.150 – Residential Design Standards

[...]

D. General Provisions.

1. For the purposes of subsections D, E, and F, "primary street facing façade" shall mean the façade facing the front lot line. "Secondary street facing façade" shall mean a façade facing a street lot line other than the front lot line.
2. In no case shall the width of the garage exceed 70 percent of the primary street facing façade except for a garage-under home design as specified in Subsection C.3 above.
3. The primary building entrance of each structure shall meet either Subsection a or b, below, and shall meet both the standards in Subsections c and d:
 - a. Face the street; or
 - b. Be at an angle up to 45 degrees from the street; and
 - c. Open onto a covered porch that is at least 30 square feet with a minimum depth of five feet on the front or, in the case of a corner lot, the side of the residence; and
 - d. Be a panel door, glass panel door, or French door. Sliding doors, bifold doors, and pocket doors are not permitted for the primary building entrance.

4. All windows and doors on the primary street facing façade and any secondary street facing facades shall be provided with trim (4-inch minimum nominal width).
5. All facades facing a street shall provide windows and doors with trim (4-inch minimum nominal width) occupying a minimum of ten percent (excluding trim area).
6. A detached garage may not be located closer to the front lot line than the dwelling.

E. *Number of Required Design Elements.*

1. *Primary Street Facing Façade:* Except as provided in subsection (E)(3), The number of design elements required on the primary street facing façade is specified in Table 17.90.150-A.

Table 17.90.150-A: Number of Required Design Elements

<i>Garage Width Percent (Street Facing Attached Garage)</i>	<i>Number of Required Design Elements</i>
Up to 50 percent	5 elements
Greater than 50 percent and up to 60 percent	6 elements
Greater than 60 percent and up to 70 percent or a garage under home design	7 elements
<i>Other Garage Types</i>	<i>Number of Required Design Elements</i>
Garage door 90 degrees to street	3 elements plus windows occupying 10 percent of garage wall facing the street
Detached Garage (An independent, self-supporting structure separated from the dwelling by at least 6 feet)	4 elements plus 4 elements on the garage
Rear-Loaded Garage or no Garage	4 elements

2. *Secondary Street Facing Facades:* All additional street facing facades shall provide a minimum of three design elements.
3. Manufactured homes and prefabricated dwellings shall provide a minimum of four design elements, regardless of the garage width percent.

Ordinance 2025-32 Findings

Statewide Planning Goal 1. Citizen Involvement

It is the purpose of this goal to develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Comprehensive Plan Consistency:

The following civic engagement goal from the Sandy Comprehensive Plan is supportive of Goal 1 and applicable to the proposed amendments:

- ***Goal 1 – Implement and maintain a culture of public involvement by providing a broad array of inclusive engagement opportunities for all Sandy community members.***

Supportive Findings:

Sandy held a joint City Council-Planning Commission work session on February 18, 2025, to discuss the draft amendments. The community was able to provide comments on the amendments during this meeting as well.

Sandy is holding public hearings with the Planning Commission on October 27, 2025, and City Council on November 17, 2025. These hearings are open to the public and will provide an opportunity for community members to comment on the amendments. Notice of the two hearings was published in the Sandy Post, posted on the City's website, and promoted in the monthly City Newsletter. Notice was provided to the Department of Land Conservation and Development on September 19, 2025.

Conclusion: Goal 1 is satisfied

Statewide Planning Goal 2. Land Use Planning

It is the purpose of this goal to establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to ensure an adequate factual base for such decisions and actions.

Comprehensive Plan Consistency:

The Sandy Comprehensive Plan establishes the policy framework as the basis for land use decisions, including those related to providing for needed housing. The recommended policy and regulatory updates will help promote a variety of housing types by helping to facilitate prefabricated, modular, and manufactured housing development that will utilize the City's residential land supply in an efficient manner.

- ***Goal 32 – Maintain a process and policy framework for land use planning and ensure an adequate factual base for land use decisions and actions.***

Supportive Findings:

The proposed amendments are necessary for consistency with Oregon Revised Statutes related to land use planning (ORS 197 and 197A). The amendments will help ensure Sandy is in compliance with ORS 197.478, which requires local governments to allow prefabricated structures on any lot that allows single-family detached housing as well as in manufactured dwelling parks. In addition, the proposed amendments are consistent with state rules for clear and objective requirements for housing, pursuant to ORS 197A.400.

The findings of fact identified herein establish the factual base for the City's decision to amend the Code. These amendments are subject to public notice, prior to hearings before the Planning Commission and the City Council. Thus, a well-established planning process and policy framework exists within the City and has been utilized to create, consider, and ultimately adopt the proposed amendments.

Conclusion: Goal 2 is satisfied

Statewide Planning Goal 7. Areas Subject to Natural Disasters and Hazards

It is the purpose of this goal to protect people and property from natural hazard.

Comprehensive Plan Consistency:

The following goals from the Sandy Comprehensive Plan are supportive of Goal 7 and applicable to the proposed amendments:

- **Goal 18** – Prepare Sandy residents and business owners for wildfire.
- **Goal 19** – Prepare Sandy residents and business owners for earthquakes, floods, landslides, and other extreme weather events.
- **Goal 20** – Protect public and physical assets of the community from natural hazards.

Supportive Findings:

Statewide Planning Goal 7 requires jurisdictions to apply appropriate safeguards when planning for development in areas subject to natural disasters or floods. The proposed code amendments do not include any changes to the regulations that implement Goal 7 requirements, which includes the City's Flood and Slope Hazard (FSH) Overlay regulations (SMC 17.60). The development restrictions and standards in these regulations that are intended to minimize risk apply to housing development, including prefabricated and manufactured housing.

Conclusion: Goal 7 is satisfied

Statewide Planning Goal 9. Economic Development

It is the purpose of this goal to provide adequate opportunities throughout the state for a variety of economic activities liable to the health, welfare, and prosperity of Oregon's citizens.

Comprehensive Plan Consistency:

The following Economic Development goal from the Sandy Comprehensive Plan is supportive of Goal 9 and applicable to the proposed amendments:

- **Goal 33** – *Provide opportunities for a diverse range of businesses to thrive in Sandy, ensuring broader access to economic opportunity and maintaining Sandy’s high quality of life consistent with the Economic Development Strategic Plan.*

Supportive Findings:

The proposed amendments will remove regulatory barriers for the development of prefabricated and manufactured housing products, thereby enabling additional housing options to be developed in Sandy. Improving opportunities for a broader range of housing types, including those that can help provide for workforce housing, is one way in which Sandy can provide a supportive environment for the development and expansion of desired businesses and industry.

Conclusion: *Goal 9 is satisfied*

Statewide Planning Goal 10. Housing

It is the purpose of this goal to provide for the housing needs of citizens of the state.

Comprehensive Plan Consistency:

The following Housing goals from the Sandy Comprehensive Plan are supportive of Goal 10 and applicable to the proposed amendments:

- **Goal 37** – *Maintain an adequate supply of developable land to allow for the development of a balance of diverse housing types, providing opportunities for people to live and work in Sandy and meet the forecast of population growth over the next 20 years.*
- **Goal 38** – *Provide residential districts that allow diverse housing types, including opportunities for mixed-use development.*
- **Goal 39** – *Provide opportunities for and support development of housing at prices that meet the needs of current and future residents of Sandy.*

Supportive Findings:

Goal 10 requires jurisdictions to encourage the availability of adequate numbers of needed housing units in price ranges and rent levels commensurate with the financial capabilities of the jurisdiction’s households, and to allow for flexibility of housing location, type, and density. Goal 10 defines needed housing types as “all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes.”

Local code amendments are proposed to expand the community’s housing options by removing regulatory barriers to the development of prefabricated and manufactured housing

products, as well as changing or adding provisions to better support opportunities for more affordable housing, including units constructed of mass timber. Smaller housing units, the components of which are manufactured off-site efficiently, may be more affordable than larger, site-built units. Facilitating construction of prefabricated and manufactured housing will enable more housing choices within existing and new neighborhoods, consistent with Goal 10's requirements around housing flexibility and may result in housing that is more affordable than existing options.

Conclusion: *Goal 10 is satisfied*

Statewide Planning Goal 14. Urbanization

It is the purpose of this goal to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Comprehensive Plan Consistency:

The following goal from the Comprehensive Plan is supportive of Goal 14 and applicable to the proposed amendments:

- ***Goal 30 – Promote efficient development within Sandy's Urban Growth Boundary (UGB) to accommodate long-range population and employment growth, minimize the cost of providing public services and infrastructure, and protect resource land.***

Supportive Findings:

The proposed amendments support sustainable residential growth, fully utilized planned residential land, and efficient land use patterns that discourage low-density sprawl. The amendments also support residential land use patterns and housing types that take full advantage of Sandy's zoned residential land. This means that land that is meant for providing homes is used efficiently, with the possibility for more homes in closer proximity to existing goods and services, thereby reducing the need for vehicular travel and dependency on the private automobile. Reducing barriers to, and creating more opportunities for, prefabricated and manufactured housing can also facilitate efficient provision of public services and facilities and permit building configurations which increase efficient energy use. The proposed amendments allow for housing options that have the potential to be more affordable for the community and that use residential land more efficiently within the urban growth boundary.

The proposed amendments support housing types that tend to be developed efficiently and in compact patterns. These housing types are suitable for infill development and support efficient use of residential land that is within the existing urban growth boundary. These housing types will help the City meet its housing needs, providing greater choice while at the same time helping to alleviate pressure on finding additional land to urbanize in order to accommodate anticipated growth.

Conclusion: Goal 14 is satisfied

CONCLUSIONS

The findings for all applicable Statewide Land Use goals show that the proposed code amendments conform with State policy and meets this criterion.

The proposed code text amendments are consistent with the Comprehensive Plan policies and the Statewide Planning Goals and will be considered through a legislative approval process, consistent with procedures in the City's adopted Development Code. In particular, the proposed amendments to remove barriers to prefabricated and manufactured housing will support Statewide Planning Goal 10 to provide for the housing needs of residents and will support the City's policies to provide a variety of housing choices to meet the needs of a wider range of households.