



# PLANNING COMMISSION MEETING

Monday, June 22, 2026 at 6:30 PM  
Sandy City Hall and via Zoom

## AGENDA

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### 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/83502714820>

Or by phone: (253) 215-8782; Meeting ID: 835 0271 4820

### ROLL CALL

### APPROVAL OF MINUTES

1. Approval of Minutes for May 11, 2026

### 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

2. Director's Report for June 2026

### LEGISLATIVE UPDATE FROM THE CITY ATTORNEY

### COUNCIL LIAISON AND PLANNING COMMISSIONER DISCUSSION

### NEW BUSINESS

3. File No. 26-016 DCA: Chapter 17.74 Legislative Public Hearing
4. File No. 26-019 DCA: Senate Bill 1561 Nonconforming Development Legislative Public Hearing

### ADJOURNMENT

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) or (Email: [recorder@ci.sandy.or.us](mailto:recorder@ci.sandy.or.us)) 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, May 11, 2026**

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

**1. MEETING FORMAT NOTICE: Instructions for electronic meeting**

**2. ROLL CALL**

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

Council Liaison Ramseyer – Present

Staff present: Development Services Director Kelly O’Neill Jr., Senior Planner Patrick Depa, Public Works Director AJ Thorne, City Attorney Josh Soper, Development Services Specialist II Rebecca Markham

**3. APPROVAL OF MINUTES – March 30, 2026**

Chair Malone asked for any edits to the draft minutes. With no edits requested, the minutes were declared approved at 6:31 p.m.

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

None

**5. COUNCIL LIAISON REPORT**

City Councilor Kristina Ramseyer updated the Commission on the Library’s mobile library which is now up and running and has been very successful.

Ramseyer also noted that on May 18, the City Council will hold a public open house in the City Council Chambers to discuss the options and challenges with the wastewater situation. She also noted that the City Council is going after every grant and funding opportunity to help with the wastewater project.

**6. NEW BUSINESS:**

**6.1. Wastewater Facility Plan Amendment and Draft Moratorium 5.0**

**Brief Overview from Director**

Development Services Director Kelly O’Neill Jr. provided a brief overview of the two agenda items which the Planning Commission requested more information on at the March 30 meeting. He explained how this discussion will provide the Commission an opportunity to ask questions and obtain additional information prior to both items moving forward.

On the second agenda item, “Moratorium 5.0,” O’Neill stated that the City notified the Department of Land Conservation and Development (DLCD) on April 1 in accordance with State

Statute. He also explained that Moratorium 5.0 will also include a “lottery allocation program” for the residential ERUs that the City anticipates receiving from the EPA and DEQ later this year. He stated that Moratorium 5.0 will be considered by the City Council at a public hearing on May 18, 2026.

O’Neill introduced Public Works Director AJ Thorne to discuss the Wastewater Facility Plan Amendment.

### **Wastewater Facility Plan Amendment**

Public Works Director AJ Thorne explained that the City analyzed a sewer pipeline to Gresham’s treatment facility, but during the planning process staff realized that costs kept expanding and that potential solution became unaffordable. He also explained that at the end of last year while the City was searching for a more viable and sensible solution, a new house bill was adopted allowing jurisdictions in Oregon to adopt wastewater effluent reuse solution. Thorne stated that California and Washington are already approving “direct injection to groundwater” and believes this could be a good option for Sandy.

Overall, Thorne presented all three “*treatment and discharge alternatives*” that are being discussed by staff and the City Council. He expanded on each option and provided the cost estimates and how many years it would take for each option to fully construct. The three options are:

- 1) Wastewater Treatment Plant (WWTP) expansion and discharge to the Sandy River; or,
- 2) Sewer pipeline to Gresham treatment facility; or,
- 3) WWTP expansion *and* groundwater discharge. It was noted that this option relates to HB 2169 which could pave the way for “direct injection” which so far is the most affordable and viable option.

Thorne’s remaining presentation focused on the “direct injection to groundwater / groundwater discharge” option and expanding the Jarl Road WWTP. He discussed both the advantages and risks and what the phased WWTP expansion would look like. He also showed the Commission a site plan and went through the necessary site upgrades and additions.

Lastly, he expanded on “effluent polishing options” (granular activated carbon vs. reverse osmosis), “proposed effluent discharge concepts”, as well as the “groundwater discharge concept.”

Thorne answered the Commissioners questions and clarified some of his points. City Councilor Ramseyer encouraged the Commissioners to reach out to Thorne to schedule a field trip to the existing treatment plant.

### **Draft Moratorium 5.0**

City Attorney Josh Soper started his presentation by explaining that Draft Moratorium 5.0 is the fifth major iteration of the moratoria. He stated that the primary change in this version of the moratoria is the addition of the “development allocation program” (DAP). Soper stated that he anticipates the City getting approval from the EPA and DEQ to unlock an additional 190 ERU’s of sewer capacity for additional development in the near future. He also stated that Oregon State law requires any city in a development moratorium to provide a program that addresses economic development and housing needs as much as possible. He explained that the City has conducted an analysis to determine overall housing and economic development needs. This analysis was used to determine how many of the 190 ERUs should be allocated to economic

development and housing. In summary, 128 ERUs are proposed to be set aside for economic development and seven (7) ERUs for accessory dwelling units (ADUs), which will both be first come first served. The remaining 42 ERUs will be held for residential uses other than ADUs and will be awarded through a “lottery” program.

O’Neill also explained portions of the resolution. O’Neill also mentioned that any ERUs tied to projects that failed to move forward, will also be added to the 190 ERU’s and distributed the same way through the DAP.

Soper explained that if there’s more ERUs that become available later, a new lottery would be conducted because different people might be interested at that time. Soper also said that the lottery is the first program of its type in Oregon.

Commissioner Wegener asked if the ERU recipients will be under the “normal land use timelines”. Soper stated that those general timelines will still apply but there’s also going to be some additional specified milestones that ensure the ERU recipient is moving forward with their project. Commissioner Wegener also asked when the original ERUs that were allocated will expire and come back to the City for redistribution. Soper clarified that as part of this process, the City aligned all the previously allocated ERUs to expire at the end of 2027, providing applicants with additional time to acquire allocated ERUs.

Chair Malone stated that Draft Moratorium 5.0 was very comprehensive and easy to understand and congratulated everyone who worked on the complex document.

Vice Chair Crosby asked if anyone knew when the City would be back to normal and out of the moratorium. O’Neill stated it could be between 4 and 7 years based on the presentation from Thorne, but there’s just too many unknowns to say an exact timeline.

O’Neill said the next Planning Commission meeting will be on June 22, 2026, with at least one public hearing regarding a code amendment.

Commissioner Lee shared that she had a hard time hearing a lot of the meeting conversation because of the sound joining remotely. She mentioned that she had to put on close captioning and asked if the City plans to fix the sound in the meeting room. O’Neill explained that fixing the sound in the City Council Chambers is a City Council priority and goal. He also noted that the City IT Department and City Administration are working on it.

Lastly, Commissioner Wegener asked staff if an applicant applying for the lottery for a mixed-use project would apply for “commercial” or “residential”. O’Neill stated they would need to apply through both DAPs.

## **7. ADJOURNMENT**

Chair Malone adjourned the meeting at 7:55 p.m.

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Chair Linda Malone

Attest:

\_\_\_\_\_  
Kelly O'Neill Jr.,  
Development Services Director

Date signed: \_\_\_\_\_

DRAFT



# STAFF REPORT

## Planning Commission

Item # 2.

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**Meeting Type:** Planning Commission  
**Meeting Date:** June 22, 2026  
**From:** Kelly O'Neill Jr., Development Services Director  
**Subject:** Director's Report for June 2026

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### Next Meetings:

No Planning Commission meeting in July.

August 24 at 6:30 PM – Two hearings will likely be scheduled.

**Previous and future Development Services Department report content will be posted on the City's WordPress site, here:** <https://reports.cityofsandy.com/planning/>

### Wastewater System Update:

The City Council adopted the wastewater facility plan amendment at their meeting on June 8, 2026. The plan amendment includes the alternative for groundwater discharge. More information can be found here: <https://www.ci.sandy.or.us/publicworks/page/2026-wastewater-facility-plan-amendment>

Additionally, the City Council adopted Moratorium 5.0 (Resolution No. 2026-04) which includes a program on how to allocate 190 ERUs once they are released by the EPA/DEQ. That moratorium can be found here: <https://www.ci.sandy.or.us/publicworks/page/development-moratorium-information>

Moratorium 5.0 went into effect on June 1, 2026, and accomplishes the following:

1. Adopted a "Development Allocation Program (DAP)." The DAP is a detailed program that provides a framework for distribution of wastewater system capacity to developments as it becomes available in the future. During the period this moratorium is in effect, the City anticipates receiving approval from EPA and DEQ to access an additional 190 ERUs of wastewater system capacity based on improvements the City has been making to its wastewater system. The DAP would apply to that capacity, as well as any other capacity that becomes available for distribution because previous capacity allocations have expired. The DAP is based on an analysis of the City's development needs and forecasted growth, which is included as an exhibit to Resolution No. 2026-04.
2. Aligned the expiration dates of existing ERU allocations through one final time extension to December 31, 2027.
3. Clarified provisions relating to ERUs set aside for emergency purposes (e.g. failed septic systems) and a small number remaining in the duplex pool.

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**Meeting Type:** Planning Commission  
**Meeting Date:** June 22, 2026  
**From:** Kelly O'Neill Jr., Development Services Director  
**Subject:** Chapter 17.74 Legislative Public Hearing

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## DECISION TO BE MADE:

Hold a legislative public hearing to discuss proposed development code amendments for temporary uses/structures in Chapter 17.74 of the Sandy Municipal Code and forward a recommendation to the City Council.

## APPLICABLE COUNCIL GOAL:

**6.10:** Continue to improve and refine code language, policies, and practices related to code enforcement.

## BACKGROUND / CONTEXT:

Temporary Uses/structures. In 2023, there was a kitchen fire at the Sandy Family Restaurant which also serves food for Ria's Bar. Staff worked with the property owner to quickly approve and install a food cart to act as the kitchen for Ria's Bar while Sandy Family Restaurant was remodeled. During this time, City Administration asked for staff to work on updates to the temporary use and temporary structure code in Section 17.74.60. The existing temporary use and temporary structure code is very short and doesn't adequately cover many situations. The proposed code modifications incorporate standards that are commonly integrated into the findings and conditions for temporary uses and structures.

## Meeting History:

- November 23, 2015: The Planning Commission held a [work session](#) to discuss municipal code amendments, including fences and retaining walls.
- November 27, 2023: The Planning Commission held a [work session](#) to discuss municipal code amendments. The work session included prioritization of code amendments, which included input from the Commission that code amendments from the City Council and City Administration should be completed first.
- On June 10, 2024: The Planning Commission held a [work session](#) to discuss code amendments for fences/retaining walls and temporary uses/structures.
- On May 27, 2025: The Planning Commission held a [second work session](#) to discuss the code amendments for fences/retaining walls and temporary uses/structures.
- On March 16, 2026: The City Council held a [work session](#) to discuss code amendments for fences/retaining walls and temporary uses/structures.

## **KEY CONSIDERATIONS / ANALYSIS:**

The Development Services Department routinely issues temporary use permits for events, such as the Mount Hood Farmers Market or the Sandy Invitational Chainsaw Carving Event. Temporary structure permits are more routinely issued for construction trailers and temporary storage.

Temporary uses. The primary edits are related to the following:

- Added a carve out for the Mt. Hood Farmers Market or any substantially similar event as approved by the City Manager to be permitted for 200 days, as requested by the City Council at the March 16, 2026, work session.
- Added that fabric structures may be permitted with the temporary use permit approval.
- Added parking lot, ADA parking, and traffic disruption provisions.
- Added references to Title 8 for amplified music and Title 15 for signage.
- Added fabric structure provisions as they relate to temporary uses.
- Added Oregon Fire Code provision.
- Added clarity to the renewal process and the maximum number of extensions that can be granted by the Director.

Temporary structures. The primary edits are related to the following:

- Expanded allowances for temporary structures such as for construction of parks and in conjunction with an emergency.
- Added that the Building Official has discretion to waive ingress and egress requirements.
- Added provisions that utility services and plans are only required if utilities are needed. This was modified after the March 16, 2026, work session as requested by the City Council.
- Added that temporary structures shall not be recreational vehicles and shall be maintained in good condition as requested by the Commission.
- Added that temporary structures may be sited immediately during emergencies that are declared by the United States Federal Government, the State of Oregon, the City of Sandy, or their designee. Similar to the hazardous tree provisions in Chapter 17.102, the agency that placed the temporary structure has to apply for a temporary structure permit within seven days of placement. This was modified after the March 16, 2026, work session as requested by the City Council.
- Added clarity to the renewal process and the maximum number of extensions that can be granted by the Director.

Portable outdoor storage units. The primary edits are related to the following:

- Added a definition for portable outdoor storage units as requested by the Commission.
- Added clarity on where portable outdoor storage units may be placed.

## **BUDGET IMPACT:**

Staff and City Attorney expenses that have already been incurred.

**RECOMMENDATION:**

Staff recommend that the Planning Commission discuss the proposed code modifications and forward a recommendation to the City Council for their legislative public hearing.

**LIST OF ATTACHMENTS / EXHIBITS:**

Ordinance No. 2026-10

- Exhibit A. Section 17.74.60. modifications
- Exhibit B. Findings



ORDINANCE NO. 2026-10

**AN ORDINANCE UPDATING THE CITY’S REGULATIONS ON TEMPORARY USES AND STRUCTURES IN CHAPTER 17.74**

**WHEREAS**, in 2023, in response to a kitchen fire at a Sandy restaurant, City Administration asked for staff to work on updates to the temporary use and temporary structure code in Section 17.74.60; and

**WHEREAS**, the proposed code modifications incorporate standards that are commonly integrated into the findings and conditions for temporary uses and structures; and

**WHEREAS**, the Planning Commission held work sessions on June 10, 2024, and May 27, 2025, and the City Council held a work session on March 16, 2026; and

**WHEREAS**, the Planning Commission held a public hearing on June 22, 2026, allowing the public an opportunity to provide testimony on the proposed code amendments; and

**WHEREAS**, the City Council held a public hearing on August 3, 2026, allowing the public an opportunity to provide testimony on the proposed code amendments.

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

Section 1. Sandy Municipal Code Chapter 17.74 is hereby 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 on this 3rd day of August 2026.

\_\_\_\_\_  
Kathleen Walker, Mayor

ATTEST:

\_\_\_\_\_  
Jeffrey Aprati, City Recorder

Title 17 - DEVELOPMENT CODE  
CHAPTER 17.74 ACCESSORY DEVELOPMENT—ADDITIONAL PROVISIONS AND PROCEDURES

**Sec. 17.74.60. Temporary uses or structures.**

A. *Temporary Uses.* Temporary uses, as defined in Chapter 17.10—Definitions, not located within a structure (except for fire-retardant fabric structures), may be permitted for a period not to exceed 90 days, provided a temporary use permit is first obtained under the Type I procedure. Notwithstanding the foregoing sentence, the Mt. Hood Farmers Market or any substantially similar event, as approved by the City Manager, may be permitted for a period not to exceed 200 days. Temporary use permits shall meet all the following standards:

1. The temporary use shall be located within the boundaries of the property and not located in the right-of-way unless the City approves the use in the right-of-way under a separate process.
2. The temporary use shall not interfere with ADA compliant parking spaces and vehicles shall not be parked on unimproved surfaces, such as grass, unless permitted by the temporary use approval.
3. The temporary use shall be monitored by the applicant to ensure there is no disruption to traffic or adverse impacts to surrounding properties.
4. The temporary use shall comply with Title 8 of the Sandy Municipal Code regarding music and amplified music.
5. The temporary use shall comply with Title 15 of the Sandy Municipal Code regarding signage.
6. If the temporary use includes a fabric structure(s), the fabric structure shall be secured at all corners to prevent being blown by the wind. The securing system used shall not penetrate any parking lot surfaces or damage any trees or landscaping. A fabric structure associated with a temporary use does not have to adhere to the temporary structure requirements in subsection B. of this code section, except that ingress and egress shall be maintained for ADA access.
7. The use shall continuously meet the requirements of the Oregon Fire Code, Chapter 31.

When a temporary use permit expires, the applicant shall return the site to pre-temporary use conditions within 24 hours of permit expiration. The renewal of a temporary permit shall be processed under the Type II procedure and shall be applied for at least 30 days prior to the expiration of the temporary use permit. The temporary use may remain in place until the Type II renewal procedure is completed. The Director may grant one extension through a Type II procedure not to exceed 90 days.

B. *Temporary Structures.* Temporary structures in connection with the building or sale of dwellings and land, ~~and~~ construction of industrial or commercial facilities, construction of parks, or in connection with an emergency (e.g., a commercial kitchen fire or natural disaster), may be permitted, for a period not to exceed ~~one three hundred and sixty-five (365) days~~ (1) year, provided a temporary structure permit is first obtained under the Type I procedure. ~~Renewal of a temporary permit shall be processed under the Type II procedure.~~ Temporary structure permits shall meet all the following standards:

1. Temporary structures shall be located within the boundaries of the property, not located in the right-of-way, and shall not include any overnight accommodation, except in the event of an emergency that requires temporary housing accommodation as defined in Section 17.74.60.B.6.
2. Setbacks, height requirements, and other locational standards for structures in the applicable underlying zoning district shall be met for any temporary structure.
3. Ingress and egress to the temporary structures shall meet the requirements of the latest edition of the Oregon Building Codes, unless waived by the Building Official.

4. When the City, in its sole discretion, determines that public utilities are necessary to serve the temporary structure, the temporary structure shall be served by public utilities for sanitary sewer and water needs, and franchise utilities for applicable service needs.
5. Temporary structures shall not be recreational vehicles as defined in Chapter 17.10, shall be maintained in good condition to present a healthy, neat, and orderly appearance, and shall be kept free of refuse and debris.
6. In the event of an emergency that is declared by the United States Federal Government, the State of Oregon, the City of Sandy, or their designee, the public agency declaring the emergency may place temporary structures associated with the emergency immediately without the approval via a Type I procedure. The agency that placed the temporary structures shall apply for a temporary structure permit within seven days following the placement of the temporary structures.

When a temporary structure permit expires, the applicant shall remove the temporary structures from the site within 24 hours of permit expiration. The renewal of a temporary structure permit shall be processed under the Type II procedure and shall be applied for at least 30 days prior to the expiration of the temporary structure permit. The temporary structure may remain in place until the Type II renewal procedure is completed. The Director may grant one extension through a Type II procedure not to exceed three hundred and sixty-five (365) days.

- C. *Portable Outdoor Storage Unit.* For purposes of this section, a "portable outdoor storage unit" is defined as an enclosed container that is transported and is normally used for the short-term storage of items and materials associated with a move into or from the primary use on the property.

Portable outdoor storage units may be placed on private property ~~and~~ without a permit, including within the setback areas, for not more than 60 days (any portion of a day, between 12:00 a.m. and ending at 11:59 p.m., shall be counted as a day) within any 12-~~month~~ period. Portable outdoor storage units shall not be ~~located~~ placed in the public right-of-way unless the Public Works Department approves the siting of the storage unit and shall not restrict access to any walkway, sidewalk, or utility box/cleanout/manhole.

## **Ordinance 2026-10 Findings**

### **Goal 1: Citizen Involvement**

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

***Findings:*** The City 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 April 24, 2026.

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

### **Goal 2: Land Use**

This goal 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 basis and follow their plan when making decisions on appropriate zoning.

***Findings:*** The code amendments incorporate standards that are commonly integrated into the findings and conditions for temporary uses and structures. These amendments will improve and refine code language, policies, and practices related to approval of temporary uses and structures and provide clarity on code provisions for applicants.

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

### **Goal 9: Economic Development**

This goal calls for adequate opportunities throughout the state for a variety of economic activities to promote the health, welfare, and prosperity of Oregon's citizens.

***Findings:*** The code amendments provide clarity on code provisions for events that produce economic activity in Sandy, while also carving out unique time allowances for farmers markets. The modifications also clarify provisions in regard to the Oregon Fire Code and the ADA access code, helping business owners stay in compliance while also enhancing safety and access for customers and employees.

***Conclusion: Goal 9 Economic Development requirements are met.***

### **Goal 10: Housing**

This goal calls for an adequate housing supply to ensure opportunity for and promotion of the provision of adequate numbers of needed housing units and the efficient use of land within a city's urban growth boundary.

***Findings:*** These amendments provide a process for immediate siting of temporary housing during emergencies that are declared by the United States Federal Government, the State of Oregon, the City of Sandy, or their designee. The amendments also clarify that temporary structures shall not be recreational vehicles and shall be maintained in good condition.

***Conclusion: Goal 10 Housing requirements are met.***



# STAFF REPORT

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**Meeting Type:** Planning Commission  
**Meeting Date:** June 22, 2026  
**From:** Kelly O'Neill Jr., Development Services Director  
**Subject:** Senate Bill 1561 Nonconforming Development

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**DECISION TO BE MADE:**

Hold a legislative public hearing to discuss proposed code amendments in Chapter 17.08 of the Sandy Municipal Code related to Senate Bill 1561.

**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:**

In 2026, the Oregon legislature adopted Senate Bill 1561, essentially extending and expanding a law that was written for the 2020 fires to all natural disasters. Specifically, it requires a city or county to approve an application, without conditions, to "restore or replace" a dwelling that is "damaged or destroyed by a natural or involuntary event," if the former dwelling meets certain statutory requirements.

Further, the new dwelling must (1) not exceed the former dwelling floor area by more than 25%, (2) be adequately served by utilities, (3) be located wholly or partially within the footprint of the former dwelling, and (4) comply with building codes that were in effect when the building was damaged or destroyed.

An application under this bill must be filed within three years following the event, and the construction of the new dwelling must commence no later than four years after application approval.

**KEY CONSIDERATIONS / ANALYSIS:**

City staff were advised by the City Attorney that compliance with Senate Bill 1561 requirements could be accomplished by adding a new section to Chapter 17.08 Nonconforming Development in Title 17 of the Sandy Municipal Code. The primary modifications to Chapter 17.08 are included in a new section titled "Sec. 17.08.50. Statutorily Required Restoration or Replacement." With these revisions, the City would be in compliance with the requirements on Senate Bill 1561.

**BUDGET IMPACT:**

Staff and City Attorney expenses that have already been incurred.

**RECOMMENDATION:**

Staff recommend that the Planning Commission hold a legislative public hearing, discuss the proposed code modifications, provide staff with suggested edits, and make a recommendation to the City Council.

**LIST OF ATTACHMENTS / EXHIBITS:**

Draft Ordinance No. 2026-17

- Exhibit A. Chapter 17.08 modifications
- Exhibit B. Findings



## ORDINANCE NO. 2026-17

**AN ORDINANCE UPDATING THE CITY'S REGULATIONS ON NONCONFORMING DEVELOPMENT IN SANDY MUNICIPAL CODE CHAPTER 17.08**

**WHEREAS**, in 2026, the Oregon legislature adopted SB 1561 relating to restoration of dwellings damaged by involuntary causes such as wildfires and other natural occurring events; and

**WHEREAS**, SB 1561 requires local governments to approve restoration or replacement of dwellings rendered uninhabitable under an alternative process that is not a land use decision; and

**WHEREAS**, with adoption of SB 1561 the City Attorney reviewed Chapter 17.08 Nonconforming Development in Title 17 of the Sandy Municipal Code and identified multiple sections that were not aligned with ORS 215.213, 215.283, and 215.755; and

**WHEREAS**, with the proposed revisions to Chapter 17.08, the City would be in compliance with the requirements of SB 1561 and the modified Oregon Revised Statutes; and

**WHEREAS**, the Planning Commission held a public hearing on **June 22, 2026**, allowing the public an opportunity to provide testimony on the proposed code amendments; and

**WHEREAS**, the City Council held a public hearing on **August 3, 2026**, allowing the public an opportunity to provide testimony on the proposed code amendments.

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

Section 1. Sandy Municipal Code Chapter 17.08 is hereby 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 on this **3rd day of August 2026**.

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Kathleen Walker, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder

Title 17 - DEVELOPMENT CODE  
CHAPTER 17.08 NONCONFORMING DEVELOPMENT

## CHAPTER 17.08 NONCONFORMING DEVELOPMENT<sup>1</sup>

### Sec. 17.08.00. Intent.

These regulations are intended to permit nonconforming uses and structures to continue, but not to encourage their perpetuation. The regulation of nonconforming development is intended to bring development into conformance with this Code and the Comprehensive Plan.

As used in this chapter, nonconforming development includes nonconforming structures and nonconforming uses. A nonconforming structure is a structure that does not fully comply with the zoning district provisions because of setbacks, building height, off-street parking, or with some other standard of the district.

Within the zoning districts established by this Code, development may exist that was lawful at the time it began, but would be prohibited in the future under the terms of this Code or future amendments.

In order to avoid undue hardship, nothing in this Code shall be deemed to require a change in the plans, construction, or designated use of any building on which actual substantial construction was lawfully begun prior to the effective date of adoption or amendment of this Code and upon which actual building construction has been carried on diligently. Construction is considered to have started if excavation, demolition, or removal of an existing building has begun in preparation of rebuilding, and a building permit has been acquired, prior to the effective date of adoption or amendment of this Code.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

### Sec. 17.08.10. General provisions.

- A. *Alterations of a Nonconforming Use.* No building, structure, or land area devoted to a nonconforming use shall be enlarged, extended, reconstructed, moved, or structurally altered unless such development conforms to the provisions of this Code. Nothing in this chapter shall be construed to prohibit normal repair, maintenance, and nonstructural alterations to such development, nor the alteration, strengthening, or restoration to safe condition as may be required by law.
- B. *Alteration of a Nonconforming Structure.* Where the use of a structure is permitted by the applicable development district but the structure is nonconforming, an alteration, expansion, enlargement, extension, reconstruction, or relocation may be administratively approved if the improvement, evaluated separately from the existing structure, would be in compliance, and is not within a vision clearance area, [or the structure otherwise complies with Section 17.08.50.](#)

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

### Sec. 17.08.20. Discontinuance of a nonconforming use.

Whenever a nonconforming use is discontinued for more than one year, further use shall be in conformity with the provisions of this Code. For purposes of this Code, rental payments or lease payments and taxes shall not

<sup>1</sup>Editor's note(s)—Pre-republication, this chapter was last revised by Ord. No. 2013-11, effective December 18, 2013. Any amendments occurring post-republication have a history note in parenthesis at the bottom of the amended section.

{01020270; 1 }

be considered a continued use. "Discontinued" shall mean nonuse and shall not require a determination of the voluntary or involuntary nature of the discontinuance or the intent to resume the nonconforming use.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

### **Sec. 17.08.30. Damage to a nonconforming use.**

Except as provided in Section 17.08.50, if a structure with a nonconforming use is damaged by any means to an extent exceeding 80 percent of its most recent, pre-damage assessed valuation as indicated by the Clackamas County Assessor's office, any future development on the site shall conform to the requirements of the zoning district in which it is located.

~~(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)~~

### **Sec. 17.08.40. Reclassification to conditional development.**

Whenever a nonconforming use is classified as a use that may be permitted conditionally, it shall be reclassified as conforming upon receipt of an approved conditional use permit in accordance with Chapter 17.68.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

### **Sec. 17.08.50. Statutorily Required Restoration or Replacement.**

A. As required by state law, if a nonconforming dwelling meets the following criteria, then the City shall approve an application to restore or replace it:

1. The former dwelling is damaged or destroyed by a natural or involuntary event; and
2. The former dwelling had intact exterior walls and roof structure; and
3. The former dwelling had indoor plumbing consisting of a kitchen sink, toilet, and bathing facilities connected to a sanitary waste disposal system; and
4. The former dwelling had interior wiring for interior lights; and
5. The former dwelling had a heating system; and
6. The former dwelling was authorized by building permits; or
7. The former dwelling was authorized by other regulatory approval process by the appropriate authority, or was assessed as a residential dwelling for purposes of ad valorem taxation for the tax year beginning on July 1, 10 years before the date of the application, and is not subject to unresolved enforcement proceedings challenging the lawfulness of the dwelling; and
8. The proposed dwelling will not exceed the floor area of the former dwelling by more than twenty-five percent; and
9. The proposed dwelling will be adequately served by water, sanitation and roads; and
10. The proposed dwelling will be located wholly or partially within the footprint of the former dwelling unless necessary to comply with local flood regulations or to avoid a natural hazard area, in which case the applicant may choose a suitable location on the same lot or parcel; and
11. The proposed dwelling will comply with applicable building codes that were in effect on the date the dwelling was damaged or destroyed.

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(Supp. No. 5, Update 4)

- B. The applicant shall remove the damaged dwelling, demolish the damaged dwelling, incorporate the damaged dwelling into the replacement dwelling, or convert the damaged dwelling into a nonresidential use, within three months after the replacement dwelling is certified for occupancy.
- C. The applicant shall file an application under this section within three years following the date of the natural or involuntary event.
- D. The applicant shall commence construction of a replacement dwelling approved under this section no later than four years after approval of the application under this section.
- E. The City's findings in approving an application under this section are not land use decisions and are subject to review only under ORS 34.010 to 34.100. Notice of the application and decision shall be provided in accordance with Section 17.22.10. The City's findings and conclusions are entitled to deference if there is any evidence to support the findings.

### **Sec. 17.08.650. Exceptions.**

- A. *Multi-Family Dwellings, Office Uses, Automotive Fueling Stations, Car Washes, and Retail Auto Dealerships in the C-1 Zoning District.*
1. Multi-family dwellings in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
  2. Office uses in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
  3. Automotive fueling stations and car washes in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
  4. Retail auto dealerships in existence as of September 30, 1997, shall not be classified as nonconforming development. Redevelopment of the existing dealership shall require compliance with current landscaping, lighting and access requirements. Expansion of an existing dealership shall be permitted only on property contiguous to the existing auto dealership and in the same ownership as the auto dealership on the effective date of the ordinance from which this chapter is derived. Expansion shall be processed as a conditional use permit. If the existing auto dealership building is proposed to be altered or if a new building is proposed to be constructed on the expansion property, the entire dealership shall be required to conform to current applicable criteria and standards in the Sandy Development Code. If the expansion is proposed to include only parking for the display of automobiles, landscaping, light standards and signage, only the expansion property shall be required to conform to current applicable criteria and standards in the Sandy Development Code.
- B. *Self-Service Storage in the C-1, C-2, and I-1 Zoning Districts.*
1. Self-service storage facilities in the C-1 or C-2 zoning districts in existence as of February 16, 2023, shall not be classified as nonconforming development. Permitted expansion of an existing self-service storage facility shall be limited to an increase in building footprint of 20 percent and shall be permitted only on the subject property.
  2. Self-service storage facilities in the I-1 zoning district in existence as of February 16, 2023, shall not be classified as nonconforming development. Expansion of an existing self-service storage facility shall be permitted only on the same property or on property contiguous to and in the same ownership as the existing self-service storage facility as of February 16, 2023. If the existing self-service storage building

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is proposed to be altered or expanded on the subject property or if a new building is proposed to be constructed on the subject property, the application shall be processed as a conditional use permit.

- C. *Nonconforming Duplexes.* Where a duplex is a nonconforming building type in the zoning district where it is located and has been damaged as described in 17.08.30 above, a duplex may be reconstructed provided such reconstruction commences within one year of the damage and complies with required development standards.
- D. *Nonconforming Lots.* An existing legal lot may not meet the lot size requirements of the zoning district in which it is located. Such a lot may be occupied by a use permitted in the district. If, however, the lot is smaller than the size required in its district, residential use shall be limited to a single detached dwelling or duplex or to the number of dwelling units consistent with density requirements of the district. Also, other applicable requirements of the zoning district must be met.
- E. *Street and Drainageway Dedications.* The act of conveyance to or appropriation by the City for street, drainage, or other public purposes shall not in itself render as nonconforming the use of land, structure, or other improvement maintained upon a lot.
- F. *Residential Uses.* Any residential dwelling permitted prior to adoption of this Code, but which is no longer allowed as a new use, may be modified or enlarged, provided it complies with required development standards of the district.
- G. *Legally Required Alterations.* Alterations of any nonconforming use shall be permitted when necessary to comply with any lawful requirement for alteration in the use.

(Ord. No. 2000-02, 2000; Ord. No. 2022-26, § 1(Exh. A), 1-17-2023; Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

## Ordinance 2026-17 Findings

### Goal 1: Citizen Involvement

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

***Findings:*** The City held public hearings before both the Planning Commission and the 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 May 15, 2026.

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

### Goal 2: Land Use

This goal 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 basis and follow their plan when making decisions on appropriate zoning.

***Findings:*** The proposed code amendments provide the development community with a clear understanding of an approval process that was previously not aligned with ORS 215.213, 215.283, and 215.755 for dwellings damaged by involuntary causes. These amendments will update the local municipal code to align with ORS requirements requiring local governments to approve restoration or replacement of dwellings rendered uninhabitable under an alternative process that is not a land use decision. With approval of these amendments the City will now be in compliance with SB 1561.

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

### Goal 10: Housing

This goal calls for an adequate housing supply to ensure opportunity for and promotion of the provision of adequate numbers of needed housing units and the efficient use of land within a city's urban growth boundary. Additionally, this goal aims to promote safe, accessible, and affordable housing options for all Oregonians in their communities of choice, in alignment with the Affirmatively Furthering Fair Housing mandate.

***Findings:*** SB 1561 introduces new provisions for the purpose of addressing issues surrounding the effects of wildfires and other natural occurring events. These amendments update the City's regulations to allow an owner a separate path to restore a destroyed home. The amendments will comply with ORS 215.213, 215.283, and 215.755, and associated administrative rules, which impose the right to rebuild a non-conforming dwelling where prior to these amendments it would not have been allowed. In addition, these amendments provide a process to rebuild and maintain housing stock during emergencies that are declared by the United States Federal Government, the State of Oregon, or the City of Sandy.

***Conclusion:*** *Goal 10 Housing requirements are met.*