



MINUTES
City Council Meeting
Monday, March 15, 2021 6:00 PM

COUNCIL PRESENT: Stan Pulliam, Mayor, Jeremy Pietzold, Council President, Laurie Smallwood, Councilor, Richard Sheldon, Councilor, Kathleen Walker, Councilor, Carl Exner, Councilor, and Don Hokanson, Councilor

COUNCIL ABSENT:

STAFF PRESENT: Jordan Wheeler, City Manager, Jeff Aprati, City Recorder, Sarah Richardson, Community Services, Tyler Deems, Deputy City Manager / Finance Director, Mike Walker, Public Works Director, Shelley Denison, Associate Planner, Greg Brewster, IT/SandyNet Director, David Doughman, City Attorney, Emily Meharg, Senior Planner, and Kelly O'Neill, Development Services Director

MEDIA PRESENT: Sandy Post

1. MEETING FORMAT NOTE

The City Council conducted this meeting electronically using the Zoom video conference platform. A video recording of the meeting is available on the City's YouTube channel: https://www.youtube.com/channel/UCbYEclgC6VW_mV2UJGyvYfg

2. CITY COUNCIL WORK SESSION - 6:00 PM

2.1. Affordable Housing Options
ECONorthwest Presentation

Staff Report - 0389

Beth Goodman with ECONorthwest provided a presentation regarding policy options to create additional affordable housing units in the community. A memorandum detailing multiple policy strategies and their anticipated impacts was included in the agenda packet. Ms. Goodman's presentation slides were also included in the agenda packet.

Council Members asked clarifying questions with regard to the following issues:

- Housing supply and cost drivers in the local real estate market

- Income thresholds used to calculate assistance eligibility
- Strategies to ensure that affordable units are actually constructed within developments and intended goals are achieved
- Which of the policy tools discussed have proven most effective in other communities
- Whether additional multifamily units currently being planned and developed will help to address supply pressures

Additional observations were made regarding the Council's efforts to address affordable housing challenges over past years.

3. CITY COUNCIL MEETING - 7:00 PM

4. Pledge of Allegiance

5. Roll Call

6. Changes to the Agenda

7. Public Comment
(none)

8. Response to Previous Public Comments

The **City Manager** noted that the City is aware of the cost escalation of the Portland Water Bureau's project, and that bulk water purchases will be discussed at an upcoming work session in May.

9. Presentation

9.1. **Grid Resilience / Emergency Management**
Portland General Electric

Maria Pope (President and CEO), Bill Messner (Director of Wildfire Mitigation & Resiliency), Nick Loos (Director of Plan Renewable Operations), and Eric Underwood (Local Government Affairs Manager) of Portland General Electric delivered a presentation to the Council regarding electric grid resilience and emergency management. Their presentation slides were included in the agenda packet.

Council Members inquired about the following issues:

- The likelihood of future public safety-related power shutoffs
- Opportunities to collaborate in managing trees to minimize impacts on power infrastructure, while also realizing ecological benefits

- The extent of the damage caused by fires during September 2020
- Resiliency of the power grid and segmentation in case of damage
- Considerations related to solar farms and possible backup power storage

10. Consent Agenda

10.1. City Council Minutes

10.2. Pre-Purchase Equipment for Existing Wastewater Treatment Plant Condition Assessment Improvements Project

Staff Report - 0395

Moved by Don Hokanson, seconded by Laurie Smallwood

Approve the Consent Agenda

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

11. Ordinances

11.1. PUBLIC HEARING: Rogue Fabrication Zone Change

Ordinance 2021-04
Land Use File: 20-041

Staff Report - 0393

Abstentions
none

Conflicts of Interest

Mayor Pulliam noted his existing relationship with the applicant, but expressed his ability to remain neutral.

Ex Parte Contact

Councilor Exner noted that he visited the site. **Mayor Pulliam** noted that he spoke with the applicant generally about the project concept before any application was filed.

Challenges to the Hearing Body

none

Staff Report

The **Associate Planner** summarized the staff report. Her presentation slides were included in the agenda packet.

Applicant Presentation

The applicant provided additional detail regarding the proposed fabrication business, and the necessity of changing the zoning to make the enterprise feasible because of building design requirements. Additional explanation was provided on the construction phases, and the applicant noted that the City's Economic Opportunities Analysis calls for small scale manufacturing. He emphasized the living wage jobs he intends to create.

Public Testimony

In Favor

none

Opposed

none

Neutral

none

Council Discussion

The Council expressed appreciation for the applicant's proposal and celebrated the benefits anticipated to be realized in the community.

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Close the public hearing.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Laurie Smallwood, seconded by Kathleen Walker

Approve the first reading of Ordinance 2021-04.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Carl Exner, seconded by Jeremy Pietzold

Approve the second reading of Ordinance 2021-04.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

11.2. **PUBLIC HEARING: House Bill 2001 Code Amendments**

11 - 38

Ordinance 2021-03

Land Use File: 20-032 DCA

Staff Report - 0388

Abstentions

none

Conflicts of Interest

none

Staff Report

Sean Edging of the Department of Land Conservation and Development provided a presentation regarding the context, purpose, and requirements of House Bill 2001; his presentation slides were included in the agenda packet. The **Senior Planner** summarized the proposed code changes; her presentation slides are also attached to the minutes.

Public Testimony

In Favor

Roseann Johnson, Home Builders Association: supports the proposal to allow attached and detached duplexes, to increase the allowed size of ADUs, and to allow ADUs on the same lot as duplexes. Suggested also allowing attached townhomes as an outright permitted use.

Opposed

none

Neutral

none

Council Discussion

The Council asked clarifying questions about multiple elements of the proposed code amendments, including:

- Setback requirements for duplexes
- The concept of detached duplexes
- System Development Charges and potential effects on infrastructure and parks
- Development in flood and slope hazard areas

The Council expressed particular frustration at the infringement of home rule authority presented by the bill. It was noted that under this bill, essentially all residential areas in the city will allow multifamily dwellings. The Council discussed possible paths forward, including exploring whether any opportunity for discretion exists to mitigate the effects, potentially through lot size and parking requirements.

Given the complexity of the subject matter and the need to further consider the proposed changes, the Council decided to continue the public hearing to the April 19, 2021 meeting.

It was noted that while many of the proposed code amendments are required by the State, a number of others are discretionary. The Council's intention was to use the April 19th meeting to deliberate on the discretionary items in the proposed amendments, and to consider ordinance adoption in May ahead of the June deadline cited in the bill (after which, if no City action is taken, the State's model code will take effect instead). The Council's desire was to keep the record open to accept additional public testimony in the interim.

Moved by Laurie Smallwood, seconded by Carl Exner

Continue the public hearing to April 19, 2021.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,

Richard Sheldon, Kathleen Walker, Carl Exner, and Don Hokanson

[Staff Presentation Slides](#)

11.3. **PUBLIC HEARING: Amending Title 13 of the Sandy Municipal Code**

Ordinance 2021-02

Staff Report - 0385

The **Public Works Director** summarized the staff report, noting that the Council had reviewed the proposed changes on February 1st and staff had made edits based on the feedback provided. The primary impetus for these amendments is the upcoming work on private sewer laterals; a component of the City's Wastewater System Improvement project.

Moved by Jeremy Pietzold, seconded by Richard Sheldon

Approve the first reading of Ordinance 2021-02.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Carl Exner, seconded by Richard Sheldon

Approve the second reading of Ordinance 2021-02.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

12. New Business

12.1. **Tickle Creek Village Trail Easement / Fee in Lieu Proposal**

Staff Report - 0394

The **Recreation Manager** summarized the staff report. The owner of the Tickle Creek Villages property proposed dedicating the wetland area to the north of the development site to the City in exchange for compensation in the form of Fee in Lieu credit, as well as providing a trail easement in exchange for Fee in Lieu credit.

The Council raised a variety of questions about the property and proposal, including:

- The depth of the wetlands
- Animal life present at the site
- Accessibility of adjacent properties
- Possible connection to the Tickle Creek Trail
- Integration with the Parks Master Plan Capital Improvement Plan
- Other possibilities for spending System Development Charge funds
- Possible ecological opportunities related to acquiring the wetlands

Particular concerns were raised regarding the following topics:

- The durability of a wood chip trail, given the climate
- The owner's desire to retain ownership of the trail
- The possibility of challenges related to homelessness

Moved by Kathleen Walker

Decline the purchase of the wetland property and require trail construction per the Final Order.

(motion not seconded)

Moved by Richard Sheldon, seconded by Don Hokanson

Deny the property owner's request.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

12.2. **Contract Approval: Owner's Representative Services for Phase 1A Wastewater System Improvements**

Staff Report - 0391

The **City Manager** summarized the staff report.

Moved by Laurie Smallwood, seconded by Richard Sheldon

Approve the contract for owner's representative services.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

13. Report from the City Manager

The **City Manager** noted the forthcoming American Rescue Plan funding opportunity. He stated that staff plans to rescind the practice of refraining from water shutoffs for non-payment; a practice that begun with the start of the COVID-19 pandemic. The Council expressed its desire that staff differentiate between utility customers who are truly unable to pay, versus those who may have simply chosen not to pay. The **City Manager** thanked the Council for their dedication during the multiple recent meetings.

14. Committee /Council Reports

Councilor Sheldon: none

Councilor Exner: none

Councilor Walker: thanked the **Mayor** for sending information regarding homelessness.

Councilor Hokanson: thanked the **Associate Planner** for her staff report on the zone change; noted room for improvement on the staff report for Tickle Creek Village.

Councilor Smallwood: none

Council President Pietzold: cited the funding opportunities in the new federal relief bill, including funding for water, sewer, and broadband infrastructure.

Mayor Pulliam: stated the City should strategically consider what to request relief funding for. Celebrated the success of the Covered Structures Program. Urged staff to be prepared for upcoming demonstrations in the community. Mentioned possible strategies for addressing homelessness.

15. Staff updates

15.1. [Monthly Reports](#)

16. Adjourn

17. CITY COUNCIL EXECUTIVE SESSION

The City Council met in executive session pursuant to ORS 192.660(f) and (h) following

the adjournment of the regular meeting.



Mayor, Stan Pulliam



City Recorder, Jeff Aprati

HB 2001 CODE AMENDMENTS
Chapters 17.10, 17.30, 17.34, 17.46,
17.54, 17.74, 17.82, 17.86, 17.98, and
17.100 Code Modifications

City Council
March 15, 2021

HB 2001 Code Amendments Overview

- Primary goal: to amend the Development Code in compliance with House Bill (HB) 2001.
- HB 2001 requires medium-sized cities to allow attached duplexes anywhere a detached single-family residence is allowed and prevents cities from applying more restrictive development standards to duplexes than what is applied to single-family residences (SFRs). This includes design standards, parking requirements, and density thresholds.
- The bill also prevents cities from applying minimum parking standards and owner occupancy requirements to ADUs.

Chapter 17.10 – Definitions

Summary of Changes

- Discretionary item: Clarified the definition of “accessory dwelling unit” to allow an ADU on the same lot as a duplex.
- Discretionary item: Clarified the definition of “building types, multi-family dwelling” to specify that an ADU and duplex on the same lot are not considered multi-family for the purposes of the multi-family design standards in Section 17.90.160. *(Note: This proposed modification is only needed if Council decides to go with the Planning Commission’s recommendation to allow an ADU on the same lot as a duplex.)*

Chapter 17.30 – Zoning Districts Summary of Changes

- Legislatively required: Added a clause stating that duplexes shall be counted the same as an SFR for the purpose of calculating density.

Chapter 17.34 – SFR Summary of Changes

- Legislatively required: Added “duplex” as a primary use permitted outright.
- Legislatively required: Removed “duplex” as a minor conditional use.
- Legislatively required: Amended references to “single detached dwelling” for minimum lot area and minimum average lot width to read “single detached dwelling or duplex.”

Chapter 17.46 – Village Commercial (C-3) Summary of Changes

- Legislatively required: Revised residential primary uses permitted outright to include duplexes above, beside or behind a commercial business.

Chapter 17.54 – Specific Area Plan Overlay

Summary of Changes

- Legislatively required: Updated the table in Section 17.54.80 so that duplexes have the same standards as SFR.
- Legislatively required: Updated language in 17.54.100(E) to reference Chapter 17.100, Land Division, for standards related to private drives that treat duplexes the same as SFRs.
- Administrative change: Added duplexes to the SFR design standards in Section 17.54.110 and referenced Chapter 17.90 for design standard calculation for SFRs and duplexes for consistency in review and streamlining reviews.

Chapter 17.74 – Accessory Development

Summary of Changes

- Legislatively required: Updated off-street parking standard for a an ADU to be “no minimum.”
- Legislatively required: Deleted text related to ADU occupancy limitations.
- Legislatively required: Revised ADU design standards and additional requirements to be clear and objective.
- Discretionary item: Increased maximum square footage of an ADU to 800 square feet.

Chapter 17.82 – Transit Streets

Summary of Changes

- Legislatively required: Exempted SFRs converted to duplexes on a flag lot where the driveway approach to the flagpole is on a transit street and the lot does not have additional frontage on a second transit street from the standards of Sections 17.82.20(B and C).
- Discretionary item: Exempted SFRs and duplexes on a flag lot where the driveway approach to the flagpole is on a transit street and the lot does not have additional frontage on a second transit street from the standards of Sections 17.82.20(B and C).

Chapter 17.86 – Parkland and Open Space Summary of Changes

- Administrative change: Clarified the parkland fee-in-lieu calculation for duplexes and conversions that add additional units.
- Discretionary change: Assigned a “total persons per unit” of 2 for each duplex dwelling unit for calculating required parkland dedication. (Total duplex would be 4; SFR is 3, for reference.)

Required parkland dedication (acres) = (proposed units) x (persons/unit) x 0.0043 (per person park land dedication factor)

Chapter 17.98 – Parking, Loading, & Access Summary of Changes

- Legislatively required: Reduced minimum number of required off-street parking spaces for duplexes to 1 per dwelling unit (or 2 total) to match the 2-parking space minimum for SFR.
- Legislatively required: Revised code language so driveway requirement for a duplex is the same as for an SFR.

Chapter 17.98 – Parking, Loading, & Access

Summary of Changes

- Legislatively required: Revised residential on-street parking requirement to be the same for a duplex as for an SFR.
- Legislatively required: Exempted ADUs and conversion of an SFR to a duplex from the on-street parking standard.
- Administrative change: Exempted multi-family from the on-street parking standard. When the on-street parking standards were written in the code, multi-family was never intended to be included. But since it is not clearly stated and we have received past inquiries/questions we want to add clarity in the code.

Chapter 17.100 – Land Division Summary of Changes

- Legislatively required: Revised residential shared private drive language to reference required off-street parking spaces rather than dwelling units so that duplexes are treated the same as SFRs.

Discretionary Discussion Topics

ADU & Duplex

- HB 2001 does not require a city to allow both a duplex and an ADU on the same lot, but a city can allow both if they choose.
- *Recommendation: The Planning Commission recommended allowing a duplex and an ADU on the same lot, and the definition of ADU in Chapter 17.10 has been updated accordingly.*

ADU + Duplex Design Standards

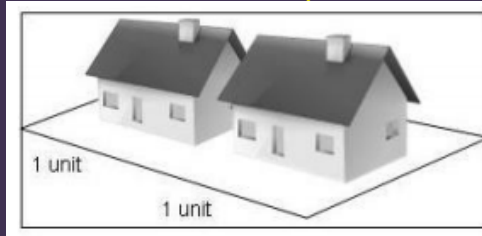
- If Council decides to allow both an ADU and a duplex on a single lot, the three units would technically qualify as multi-family per the definition of multi-family in Chapter 17.10. Staff proposes updating the definition of multi-family to exempt an ADU and duplex on the same lot from the multi-family design standards in Section 17.90.160.
- *Note: This change was identified by staff after the Planning Commission hearing so the Planning Commission did not make a recommendation.*

Detached Duplexes & Middle Housing

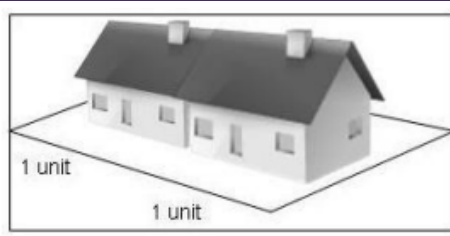
- HB 2001 requires cities to allow attached duplexes wherever detached SFR are allowed. It is up to each city whether to also allow detached duplexes. The existing Development Code allows both attached and detached duplexes where SFRs are allowed, except in the SFR zone. The proposed code amendments will allow duplexes outright in the SFR zone in conformance with HB 2001; however, a city can decide whether to allow both detached and attached duplexes in the SFR zone.
- A city may also allow additional middle-housing options (triplexes, four-plexes, cottage clusters, etc.) if they choose.
- *Recommendation: The Planning Commission recommended continuing to allow both attached and detached duplexes in all zones that permit SFRs but did not make a recommendation to allow additional middle-housing options in zones that don't currently allow them.*

Detached Duplexes & Middle Housing

Detached Duplex



Attached Duplex



Triplex



Fourplex



Cottage Cluster

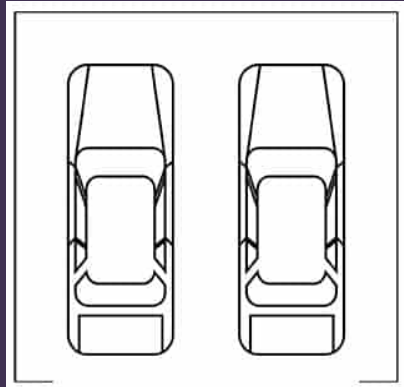


Parking Layout

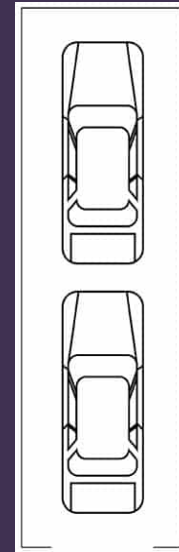
- HB 2001 does not allow a city to require more off-street parking spaces for a duplex than for an SFR. This means that the maximum number of off-street parking spaces for a duplex is 2 total (not 2 per unit as written in the existing code). However, a city may require that these spaces shall be side-by-side, and not tandem.
- *Note: The Planning Commission did not make any recommendations regarding parking layout.*

Parking Layout

Side by side parking



Tandem parking



Duplex Design Standards

- HB 2001 does not allow a city to apply more restrictive design standards to a duplex than to an SFR; however, HB 2001 does not require a city to apply design standards to duplexes. A city may decide to not apply design standards to a duplex if they choose. The existing Development Code applies the same design standards to SFRs and duplexes (Section 17.90.150), in compliance with HB 2001. Staff clarified Section 17.54.110(B) such that the design standards for the BVO will apply to both SFRs and duplexes.
- *Recommendation: The Planning Commission did not recommend removing design standards from duplexes. (Note: The Planning Commission did not review the proposed code changes to Chapter 17.54 as these were identified as needing to be updated after the Planning Commission hearing.)*

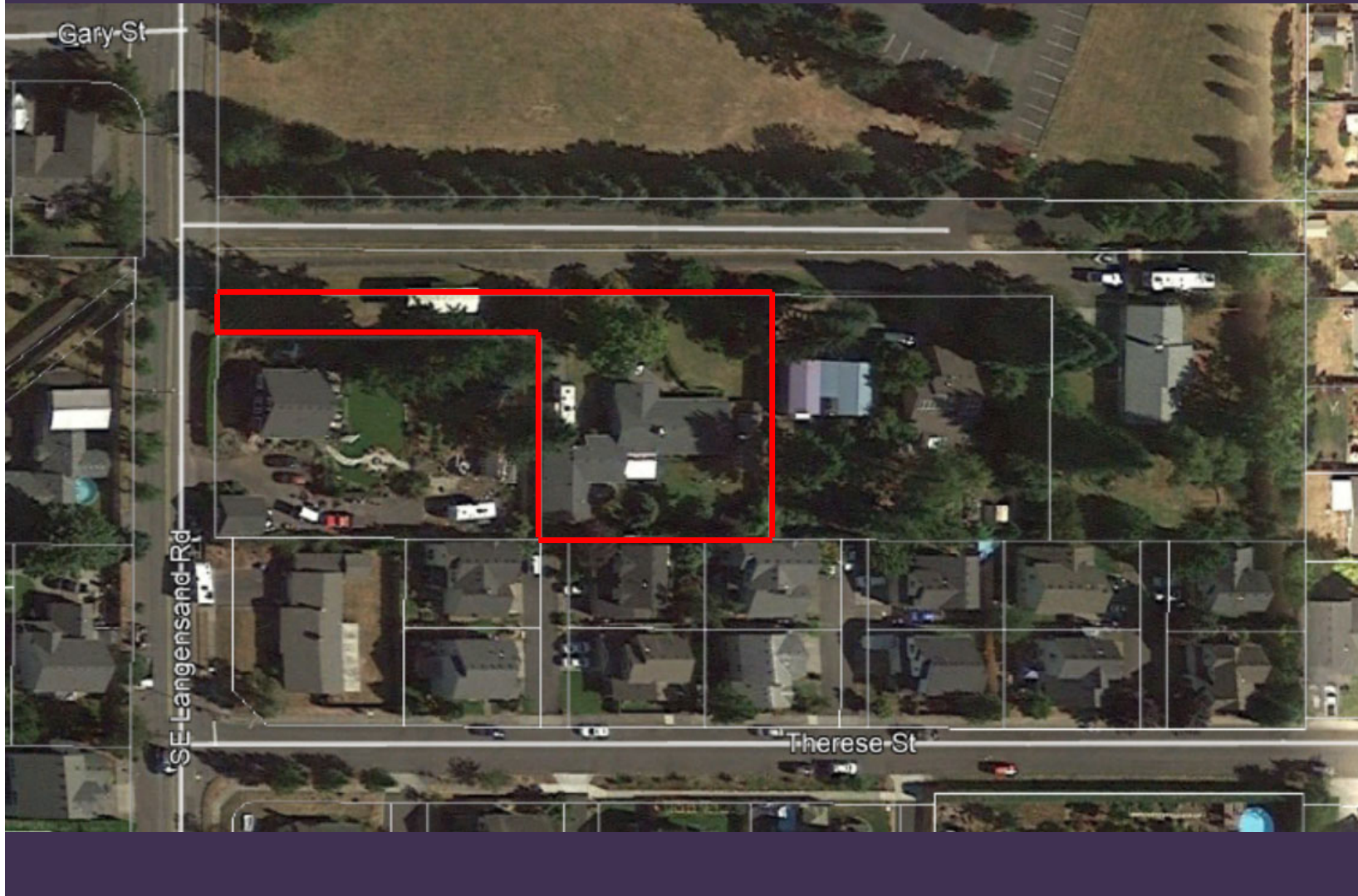
ADU Square Footage

- Though not required by HB 2001, staff recommends increasing the maximum square footage of an ADU from 600 to 800 square feet. Increasing the maximum square footage of an ADU may indirectly support HB 2001 by encouraging more people to build ADUs.
- *Recommendation: The Planning Commission recommended increasing the maximum square footage of an ADU from 600 to 800 square feet.*

Flag Lot Transit Street Requirements

- In accordance with the existing Development Code, conversion of an SFR to a duplex on a flag lot on a transit street would trigger additional requirements in Chapter 17.82 regarding orientation of the dwelling unit and connection to the sidewalk. Staff proposed exempting conversion of an SFR to a duplex from the standards in Section 17.82.20(A and B), which would be required by HB 2001.
- In addition, staff is recommending exempting SFRs and duplexes from the standards in Section 17.82.20(A and B), which is not required by HB 2001, based on the reasoning that requiring a separate pedestrian walkway adjacent to a paved flag seems redundant and would result in increased impervious surface and potentially stormwater movement on to abutting properties.
- *Recommendation: The Planning Commission recommended keeping the exemptions as proposed by staff.*

Flag Lot Transit Street Requirements



Hazard Areas

- HB 2001 contains an exception to the middle housing requirements for areas subject to natural hazards, including flood hazard and other hazards. The City is not required to modify Chapter 17.60 based on the exception, provided the adopted ordinance includes findings related to the hazard. Staff does not recommend broadening permitted uses in the Flood and Slope Hazard (FSH) overlay district and, therefore, recommends not including the Chapter 17.60 modifications.
- *Note: This exemption was identified after the Planning Commission hearing.*

Parkland SDC

- HB 2001 requires local governments to consider ways to increase the affordability of middle housing, including considerations related to System Development Charges (SDCs), property tax exemptions, and construction taxes, but doesn't require cities to adopt those policies at this point. Currently, the calculation for the City's land component portion of the parks SDC, including the fee-in-lieu option, is contained in Chapter 17.86.
- Currently, a duplex would fall under the SFR row of the parkland calculation table, but it is not clearly stated in the code. Staff added a "duplex" row to the parkland calculation table and assigned a slightly reduced person per unit (2 per duplex unit (i.e., 4 total); SFR is 3).
- *Note: The Planning Commission did not review the proposed code changes to Chapter 17.86 as these were identified as needing to be addressed after the Planning Commission hearing.*

Additional HB 2001 Consideration

- HB 2001 requires local governments to consider ways to increase the affordability of middle housing, including considerations related to SDCs, property tax exemptions, and construction taxes.
- The City has hired ECONorthwest to put together a housing strategy memo, which includes information about potential policies that could be implemented to address the City's housing needs, including but not limited to property tax exemptions, waiving or deferring SDCs, and construction taxes. Council held a work session on the memo earlier tonight (March 15, 2021).

Recommendation

- Staff recommends the City Council hold a public hearing, take public testimony, and provide staff feedback on discretionary items so that staff can return with revised code language, an ordinance, and findings at an April or May City Council meeting.
- Staff recommends adopting the code changes prior to June 2021 so that the City of Sandy is in compliance with the mandates of HB 2001. If the City does not adopt code amendments in compliance with HB 2001 with an effective date of June 30, 2021 or earlier, the state's model code will go into effect in Sandy on July 1, 2021.