



Oregon

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March 20, 2026

Kelly O'Neill, Development Services Director
39250 Pioneer Blvd,
Sandy, OR 97055
Sent via e-mail



RE: Review of City of Sandy Housing Production Strategy

Dear Director O'Neill,

On November 19, 2025, the Department of Land Conservation and Development (DLCD or department) received a submittal from the City of Sandy notifying the department of the adoption of the city's Housing Production Strategy (HPS). Per Oregon Revised Statute (ORS) 197A.103(4), the department posted the city's HPS for a 45-day public comment period on November 21, 2025. Upon the close of the public comment period on January 5, 2026, the department received [one comment](#) on the city's HPS.

Per ORS 197A.103(6) (formerly ORS 197.291(6)), the department must review the city's submittal to determine whether to:

1. Approve the Housing Production Strategy Report;
2. Approve the Housing Production Strategy Report, subject to further city review and actions as recommended by the department; or
3. Remand the Housing Production Strategy Report for further modification as identified by the department.

The department is required to complete this review and issue a decision within 120 days of the city submittal. In the case of the City of Sandy's Housing Production Strategy, the department must make a final decision by March 21, 2026. Per ORS 197A.103(7) (formerly ORS 197.291(7)), the department's decision is final and may not be appealed.

Based on the department's review of the City of Sandy's Housing Production Strategy against the review criteria established in Oregon Administrative Rule (OAR) 660-008 as it was in effect prior to amendments adopted by the Land Conservation and Development Commission in December 2024, which remains applicable to this review pursuant to Oregon Laws 2023, chapter 13, section 9(4), compiled as a note after ORS 197A.025 Section 9-, (4), the department approves the city's Housing Production Strategy Report with two conditions described below.

As part of the department's review of the City of Sandy's HPS, staff evaluated the city's adopted actions against the applicable statutory requirements in ORS 197. The city was actively developing its Housing Capacity Analysis (HCA) and HPS at the time House Bill 2001 (2023) was enacted. Anticipating such situations, HB 2001 included provisions allowing the Land

Conservation and Development Commission (LCDC) to allow cities to continue operating under the statutes and rules in effect prior to the bill's changes. Specifically, Oregon Laws 2023, chapter 13, section 9(4), compiled as a note after ORS 197A.025(9)(4) provides:

To avoid interference with current planning activities or to avoid unjust or surprising results, the Land Conservation and Development Commission may postpone, for cities specified by the commission, the applicability of section 13 [ORS 197A.210], 21 [ORS 197A.280], 22 [ORS 197A.270] or 23 [ORS 197A.018], chapter 13, Oregon Laws 2023, and the amendments to ORS 197.286, 197.290, 197.296 [renumbered ORS 197A.350], 197.297 [renumbered ORS 197A.335] and 197.303 [renumbered ORS 197A.348] by sections 12 and 25 to 28, chapter 13, Oregon Laws 2023, until a date that is not later than January 1, 2027.

Accordingly, the department reviews the City of Sandy's HPS under the applicable statutory framework in ORS 196 and 197, rather than under the updated statutes in ORS 197A (2023).

The review criteria applicable to the City of Sandy's HPS are available for reference through the Oregon Secretary of State's Archives Division here:

- *Chapters 196, 197, edition 2021:*
https://www.oregonlegislature.gov/bills_laws/Pages/ORSarchive.aspx
- *Chapter 660, Division 8:*
<https://secure.sos.state.or.us/oard/viewCompDocument.action?compDocRsn=1240>

Department Findings based on OAR 660-008-0050

(1) Contextualized Housing Need – A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends.

The City of Sandy adopted its HCA in April 2024 and HPS in November 2025, meeting its statutory obligation to adopt these housing planning documents as prescribed by ORS 197A.103 (formerly ORS 197.291).

The city's HCA projected a 20-year housing need of 2,424 units for 6,350 new residents over the next 20 years. Between 2000 and 2024, Sandy grew by 7,548 residents, or 140%. This is an average annual growth rate of 3.7%, or three to four times faster than Clackamas County and the state.

In 2023, the city had a Median Family Income (MFI) of \$102,201, slightly higher than in Clackamas County (\$100,360), and much higher than in the state (\$80,426). The MFI increased notably faster in the city compared to the county and state, growing 60% since 1999 when adjusted for inflation.

The city's HPS includes a Contextualized Housing Needs (CHN) Analysis as Appendix A, which provides an overview of the city's demographic and socio-economic characteristics and affordability metrics, disaggregated by race and ethnicity. In 2023, 85% of residents identified as White, not Hispanic or Latino, 8% Asian, 5% Hispanic or Latino of any race, 2% Black or African American, 2% two or more races, and 1% some other race. The city is less racially and ethnically diverse than the county and state. This information satisfies OAR 660-008-0050(1)(a)(A).

OAR 660-008-0050(1)(a)(B) requires a description of measures the city has already adopted to promote the development of Needed Housing. The HPS chapter titled "*Sandy's Housing Needs*" includes a section titled "Actions by the City to Meet Housing Needs", satisfying this rule requirement. It lists the following past actions:

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.

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.

Appendix A contains a section titled “*Housing Market Conditions and Trends*”. It shows that Sandy’s existing housing inventory is 80% single unit detached, 12.1% multi-dwelling, 6.4% townhomes, and 1.5% plexes. However, housing permit data from 2014 to 2024 shows a shift toward denser housing types, with 44% single detached units, 36% multi-dwelling, 16% townhomes, and 4% plexes. This information satisfies OAR 660-008-0050(1)(a)(C).

The HPS chapter titled “*Sandy’s Housing Needs*” includes the section titled “Existing and Expected Barriers to Development of Needed Housing”. It notes that the rapid increase in land and home values have created barriers to homeownership, and the growth in infrastructure and construction costs have impacted housing affordability. It also describes the 2023 consent decree the city is under until its wastewater capacity issues are resolved as the most significant barrier to housing development. This information satisfies OAR 660-008-0050(1)(a)(D).

The Appendix A section titled “*People Experiencing Homelessness*” states that in the 2022 Clackamas County point-in-time count, 571 people were counted as experiencing homelessness, up from 471 in 2019. The section also includes information from AntFarm Youth Services, a community partner that serves the homeless population in the city, that estimated there were 10 adults and 40 youth experiencing homelessness in Sandy as of 2023. While helpful, this information only partially satisfies OAR 660-008-0050(1)(a)(E), which also requires a CHN to include current McKinney-Vento Homeless Student Data for all school districts that overlap with the city boundary. The department expects this information to be included in future cycles.

Appendix A contains a section titled “*Housing Cost Burden*”. It finds that in 2023, 14% of households in Sandy spent 30%-50% of their income toward housing costs, and 15% spent more than half their income. These rates were particularly high for renters, 32% of whom spent 30%-50%, while 35% spent more than half their income. This information satisfies the requirements of OAR 660-008-0050(1)(a)(F).

In 2023, 79.9% of housing units in Sandy were owner occupied and 20.1% were renter occupied. Eighty-seven percent (87%) of homeowner-occupied units are in single-detached dwelling units, with smaller numbers in townhomes and multi-dwelling

buildings. Among renter-occupied units, 48% are in multi-unit housing, 34% are single detached units, 10% are in plexes, and 8% are in townhomes. This information satisfies the requirements of OAR 660-008-0050(1)(a)(G).

In 2023, an estimated 12% of individuals in Clackamas County had one or more disabilities, below the state’s rate of 15%. The most commonly reported disabilities were cognitive and ambulatory difficulties at 5% each, independent living and hearing difficulties at 4%, self-care difficulties at 2%, and vision difficulties at 1%. This information satisfies the requirements of OAR 660-008-0050(1)(a)(H).

Finally, the city included the following table (titled “Exhibit 3. Populations with Unmet Housing Needs”) to summarize the housing needs of different community groups based on their CHN analysis and the corresponding conclusions for how those needs can be addressed. This table serves as a great model for presenting the results of a CHN analysis in a concise format that provides a foundation for the next step of the HPS process: the selection of focused and actionable actions responsive to housing needs.

Exhibit 3. Populations with Unmet Housing Needs

TARGET POPULATION	SCALE OF NEED	MEETING FUTURE NEED
Extremely Low Income (<30% MFI)	15% of total households <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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) Engagement – A Housing Production Strategy Report must include a narrative summary of the process by which the city engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes. A city may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the city including, but not limited to, a Housing Capacity Analysis, Consolidated Plans for Community Development Block Grant Entitlement Communities, and public engagement for Severely Rent Burdened Households as described in OAR 813-112-0010.

The city undertook engagement activities as part of the development of the HPS as required by OAR 660-008-0050(2), building on prior housing planning work. This engagement process is summarized in the HPS chapter titled “*Community Engagement*”.

During the HCA development, the city conducted interviews with representatives from Todos Juntos, Community Action Center, Senior Center, AntFarm Youth Center, and the City Council to ground truth community housing needs. Following the development of the draft HPS actions, further outreach was conducted to discuss and refine actions with housing developers, city staff, and nonprofit representatives. Discussions were held with the development manager at Southport Financial Services, the director of Sandy Community Action Center, and the interim director of Sandy Parks and Recreation. This information satisfies OAR 660-008-0050(2)(a).

The HPS includes descriptions of the findings from the various engagement activities across the HCA and HPS processes. Key themes that arose during the HCA development were that rising housing costs are straining residents, there is limited support for people experiencing homelessness, there is a shortage of all housing types, and the community safety and stability people associate with Sandy feels vulnerable. Findings that came out of engagement during the HPS process included broad support for actions to resolve the wastewater issues. There were also questions about whether a Construction Excise Tax (CET) was the correct approach, an interest in more middle housing types being allowed, skepticism of short-term rental regulations, and support for the use of surplus public land for housing development. The interviews also found that the city is struggling to afford senior services, that there are unmet homeless service needs for current residents, that the city should consider a real estate tax exemption program to incentivize denser and more affordable housing types, and that the city should consider zoning incentives for affordable development. This information satisfies OAR 660-008-0050(2)(b).

The HPS section titled “*How was Input Considered?*” describes how feedback from the HPS engagement process and past engagement efforts influenced the actions. It specifically names support for wastewater capacity increases, skepticism of adding cottage clusters versus more expansive middle housing options, and general support for more accessible units as directly informing how actions in the adopted HPS were constructed. This information satisfies OAR 660-008-0050(2)(c).

The HPS section titled “*Future Outreach Recommendations*” evaluates how the city can improve engagement practices for future housing engagement efforts. The recommendations include hosting an open house, public outreach at convenient locations such as farmers markets and club meetings, and the convening of an ad hoc housing committee. This information satisfies OAR 660-008-0050(2)(d).

Note: As part of the department’s 45-day public comment period initiated in accordance with ORS 197A.103(4), the department received [one comment](#), which was from Housing Land Advocates and Fair Housing Council of Oregon. The comment recommends a remand due to a lack of committal language, a clear implementation timeline, a locational analysis, or actions which meet needs identified in HCA.

(3) Strategies to Meet Future Housing Need – A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1). A Housing Production Strategy Report may identify strategies including, but not limited to, those listed in the Housing Production Strategy Guidance for Cities published by the Commission under Exhibit B.

The city’s HPS outlines twelve actions for implementation within its eight-year HPS cycle to address identified housing needs. Each of the twelve actions are described in the HPS chapter “*Strategies to Meet Future Needs*” and 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 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 partnership with local service providers and continue to fund the Community Services Officer to support the homeless population

The descriptions of each action meet the requirements of OAR 660-008-0050(3)(a).

Each action is listed in the chapter titled “*Strategies to Meet Future Housing Needs*”. Each action sheet includes a section titled “Timeframes”, where the heading titled “For Adoption” indicates when the city intends to formally adopt or complete an action, satisfying OAR 660-008-0050(3)(b). The heading titled “For Implementation” reflects when each action is expected to become operational, satisfying OAR 660-008-0050(3)(c). This section also includes a heading titled “For Housing Impacts” reflecting the timeframe over which the action is expected to impact Needed Housing, satisfying OAR 660-008-0050(3)(d)(D).

This chapter also includes the following graphic that displays these three timelines for each action:

Sandy HPS Implementation Schedule



Each action description includes a section titled “Estimated Magnitude of Impact”, which includes the heading “Housing Production Impacts”. The impacts are not described using consistent terminology (i.e. Low, Medium, High) which makes it difficult to directly

compare actions. However, sufficient details are provided to satisfy OAR 660-008-0050(3)(d).

The “Estimated Magnitude of Impact” section also includes the headings “Housing Tenure Impact” and “Income Demographic Served”, identifying the housing need each action is intended to address, categorized by tenure and income. This information satisfies OAR 660-008-0050(3)(d)(A).

OAR 660-008-0050(3)(d)(C) requires an analysis of the income and demographic populations that are anticipated to receive benefit or burden for each action, including:

- (i) Low-income communities;
- (ii) Communities of color;
- (iii) People with disabilities; and
- (iv) Other state and federal protected classes

Each action contains a section with the heading “Benefits and Burdens”, along with subheadings for “Low-income residents”, “Communities of color”, and “People with disabilities”. These descriptions generally do an exceptional job of describing the benefits and burdens, if any, which each action will have on the named populations. However, for the two actions where potential burdens are identified, no mitigation steps are committed to, as intended by the rule. Specifically, Action D “Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location” notes that an increase in utility rates following implementation of the action would disproportionately impact low-income residents, communities of color, and people with disabilities. Action G “Amend the zoning code to allow additional middle housing options” states that low-income residents may face an increased risk of displacement in areas where middle housing is allowed. The department is therefore applying the following condition of approval:

Condition of Approval #1: The city will submit a description of the actions or implementation steps which they will undertake to mitigate the burdens identified in Action D “Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location” and Action G “Amend the zoning code to allow additional middle housing options”. The department requests that the city provide this additional information within 90 days (by June 18, 2026) from the issuance of this HPS decision letter.

The department acknowledges the challenges that the city has faced, and will continue to face, in meeting its housing needs while operating under a development moratorium. In particular, the department is paying close attention to the planned 190 Equivalent

Residential Units (ERUs) that will be available to the city once Action E “Improve the wastewater treatment plant and related system infrastructure” is undertaken. This action is scheduled to be implemented in 2026, with housing impacts as early as 2027. Given this timeline, the department has some concern that permits issued for these ERUs could be absorbed primarily by single detached units rather than a diversity of housing types, since they will likely be available before the city adopts Action G “Amend the zoning code to allow additional middle housing options” currently scheduled for adoption in 2029. Action G “Amend the zoning code to allow additional middle housing options” is important because it will increase housing choice by allowing triplexes, quadplexes, and possibly other middle housing types into the zoning code.

The department understands that staff capacity and resource constraints make it difficult for the city to completing Action G “Amend the zoning code to allow additional middle housing options” sooner than 2029 to ensure a more diverse housing type mix can be built with the limited available ERUs without displacing other actions slated for completion in the near term. The department recognizes and commends the city for pursuing other actions (beyond the wastewater-related Actions A-E) that address housing needs earlier than 2029. These include Action F “Implement a local affordable housing Construction Excise Tax”, Action I “Monitor and require registration for short-term rentals”, Action J “Support preservation of manufactured home and mobile home parks”, and Action L “Expand partnership with local service providers and continue to fund the Community Services Officer to support the homeless population”.

While the city is not required to prioritize earlier adoption of Action G “Amend the zoning code to allow additional middle housing options”, the department wants to highlight that the state has already developed resources that could make earlier implementation of Action G more achievable, even with limited staff capacity. In particular, the [Large City Middle Housing Model Code](#), included in OAR 660-045 Exhibit B, provides ready-to adopt language that can significantly reduce both the financial and administrative burden of updating the zoning code, or the code could even be adopted by reference. The city is not obligated to use this resource; however, the department strongly encourages use of this model code in the short term as a practical way to ensure that the limited 190 ERUs can support a more diverse range of housing types.

(4) Achieving Fair and Equitable Housing Outcomes – A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors:

(a) Location of Housing – How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people who are members of state and federal protected classes. Within Metro, cities subject to this rule shall describe actions taken by the city to promote the production of regulated affordable units, as defined in ORS 456.586(1)(b); to promote the production of accessible dwelling units; to mitigate or avoid the displacement of members of state and federal protected classes; and to remove barriers and increase housing choice for members of state and federal protected classes within Region 2040 centers.

The HPS includes a chapter titled “*Achieving Fair & Equitable Housing Outcomes*”, under which there is a section titled “Location of Housing”. The section lists the following eight actions as directly supporting this rule:

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

OAR 660-008-0050(4)(a) is met.

(b) Fair Housing – How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity.

The HPS combines its explanations for actions which expand Fair Housing and Housing Choice. For the purposes of review for compliance with administrative rule, the department has reviewed the ten actions listed against each rule

requirement, OAR 660-008-0050(4)(b) and (4)(c). The HPS lists the following ten actions which it states meet both of these rule sections:

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

Given the inclusion of Action H “Promote accessible design standards” and Action J “Support preservation of manufactured home and mobile home parks”, the department finds that OAR 660-008-0050(4)(b) is minimally met.

(c) Housing Choice – How the city is facilitating access to housing choice for communities of color, low- income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.

The department finds that Action C “Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable”, Action G “Amend the zoning code to allow additional middle housing options”, Action H “Promote accessible design standards”, Action I “Monitor and require registration for short-term rentals”, Action J “Support preservation of manufactured home and mobile home parks”, and Action K “Utilize surplus public land for housing development” combined section do satisfy OAR 660-008-0050(4)(c).

(d) Housing Options for People Experiencing Homelessness – How the city is advocating for and enabling the provision of housing options for residents

experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness.

The section titled “Housing Options for People Experiencing Homelessness” notes that many of the actions in the adopted HPS will enhance housing stability and expand affordable housing options, including for people experiencing homelessness. It notes that Strategy L in particular will provide greater stability for residents experiencing homelessness. It finds that nine actions in total fulfill this rule requirement:

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

The department commends the inclusion of Action K “Utilize surplus public land for housing development”, as the cost of land can be a particularly challenging barrier to developing housing options for people with low- or no-incomes. The city is encouraged to implement the action in a way which maximally meets this housing need.

OAR 660-008-0050(4)(d) is met.

(e) Affordable Homeownership and Affordable Rental Housing – How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership,

primarily for state and federal protected classes that have been disproportionately impacted by past housing policies.

The HPS lists ten actions which have a beneficial impact on Affordable Homeownership and Affordable Rental Housing:

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

This information meets the requirements of OAR 660-008-0050(4)(d).

(f) Gentrification, Displacement, and Housing Stability – How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

The HPS lists ten actions which address housing stability:

- Action 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.”
- Action B: “Complete and adopt the wastewater system facility plan amendment.”
- Action C: “Pursue non-local funding for wastewater system improvement projects to keep utility rates affordable.”

- Action D: “Construct capital improvements necessary to convey the City's wastewater to its new permanent discharge location.”
- Action E: “Improve the wastewater treatment plant and related system infrastructure.”
- Action G: “Amend the zoning code to allow additional middle housing options.”
- Action H: “Promote accessible design standards.”
- Action I: “Monitor and require registration for short-term rentals.”
- Action J: “Support preservation of manufactured home and mobile home parks.”
- Action K: “Utilize surplus public land for housing development.”

As previously noted, Action G “Amend the zoning code to allow additional middle housing options” identified a displacement risk for low-income residents without specifying a mechanism for mitigating that risk. When the city addresses Condition of Approval #1, however, OAR 660-008-0050(4)(e) will be met.

(5) A Housing Production Strategy Report must include the following additional elements:

(a) A description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies;

Each action in the chapter “*Strategies to Meet Future Housing Need*” includes the headings “Other Considerations” and “Revenue Impacts” which collectively contain the information necessary to meet OAR 660-008-0050(5)(a).

(b) A description of actions that the city and other stakeholders must take to implement the proposed Housing Production Strategies;

Each action in the chapter “*Strategies to Meet Future Housing Need*” includes the heading “Implementation Steps”, which details the process by which the actions will be planned, adopted, implemented, and reviewed. Each action also contains the heading “Partners”, which identifies any other parties who may be involved in the implementation process. OAR 660-008-0050(5)(b) is met.

(c) If the Housing Production Strategy Report is the first produced under this division, a description of how the city will measure strategy implementation and progress;

In the HPS chapter titled “*Achieving Fair & Equitable Housing Outcomes*”, the city includes a section titled “Measuring Strategy Implementation and Progress”

which describes the metrics which will be used to analyze the impact of the actions at the time of the Midpoint Report. This information satisfies the requirements of OAR 660-008-0050(5)(c).

In addition to the Midpoint Report, the city will be producing annual monitoring summaries. The department is interested in the annual summaries for informational and educational purposes. As such, the department is applying the following condition of approval:

Condition of Approval #2: The department requests that at the time the city submits its four-year Midpoint Report (by December 31, 2029) to the department under OAR 660-008-0230, the city provides all annual monitoring summaries thus far to the department. These annual summaries are not required as part of the submittal under OAR 660-008-0230 and will not be used to make any final approval decisions. Rather, they will help the department better understand local implementation trends and support broader learning across cities.

(d) If the Housing Production Strategy Report is not the first produced under this section, a summary of strategies that the city has previously adopted and implemented, and a reflection on the efficacy of each implemented strategy; and

Not applicable.

(e) A copy of the city's most recently completed survey to meet the requirements of ORS 456.586.

Appendix B, "*Pre HPS Survey*" includes a survey submitted to meet ORS 456.586. OAR 660-008-0050(5)(e) is met.

The department truly appreciates the dedication and hard work the city has invested in the development of the HPS. Our commendations go out to the city for their ongoing commitment to ensuring fair and equitable housing options and outcomes despite the current capacity challenges and unique development constraints. We are eager to continue our partnership with Sandy as we work together toward this shared goal. Please reach out to the DLCDC Housing Division at housing.dlcd@dlcd.oregon.gov to discuss this decision further, if desired.

Sincerely,

Final Decision on City of Sandy's Housing Production Strategy

March 20, 2026

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A handwritten signature in black ink, appearing to read "Ethan Stuckmayer". The signature is written in a cursive style with a long, sweeping underline.

Ethan Stuckmayer

Housing Division Manager, Department of Land Conservation and Development

Cc: Brenda Bateman, DLCD

Kirstin Greene, DLCD

Kelly Reid, DLCD

Ingrid Caudel, DLCD