



City of Sandy Joint Work Session: Housing Production Strategy (HPS) Policy Discussion

May 19, 2025



Agenda

- **HPS Introduction & Background**
- **Recent housing policy accomplishments**
- **Discuss and refine proposed strategies**
- **Next steps**

HPS Introduction





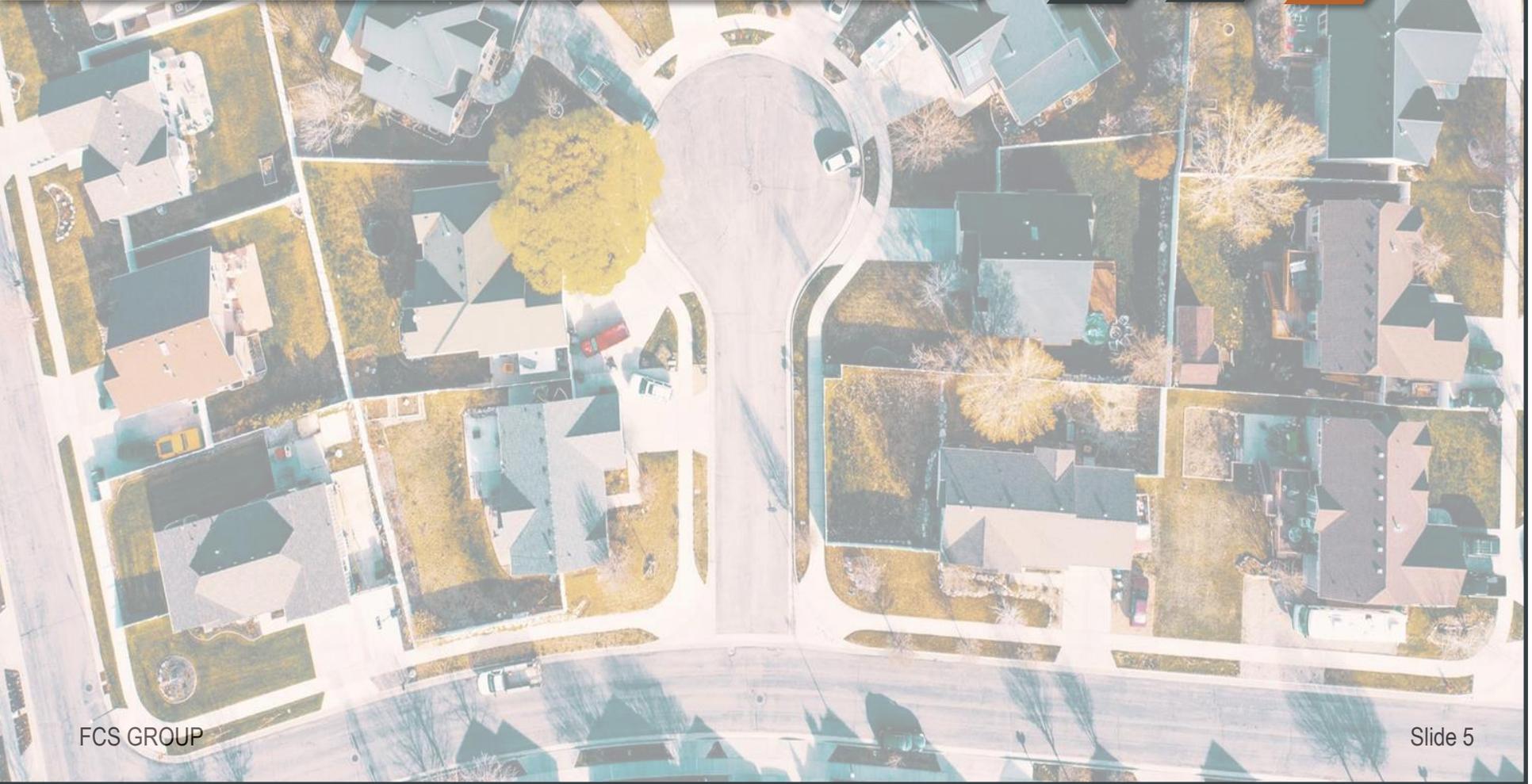
Background

- City adopted the *Sandy Housing Capacity Analysis (HCA, 2024)*
 - HCA identified 20-year housing needs = 2,424 dwellings (60% detached, 12% middle housing, 28% multifamily)
 - Market conditions are positive, but the current consent decree limits new development that impacts the sanitary sewer system
 - Addressing state regulations will take years and more funding
- To comply with Oregon planning regulations, a Housing Production Strategy (HPS) is required to identify local policies needed to address future housing needs for people and households at all income levels

The Sandy HPS will include the following topics:

- A. Introduction
- B. Discussion of Housing Policies
- C. Strategies to Meet Future Needs
- D. Discussion of How Strategies Address Fair and Equitable Housing Needs
- E. Appendix A: Contextualized Housing Need
- F. Appendix B: Stakeholder Engagement Summary

Recent Housing Accomplishments





Recent Housing-Related Policy Actions & Accomplishments in Sandy

- ✓ **Clear and Objective Code Audit**
- ✓ **Housing Capacity Analysis (HCA)**
- ✓ **Parks and Trails Master Plan**
- ✓ **Comprehensive Plan**
- ✓ **Equivalent Resident Unit (ERU) Allocations**
- ✓ **Coordination with AntFarm on homeless assistance**
- ✓ **Created the Community Service Officer position**
- ✓ **Designated homeless area for vehicles**
- ✓ **Invested \$33 million in Sanitary Sewer System**
- ✓ **Extended 362nd Drive and Bell Street**

HPS Policy Discussion





Overview of Strategy Categories

Strategies to Meet Future Housing Need		
Category A		Zoning and Code Changes
Category B		Reduce Regulatory Impediments
Category C		Financial Incentives
Category D		Financial Resources
Category E		Tax Exemption and Abatement
Category F		Land, Acquisition, Lease, and Partnerships
Category Z		Custom Options



Category B & Z: Regulations and Adequate Public Facilities

Current wastewater & sanitary sewer regulations and requirements restrict new housing development in Sandy.

- **B1:** Pursue accommodations from the State to make science-based improvements to NPDES Permit.
- **B2:** Adopt Wastewater System Facility Plan Amendment
- **B3:** Pursue non-local funding match for wastewater system
- **B4:** Construct necessary wastewater conveyance
- **B5:** Improve Wastewater Treatment Plant



Lifting ad hoc moratorium with adequate facilities will serve 2,400+ new dwellings



Enhanced equity and inclusion for households at all income levels, as a mix of new housing types are added

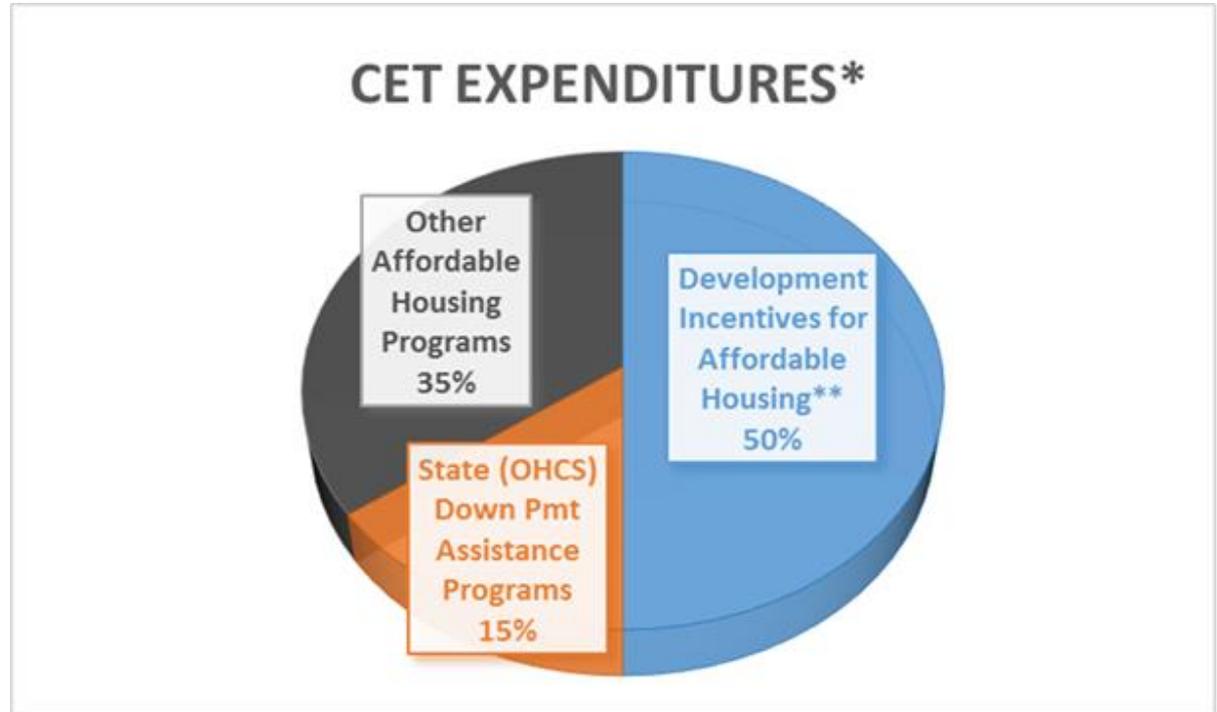


Requires \$200 million to fund
Local, State, Federal grants
Value engineering & regulation reform could reduce cost.



Category C & D: Financial Resources

- **C1: Affordable Housing Construction Excise Tax (CET)**
- Assessed based on % of “permit value” or the value added to a structure during new construction
- CET limited to 1% of permit value for residential (no cap for non-res., if applicable)
- Revenues are restricted



** This distribution reflects the use of expenditures after 4% administration fee. ** Developer incentives include ORS 197.309(7) voluntary incentives to: increase number of affordable housing units in a development; decrease the sale or rental price of housing units; build affordable housing units that are affordable to households with incomes equal to or less than 80% MFI.*



Affordable Housing CET Discussion

- CET funds can be utilized to purchase land, leverage non-local grants and encourage private investment in mixed-income housing developments



CET is focused on enhancing existing housing and creating new housing for low to moderate income households



Benefits households at 80% or less of median family income
(80% MFI = \$93,600 in 2024)



Significant funding potential
Example: 100 new dwelling units in Sandy would generate +/- \$300,000 in CET funds



Category A: Zoning & Code Changes

- **A1: Amend zoning code to allow cottage cluster housing**
- **A2: Provide pre-approved plans that meet accessibility goals (e.g. Universal Design)**
- **A3: Monitor and require registration for short term rentals**
- **A4: Preserve and enhance existing manufactured home parks**



Focuses on 300+ units of naturally occurring affordable housing

Supports middle-income housing & long-term rentals



Equity and inclusion for households at 80% or below MFI (2,000+ households)

Addresses needs for people with disabilities

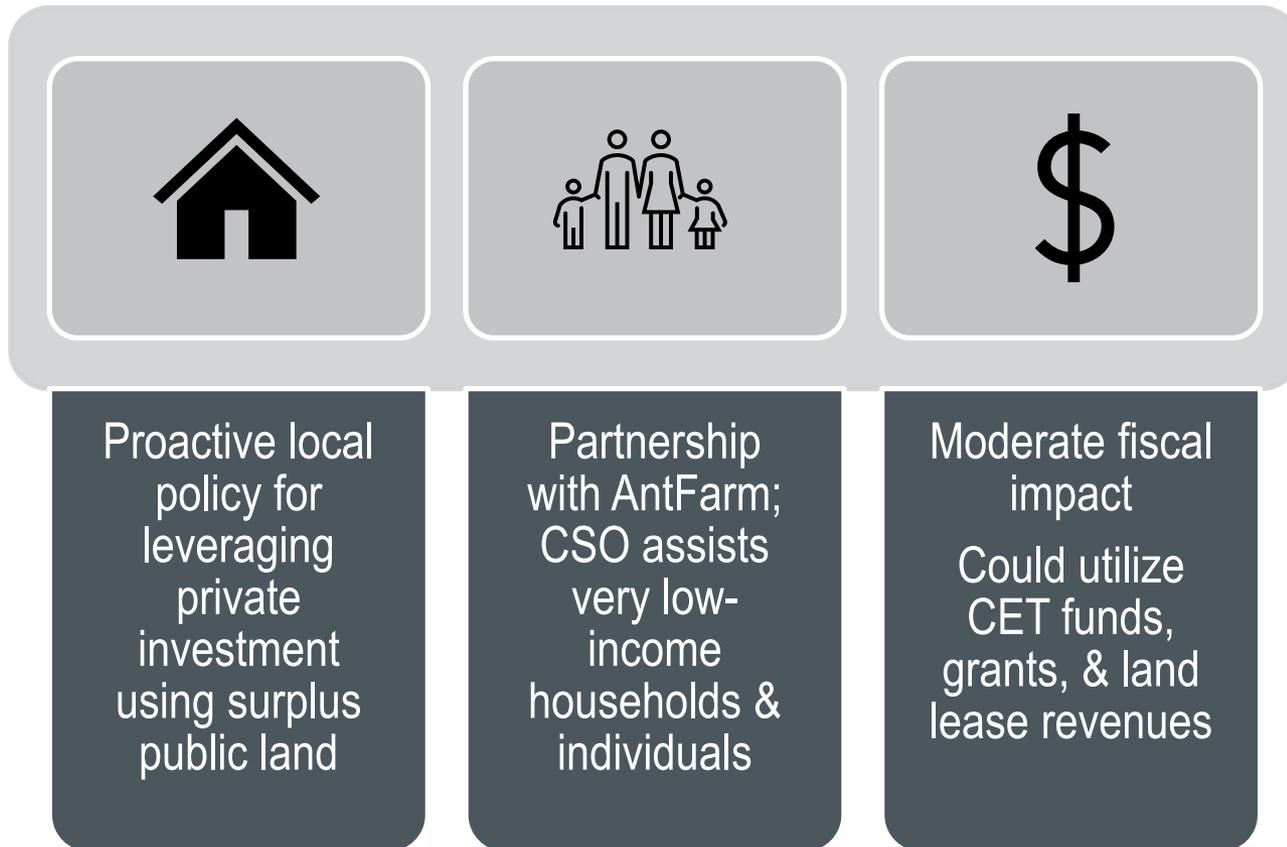


Moderate Revenue enhancement from short term rental registrations



Category F: Partnerships

- **F1: Utilize surplus public land for future housing development**
- **F2: Partner with service providers to sustain Community Services Officer (CSO)**



Next Steps

- **Discuss & Refine HPS Strategy Recommendations**
- **Draft HPS Report (for review by City and DLCD)**
- **Finalize HPS Report**