

# City of Sandy Joint Work Session: Draft HPS Review

*October 6, 2025*





# Agenda

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



# May-October Update

- **Revised cottage cluster-specific strategy to reflect Council preference for a middle housing strategy.**
  - The document must increase housing choice which this strategy will accomplish.
- **Strategy timeframes refined to better reflect city priorities.**
- **Stakeholder interviews were conducted in June.**

# 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





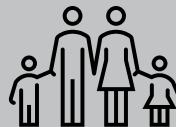
# Category B & Z: Regulations and Adequate Public Facilities

***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 and related system infrastructure.



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

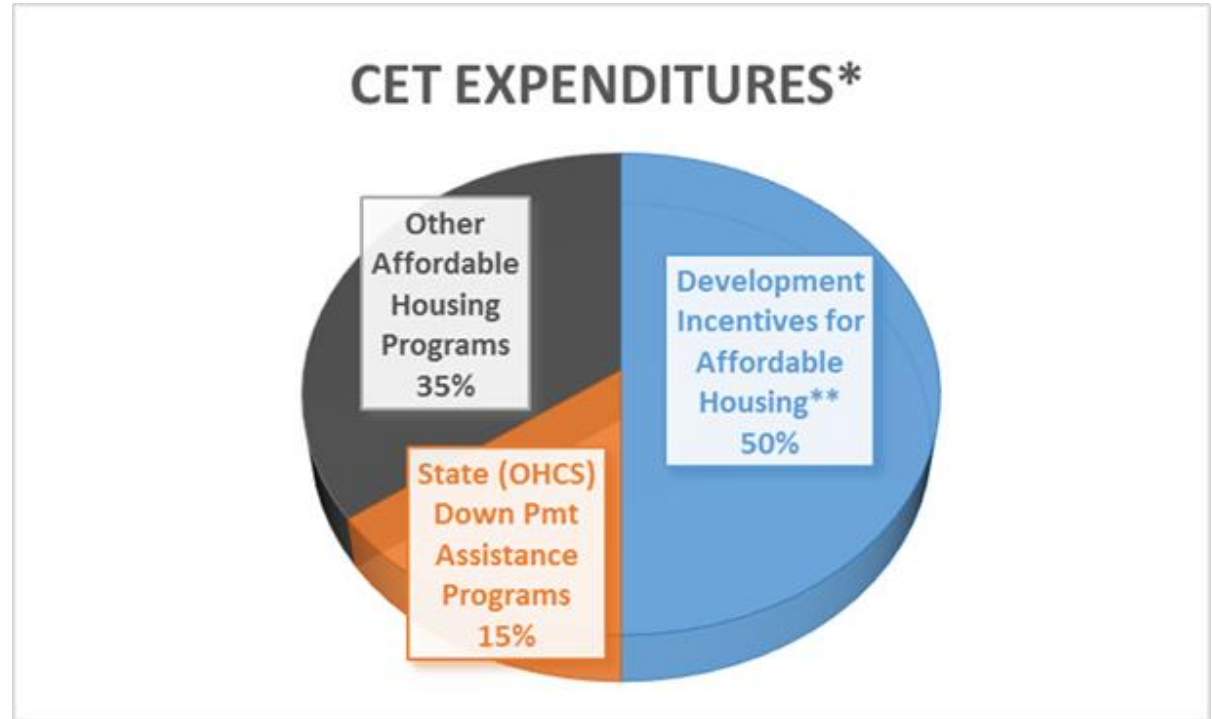


Requires \$200 million to fund  
Local, State, Federal grants  
Value engineering & regulation reform could reduce cost.



# 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.*

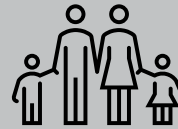


# Affordable Housing CET Discussion

- 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



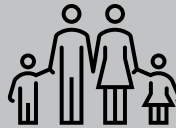
# Category A: Zoning & Code Changes

- **A1: Amend zoning code to allow additional middle housing options.**
- **A2: Provide pre-approved plans that meet accessibility goals (e.g. Universal Design).**
- **A3: Monitor and require registration for short term rentals.**
- **A4: Support preservation of manufactured home and mobile 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

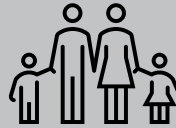


## Category F: Partnerships

- **F1: Utilize surplus public land for future housing development.**
- **F2: Expand partnership with local service providers and continue to fund the Community Services Officer to support the homeless population.**



Proactive local  
policy for  
leveraging  
private  
investment  
using surplus  
public land



Partnership  
with AntFarm;  
CSO assists  
very low-  
income  
households &  
individuals



Moderate fiscal  
impact  
Could utilize  
CET funds,  
grants, & land  
lease revenues

# Next Steps

- **DLCD review of Draft HPS Report**
- **Finalize HPS Report**
- **Adoption Hearings**
  - Per OAR 660-008-0045 Attachment A, Sandy must adopt its HPS by 12/31/2025.