

**EXHIBIT B**  
**ORDINANCE NO. 2015-01**

1. Goal 1 – Citizen Involvement. The City held a public workshop and two public hearings prior to adopting the Urbanization Study. One public hearing was held on November 24, 2014 before the Planning Commission and another public hearing was held before the City Council on February 2, 2015. All workshops and public hearings were duly noticed in accordance with state law and the City’s development code. Goal 1 is satisfied.
2. Goal 2 – Land Use Planning. With respect to the Study and its related amendments, Goal 2 requires that the City’s decision be coordinated with other governmental entities and be supported by an adequate factual base. The Study and the updated population forecast it contains were adopted in coordination with Clackamas County pursuant to ORS 195.034 and OAR 660-024-0030(4). The Clackamas County Board of Commissioners adopted a coordinated population forecast on April 25, 2013 by passing Ordinance ZDO-242. The county’s projection is included as Appendix A to the Study.

The decision is supported by an adequate factual base as demonstrated in the record, the Study and these findings. An “adequate factual base” requires that substantial evidence exist in the entire record to support the decision – that is, evidence that reasonable persons would rely on in making day-to-day decisions. *1000 Friends of Oregon v. City of North Plains*, 27 Or LUBA 372 (1994). The evidence relied upon by the Council in making the decision was collected by city of Sandy staff, in accordance with procedures and practices formulated and endorsed by the Department of Land Conservation and Development (“DLCD”). Goal 2 is satisfied.

3. Goal 3 – Agricultural Lands. Goal 3 is not applicable to the decision.
4. Goal 4 – Forest Lands. Goal 4 is not applicable to the decision.
5. Goal 5 – Natural Resources. Goal 5 is not applicable to the decision. The decision does not affect a Goal 5 resource under OAR 660-023-0250(3).
6. Goal 6 – Air Water and Land Quality. The City’s Comprehensive Plan with respect to Goal 6 and its development regulations governing land, air and water quality are not affected by the decision. Goal 6 is satisfied to the extent it is applicable to the decision.
7. Goal 7 – Natural Hazards. The City’s Comprehensive Plan with respect to Goal 7 and its development regulations governing natural hazard areas are not affected by the decision. Goal 7 is satisfied to the extent it is applicable to the decision.
8. Goal 8 – Recreational Needs. No resorts are contemplated or authorized by the decision. The City’s Comprehensive Plan with respect to Goal 8, its parks master plan

and its development regulations governing recreational needs (e.g. park dedication/fee in-lieu-of requirements, open space provisions, etc.) are not affected by the decision. Goal 8 is satisfied to the extent it is applicable to the decision.

9. Goal 9 – Economy. The Study includes an analysis and update of the City’s comprehensive plan with respect to Goal 9 and concludes the existing urban growth boundary does not contain sufficient employment lands to meet its employment needs to 2034. Specifically, the Study contains an economic opportunities analysis (“EOA”) that follows the methodology required by OAR 660-009-0015 and will replace the current EOA. The Council relies on the analysis and findings contained in the Study to conclude that Goal 9 is satisfied.
10. Goal 10 – Housing. In accordance with OAR Chapters 660, divisions 008 and 024, the Study includes an analysis and update of the City’s comprehensive plan with respect to Goal 10 and concludes the existing urban growth boundary does not contain sufficient residential lands to meet its housing needs and provide a variety of housing types to 2034.

The Study is extensive and speaks for itself with respect to compliance with Goal 10 and the Goal 10 rule. In the interest of brevity, the Council notes the following points with respect to the Study’s conformance with Goal 10 and the related administrative rule.

Goal 10 generally requires the City to provide an adequate number of housing units containing a mix of housing types and densities at price ranges and rent levels commensurate with financial capabilities of present and future residents of Sandy. In meeting this requirement, the Goal encourages the City to consider the current distribution of housing types within the City, to determine a reasonable vacancy rate, to identify expected housing demand at various price points and to permit a variety of densities and dwelling types.

The Study contains an updated buildable lands inventory classifying lots within the UGB as vacant, undevelopable, developed, and potentially redevelopable, etc. This process seeks to identify the existing buildable land supply within the UGB. The Study finds that Sandy has approximately 582.4 net acres<sup>1</sup> of unconstrained, vacant and redevelopable land within its existing UGB of which 341.3 net acres are in residential plan designations.

The Study also contains an updated housing needs projection. The projection follows DLCD’s methodology for projecting housing needs, as contained in the workbook entitled *Planning for Residential Development*. The projection forecasts housing demands between 2014 and 2034 and determines the housing types and densities needed to meet that demand. The Study finds that the City will require 575.7 net acres for housing during that time period. As such, the Study finds a deficit of land available in the UGB to meet the City’s residential needs to 2034. In order to meet the

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<sup>1</sup> 341.3 net residential + 241.1 net employment.

demand the Study identifies, the City will need an additional 234.4 net acres of residentially designated land.

Based on the above discussion and the extensive analysis contained in the Study and the record, Goal 10 is satisfied.

11. Goal 11 – Public Facilities. The City’s Comprehensive Plan with respect to Goal 11, its public facility plan and its standards governing public facilities are not affected by the decision. The City’s comprehensive plan contains an acknowledged Goal 11 element that contains policies to ensure sufficient and adequate public services are available (or will be available as appropriate) to serve lands within the UGB. Assuming the City initiates a UGB expansion based upon the Study’s conclusion that additional lands must be added to the UGB in order to meet land needs to 2034, the City will ensure that public facilities will exist to serve those lands. As such, Goal 11 is satisfied.
12. Goal 12 – Transportation. The City’s Comprehensive Plan with respect to Goal 12, its transportation system plan and its standards governing transportation and transportation-related facilities are not affected by this decision. The City’s comprehensive plan contains an acknowledged Goal 12 element that contains policies to ensure sufficient and adequate transportation facilities and services are available (or will be available as appropriate) to serve lands within the UGB. Assuming the City initiates a UGB expansion based upon the Study’s conclusion that additional lands must be added to the UGB in order to meet land needs to 2034, the City will ensure that transportation facilities will exist to serve those lands. It should be noted that the TPR is triggered when a post acknowledgment amendment “significantly affects” a transportation facility. The City finds the Study does not meet the definition of a “significant effect” pursuant to OAR 660-012-0060(1)(a)-(c) because it will not: (1) change the functional classification of an existing or future facility; (2) change the standards implementing the functional classification system; or (3) result in any of the effects listed in 0060(1)(c)(A)-(C). In essence, the City will need to evaluate these criteria if it adds lands to the UGB to meet the needs the Study identifies. Therefore, Goal 12 is satisfied for the purposes of this decision.
13. Goal 13 – Energy Conservation. The City’s Comprehensive Plan with respect to Goal 13 and its standards governing energy conservation are not affected by the decision. Goal 13 is satisfied.
14. Goal 14 – Urbanization. The Study was prepared in strict conformance with the Goal 14 rule – OAR Chapter 660, division 24. The City undertook the Study in order to evaluate its UGB. The last time the City evaluated its UGB was in 2009. Although such an evaluation is not compelled by law, the City believes that as a matter of sound policy it is the appropriate time to review whether its existing UGB contains enough land to meet its residential and employment land needs for the next twenty years.

The Study establishes a revised population forecast for Sandy based upon a statutory and administrative safe harbor. ORS 195.034 and OAR 660-024-0030(4) permit the City, in coordination with Clackamas County, to adopt a safe harbor population forecast that assumes the City's share of the forecasted County population will be the same as the City's current share of the County's population based on the most recent certified population estimates. As discussed above, the County adopted a coordinated population forecast in accordance with relevant law in 2013.

Based upon that updated population forecast, the Study proceeds according to the Goal 14 rule to determine what the City's land needs are for residential (including semi-public) and employment (commercial and industrial) uses. The Study follows the rule and calculates the City's residential and employment land needs in accordance with the administrative rules governing Goals 9 and 10, as discussed above and detailed in the Study. The Study relies on the safe harbor at OAR 660-023-0040(9) to estimate that the 20-year land needs for streets, parks and school facilities will together require an additional amount of land equal to 25 percent of the net buildable acres necessary to meet the City's residential land needs. The Study uses a more conservative ten percent figure to estimate right-of-way needs for employment land needs.

1000 Friends of Oregon asserted that the City's initial calculation of semi-public land needs pursuant to the safe harbor was incorrect. 1000 Friends believed that the City's method of arriving at the 25 percent overestimated the amount of land needed for such uses. After reviewing the safe harbor rule further, the City agrees with 1000 Friends that it initially calculated the safe harbor incorrectly. The Study now appropriately calculates such semi-public needs by adding 25 percent of the net acres the Study identifies for residential needs, in accordance with 0040(9).

However, 1000 Friends also disputed that the City could simply add 25 percent to the net acres the Study finds are necessary to serve residential uses to 2034. According to 1000 Friends, the City must also assess the existing UGB's ability to meet such semi-public land needs. In other words, 1000 Friends believes that the safe harbor requires the City to also determine whether any existing semi-public lands within the UGB can serve any land needs the Study identifies, thus potentially reducing the semi-public land need below the 25 percent safe harbor figure.

The City disagrees with 1000 Friends on this point. The safe harbor plainly and unambiguously permits the City to "estimate" such semi-public needs in a review of the UGB by simply adding 25 percent to the total identified net acreage needed over the 20-year period. It is appropriately silent on requiring any further analysis, as 1000 Friends urges. This is perfectly logical – LCDC's intent in establishing the safe harbors in the Goal 14 rule was to ease analytical aspects of the urbanization process, including how a jurisdiction determines right-of-way needs that will accompany needed residential lands. To follow 1000 Friends advice on this point would render the safe-harbor meaningless, as the entire point of the safe harbor was to eliminate analysis relative to such right-of-way needs.

The Goal 14 rule then requires the City to inventory land inside its existing UGB to determine whether there is adequate development capacity to accommodate the 20-year residential and employment land needs the Study identifies. The Study meets this requirement through an updated buildable lands inventory. The result of that inventory when compared to the Study's identified needs for residential and commercial land demonstrate that the City has inadequate development capacity within its existing UGB to meet those needs to 2034 and that a UGB expansion is thus warranted.

1000 Friends also asserted that the buildable lands inventory underestimated the amount of partially vacant land that could be redeveloped over the planning period. In response, the City reevaluated this aspect of the BLI and updated it for the Study as follows. First, the City updated the BLI to consider "vacant" those lots larger than five acres where less than one-half acre is developed. This reanalysis resulted in the addition of approximately 150 acres as being deemed "vacant." This changed the assumption for these lands from "significant redevelopment potential" (i.e. 100 percent of such lands will redevelop over the planning period) and "moderate redevelopment potential" (i.e. 20 percent of such lands will redevelop over the planning period) to "vacant" (i.e. 100 percent of the land will redevelop). The effect of this change reduced the dwelling unit deficiency the Study identifies.

However, in response to 1000 Friends comments on infill capacity, the City made certain changes to the Study relative to assumptions about redevelopment in the North Bluff neighborhood. The record includes evidence that it is highly unlikely certain properties in that neighborhood will acquire sanitary sewer service during the planning period. Specifically, the record reveals that the City's previous attempts to serve the area in question with sanitary sewer have failed. Therefore, the City revised the Study to remove 28 acres that were initially identified as redevelopable.

Based upon the above discussion and the Study's analyses and conclusions, Goal 14 is satisfied.

15. Goals 15 – 19. Sandy is not subject to these Goals and thus they are not applicable.
16. SMC 17.24.70 – Comprehensive Plan Amendment Review Criteria.
  - a. The need identified by the Council is the need to plan wisely for future growth within the City of Sandy. The City seeks to continue to provide sufficient residential and employment opportunities to its existing and future residents. In order to make this determination it must evaluate and analyze its anticipated future needs for residential and employment lands. Based on a variety of factors, including economic changes since the 2009 study, the Council believes the Study is warranted at this time.

As discussed above, Goal 14 and the Goal 14 rule govern this evaluation. In fact, with respect to future land use needs, the City believes it has little to no discretion

to plan for future growth within Sandy without undertaking the analysis required by the rule. That analysis resulted in the Study and the Council believes that the changes proposed by the Study are the best (and arguably only) way for the City to adequately plan for and accommodate future growth within Sandy.

- b. The decision complies with all applicable statewide planning goals as discussed in these findings and the record.