

Mayor
Honorable Tom Ellis

City Manager
Jason A. Tuck, ICMA-CM



February 28, 2025

House Committee on Housing and Homelessness
Oregon State Capitol
Salem, OR 97301

Re: Opposition to House Bill 2138

Dear Honorable Chair Marsh and Members of the House Committee On Housing and Homelessness :

Thank you for the opportunity to provide comments on HB 2138.

I would first like to express our appreciation and recognize the work that Matt Tschabold from the Governor's Office has done to communicate with city staff while developing this legislation. We truly appreciate that model of collaboration.

However, on behalf of the Happy Valley City Council, I would like to express our strong opposition to HB 2138 itself. Communities across our state are facing a housing crisis. The City is ready and eager to work with the State and our development community to produce more housing in a thoughtful manner that will leave a proud legacy for generations to come. Unfortunately, legislation such as HB 2138 will not make a meaningful impact, it will stifle the ability of local governments to achieve our shared interests, and it will produce unintended consequences.

Happy Valley has been one of the fastest growing communities in Oregon for nearly two decades. Since 2000, the City's population has grown 594%. Just in the last 15 years, the City added 5,744 new housing units, 1,722 of which were multi-family or middle housing. Through years working in a fast-growing community, we have refined our local permitting process to be one of the quickest and most responsive in the Portland area.

The City of Happy Valley continues to invest resources preparing land for urbanization, including adoption of our newest 2,700 acre expansion area that is expected to add 7,500 new households. We have made efforts to develop a modern-day suburban downtown that will add another 1,200 housing units. Unfortunately, focusing our attention on implementing the multitude of mandates from bills like HB 2138 has taken time away from our ability to focus on future planning and process permit applications at the same rate.

While the City understands the housing crisis, our job as elected officials is to balance the many competing interests within our community. We pride ourselves not just on being one of the fastest growing communities, but by growing in a purposeful way that builds complete neighborhoods and balances the impacts of growth with environmental stewardship and community livability.

Below are the City's specific concerns with HB 2138:

Prevents Public Involvement

Top-down approaches can produce conflicts between state goals. Notably, HB 2138 is counter to the very pillar of Oregon's unique land use system: Goal 1, Citizen Involvement. The provisions of HB 2138 supersede local development standards that were developed by gathering input from community members and implemented by volunteer Planning Commissioners and the elected City Council. The proposal will render many community-informed decisions effectively irrelevant. Why would community members continue to participate in local planning processes if their input is circumvented each legislative

session? Further, the Bill prevents public involvement by limiting the minimum distribution notice of decisions and removing a local appeal process.

Could Lead to Unsafe Roads

State-wide requirements like HB 2138 undercut the ability of communities to self-govern and direct policies toward their own local needs. By exempting the requirement for traffic impact analysis for middle housing, the Bill undermines tools communities use to protect their residents' wellbeing. The exemption prevents communities from implementing safety measures like sight distance requirements for leaving a development site. It also does not account for impacts that development has on public roads, which can widen transportation funding gaps and leave future community members to pay the price. These changing goalposts erode local community trust and discourage participation in governance while the Legislature continues to change the rules each session.

Does Not Address the Housing Problem

HB 2138 does not address the true barriers to accommodating more housing and instead it complicates the development process by adding unnecessarily nuanced requirements that are unlikely to make a noticeable impact. As mentioned earlier, the City expects over 7,500 new housing units to be built once adequate infrastructure is in place. The most significant impediments are the cost of public infrastructure to serve development sites and the high cost of land in the metro area. Neither of those are addressed by HB 2138. The City encourages the Governor and Legislative Assembly to engage meaningfully with a wide variety of jurisdictions and those involved in development to identify strategies that would be more effective at addressing the housing problem.

Erodes Trust and Partnership in Governance

Rather than creating partnerships, HB 2138 pits the State of Oregon and cities like Happy Valley as opponents. We should instead be working collaboratively to achieve our shared hopes for the future. As a City Council, we ask the Governor and Legislative Assembly to see us as equal partners in reaching our common goals. Our team works every day to create an environment that supports more housing units at all income levels. We work tirelessly to build a diverse and equitable community that will thrive for decades to come.

Causes Unnecessary Complexity in Development

HB 2138 causes new conflicts and chaos by forcing jurisdictions back to the drawing board for middle housing policies. The legislature should leave the nuanced details of middle housing to local communities with the oversight of Housing Accountability and Production Office (HAPO). The specific requirements introduced in this Bill interfere with existing local implementation and present a bureaucratic web that leaves confusion for developers. For example, the House Bill requires local jurisdictions to have an option for both detached or attached middle housing. The City of Happy Valley community would need to adopt new land use regulations to accommodate for this change and the change would make the development process more complex for developers who now have to navigate multiple options for constructing the same development. The new requirements are not needed because applicants can already achieve the same outcome with the existing middle housing options.

Undermines Local Planning

The language proposed in the Bill introduces unnecessarily detailed provisions that conflict with processes that are working for most local governments. Though we share the same goals, local jurisdictions should be left to the details of implementation to avoid conflicts and assure adequate infrastructure planning. For instance, the provision, allowing three times the zoning density for single-room occupancies in multi-family zoned areas would have unaccounted impacts on our infrastructure, while the provision for reduced parking requirements does not recognize urban contexts where there are substandard pedestrian systems and no reliable transit.

Cities Still Need Time to Implement and Assess New Laws from Prior Sessions

Recognizing the statewide housing crisis, the State Legislature has passed numerous bills in the last few sessions aimed at producing more housing. Cities like Happy Valley have been working diligently to implement all the new laws and we still have more to accomplish. We adopted a new Housing Production Strategy and we have a system of new oversight from HAPO to assure we are implementing past legislation to remove barriers to housing. Additional legislation should be delayed to allow local governments to continue to reduce barriers to housing with our Housing Production Strategies, evaluate the effectiveness of HAPO, and understand potential conflicts with previous legislation.

The cumulative effect of multiple years of top-down legislation is an even more complex land use system than we have ever had before, which does not benefit residents, developers, or state interests. Legislation and LCDC rulemaking on middle housing must not preclude jurisdictions from continuing to manage cottage cluster and middle housing options. Ongoing changes to siting and design standards create, rather than solve, problems and tie up limited local resources and staff in the process.

Thank you for your consideration of our concerns.



Tom Ellis
Mayor

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Preserving and enhancing the safety, livability and character of our community