

Mayor
Honorable Tom Ellis

City Manager
Jason A. Tuck, ICMA-CM



February 12, 2026

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

Re: House Bill 4037

Dear Chair Marsh and members of the Committee,

Thank you for the opportunity to provide comments on House Bill 4037. We appreciate the -10 amendment and urge its adoption, but the City of Happy Valley remains concerned by several remaining elements.

Section 14: Housing Accountability and Production Office

We appreciate the -10 Amendment's removal of Section 14 from HB 4037 as introduced. The Housing Accountability and Production Office can provide valuable resources and support for local jurisdictions, but the Office does not effectively assist housing production by administering penalties or directly applying a model code without local consent or due process.

Section 16: Elimination of Local Plan Review

Allowing one- and two-family homes with structurally complex designs or difficult site conditions to bypass the local plan review process increases the risk of danger for those that live in and around those homes. Community members trust their homes are safe for their family and spend a significant amount of money on housing, so they should have the reassurance that they are safe. Neighboring property owners likewise deserve assurance that adjacent homes will not pose structural risks.

While the bill requires plans to be approved by a registered architect or engineer, experience shows that even stamped plans routinely require correction during local review. Local review plays a critical role in ensuring safety and protecting both current and future residents.

In addition to safety concerns, this proposal would significantly reduce plan review fee revenue.

Larger jurisdictions may be able to absorb and restructure staffing impacts, but medium and smaller jurisdictions could struggle to maintain qualified plan review staff if workloads become inconsistent. This could undermine local building capacity and responsiveness.

Section 17: Notices and Appeals

Section 17 imposes arbitrary limitations on public notice requirements for housing applications, creating inconsistent standards across application types. The bill would prohibit common and effective notice practices, including posted signage on developing properties and expanded notice areas for significant projects.

These restrictions unnecessarily limit community awareness and participation while adding confusion and procedural complexity. Given that housing applications already operate under clear and objective standards and that public hearings are prohibited in many cases, expanding awareness does not impede approval timelines, it simply ensures transparency.

Equally concerning is the limitation on appeals. Restricting appeals solely to applicants undermines the purpose of the appeals process, which exists to correct potential errors in decision-making. If an error occurs, any affected party should have the opportunity to seek review, not just the developer. This limitation is inequitable and inconsistent with fundamental principles of fair process.

The bill continues a pattern of legislation that disregards Oregon's Housing Goal #1: Citizen Involvement. Happy Valley welcomes residents' input on the communities they live in, and Happy Valley cherishes what opportunities remain to respect that input. Over the past several years, the Legislature has enacted complex and highly specific housing mandates that apply only to certain development types under narrow circumstances. In that context, clear notice and opportunities for participation are more important. These proposed limitations further reduce transparency and risk deepening public distrust in government at a time when rebuilding confidence should be a shared priority. Public participation remains fundamental to effective local governance.

Happy Valley has been one of Oregon's fastest-growing communities for nearly two decades, with a population increase of 594% since 2000. In the past 15 years alone, Happy Valley has added 5,744 new housing units, including 1,722 multifamily or middle housing units. This is the result of our long dedication to housing-supportive policies, regulations, partnerships and continual planning for urbanization of land within the urban growth boundary. We have demonstrated that meaningful public process and housing production are not mutually exclusive.

The City of Happy Valley urges legislators to oppose House Bill 4037, specifically Section 16, prohibiting cities from plan review for single- and two-family homes, and sections 17, which imposes unproductive procedural limitations and restricts community involvement. Removal of those sections would align with Oregon's planning goals and preserve appropriate local authority over development and construction within our communities.

Thank you for your consideration.



Tom Ellis
Mayor

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