

Mayor
Honorable Tom Ellis

City Manager
Jason A. Tuck, ICMA-CM



February 8, 2024

Senate Committee on Housing and Development
Oregon State Capitol
Salem, OR 97301

Re: Opposition to Senate Bill 1537

Dear Honorable Chair Jama, Vice-Chair Anderson, and Members of the Committee:

Thank you for the opportunity to provide comments on SB 1537. On behalf of the Happy Valley City Council, I would like to express our strong opposition to almost all the elements of SB 1537. Communities across our state are facing a housing crisis. Unfortunately, much of SB 1537 compounds the problem. Simply put, it adds bureaucracy, will slow down the production of needed housing, and takes away the ability for local communities to provide input into its future, all while giving developers more control.

Happy Valley has been one of the fastest growing communities in Oregon for nearly two decades. Since 2000, the City's population has quadrupled. Just in the last 15 years, the City added 5,656 new housing units, 2,033 of which were multi-family. Looking to the future, the City recently approved a plan for 2,700 acres of the former Damascus area. The plan is expected to add 7,500 new households with a near 50/50 split of single-family and multi-family/attached units.

Through years working in a fast-growing community, the City has refined our local permitting process to be one of the quickest and most responsive in the Portland area. Adding more regulations and processes we are forced to be knowledgeable of and comply with slows our efficient process and presents opportunities for error.

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 on being one of the fastest growing communities, but doing so in a way that builds complete neighborhoods, balancing the impacts of growth with environmental stewardship and community livability.

Below highlight the City's specific concerns with SB 1537.

**Housing Accountability and Production Office Sections 1-7:
Adds Unnecessary Bureaucracy**

There are already established systems in place to assure local governments comply with existing laws. Creation of a new entity is simply not necessary and will cause opportunities for conflict between the suite of oversight mechanisms, and an ongoing cost to the State. Rather than using our State's limited resources to create a new agency, it would be far more fruitful to provide technical assistance or other resources to local jurisdictions to proactively review local codes and policies for compliance with existing laws and offer solutions.

Opting in to Amend Housing Regulations Sections 8-9:

Creates Confusion

The ability to opt into new standards midway through a land use review process causes confusion, erodes public trust in a process that is supposed to be transparent, and does not result in significant time savings.

Financial Assistance Supporting Housing Production Sections 12-23:

UGB Expansion Areas Need More Assistance

To begin to acknowledge the inequitably high cost of building in urban growth boundary expansion areas, a portion of these programs should be earmarked for allocation accordingly.

Mandatory Adjustment Sections 37-47:

Prevents Public Involvement

Top-down approaches can produce conflicts between state goals. Notably, SB 1537 is counter to the very pillar of Oregon's unique land use system: Goal 1, Citizen Involvement. The provisions of SB 1537 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 all but a narrow list of development criteria effectively irrelevant and will erode the trust we have built with the community by not enforcing the standards they adopted and limiting opportunities to participate in the development process.

While the City is in opposition to SB 1537, we would be remised if we didn't express appreciation for the recognition that significant statewide investments are needed in infrastructure. The City of Happy Valley is one of the few cities in the Portland Metro Region that has ample land and approved plans to add a significant number of new neighborhoods. The biggest barrier to achieving more housing is the cost of infrastructure. Unfortunately, the City can't support the other provisions of the bill.

We thank the Governor's staff members who have tried to work with our team. The Governor's Office did take the time to meaningfully engage with our community and made minor changes to the Bill based on the feedback from local jurisdictions. However, from a policy standpoint, we simply can't support taking away the ability for our residents to provide meaningful input into the growth of our community. We've proven over the last decade that municipalities can involve the community, process permits in a timely fashion, and grow responsibly all at the same time without State mandates. Thank you for your consideration of our concerns.



Tom Ellis
Mayor