



Home of the Tualatin River National Wildlife Refuge

City of Sherwood  
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Doug Scott  
Kim Young

**City Manager**  
Joseph Gall, ICMA-CM

February 10, 2019

The Honorable Alissa Keny-Guyer  
Chair of the House Committee on Human Services and Housing  
Oregon House of Representatives  
900 Court St. NE, H-272  
Salem, Oregon 97301

**Re: Sherwood City Council Resolution 2019-011 opposing the adoption of House Bill 2001 in the 2019 Legislative Session**

Dear Chair Keny-Guyer,

I would like to start by saying that Sherwood stands ready and willing to partner with our neighbors and Salem to solve for the housing crisis that we face today. Affordability and lack of choices have become significant issues in our community. We are seeing shortages in affordable starter homes; small footprint, single level homes for our seniors; and workforce housing.

Unfortunately, we have concluded that HB2001 will have unintended consequences and will actually reduce affordability in high demand housing markets like Sherwood.

Attached to this letter you will find Resolution 2019-011, opposing the adoption of House bill 2001 in the 2019 Legislative Session that was adopted by the Sherwood City Council on February 5, 2019.

We need inclusionary housing programs that promote affordability, choice, and diversity. This bill, as it is currently written, will not create the outcome that we are primarily looking for, across all the communities. We need to recognize as we strive to create inclusionary housing programs, that each community is different and has unique challenges.

On a fundamental level, this bill allows a homebuilder to choose which mode of housing will be developed, with no accountability for the results that we are trying to achieve. Housing markets are speculative by nature. A homebuilder is going to make these decisions based on the demands of their investors, meaning profit, not the needs of the communities. High demand markets will always drive high prices, regardless of the incentives that are created in the absence of accountability.

The decision on what mode of housing should be built on a given lot or set of lots should be driven by the planning departments at the local level, with heavy involvement of the community, as required under Statewide Planning Goals – Goal 1.

HB2001 does not account for the impacts on long term planning as it relates to school capacity, utilities, and transportation. When planners are not able to forecast what mode of housing is being developed, they will need to assume the highest use scenarios. This leads to incremental costs for transportation and utility infrastructure for new developments. In areas targeted for re-development, it will impact user fees and utility rates when infrastructure has to be upgraded to accommodate the increased density.

Schools will face significant uncertainty in forecasting student growth when they don't know the mode of housing that will be built in a given residential area under this bill.

For Example: In Sherwood, there are .71 school age kids per household<sup>1</sup>. That is 94% higher than the average for the three counties encompassing metro.

School districts general obligation debt is capped at 7.95% of the total RMV of all property in the school district under state law<sup>2</sup>. If you do the math, you will find that the per student general obligation debt capacity of our school district is 40% lower than the average for the surrounding region<sup>3</sup>. When you couple high density, with high student per household ratios, this can severely limit the amount of general obligation debt available to a school to finance new capacity. Sherwood School District has already reached its bonding capacity and is not forecasted to have additional bonding capacity for 10 years.

This challenge and the associated overcrowding in our schools has become so dire, that the school board took the unprecedented step of asking the city, through a letter of interest<sup>4</sup> and joint meetings held between the school district board and the city council, to not request any expansion of the Urban Growth Boundary for at least 10 years.

This bill would create growth that was not anticipated and impact our schools. This was the primary reason Sherwood withdrew its request to expand the urban growth boundary last year.

Contrary to popular perceptions, Sherwood is not anti-growth. Sherwood has been working hard on providing more choice and affordability to our residents. Many projects have come on line in the last ten years that focus on townhomes, multi-family units and apartments. Looking toward the future the city council with the recommendation of a citizen advisory committee adopted a

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<sup>1</sup> Source: Census Data American Fact Finder

<sup>2</sup> ORS 328.245 Limitation on bonded debt of districts generally

<sup>3</sup> Source: US Census American Fact Finder & County Tax Assessor Reports for Washington, Multnomah Counties

<sup>4</sup> Sherwood School Board Position State on City of Sherwood UGB Expansion Letter of Interest dated April 4<sup>th</sup> 2018

vision statement<sup>5</sup> to guide the update of our Comprehensive Plan looking out to 2040. This Vision statement included the following:

***“Attractive and affordable Housing:*** *In 2040, Sherwood has a range of housing choices for a diversity of ages and income levels, providing community members the ability to live in Sherwood throughout all stages of life.”*

Sherwood’s per square mile population is 4,512, the 9th highest in the state<sup>6</sup>. Our population density is higher than many of the largest cities in the state, including Portland and Hillsboro. We are feeling the challenges of affordability and are looking for additional solutions, as are many other communities.

The problems of affordability and the impacts of possible solutions vary by community. A one-size fits all, top down approach will not generate the results, on a community-by-community basis, that we all are trying to achieve.

The Centers for Housing Policy found that local conditions have a dramatic impact on the success or failure of inclusionary housing programs. Programs that accounted for local economic and housing market factors have the best chance for success.

I would like to suggest that we create a task force, with wide representation from communities around the state to work with Salem on this problem.

Providing a set of tools that are results oriented, adaptable and configurable to individual community needs is the best way to solve for this problem.

The best solutions come when we partner and work together to address what we all agree are significant problems in our communities.

We need partnership, not mandates.

Sincerely,



Tim Rosener  
City Council President

CC: Sherwood City Council  
Members, Oregon House Committee on House Committee on Human Services and Housing  
Joseph Gall, City Manager

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<sup>5</sup> Sherwood City Council Resolution 2019-006 Accepting the Sherwood 2040 Comprehensive Plan Vision

<sup>6</sup> Source: US Census Data



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## **RESOLUTION 2019-011**

### **OPPOSING THE ADOPTION OF HOUSE BILL 2001 IN THE 2019 LEGISLATIVE SESSION**

**WHEREAS**, the City of Sherwood recognizes and is deeply concerned about the national, state, and regional crisis of affordable housing for all; and

**WHEREAS**, the City of Sherwood strongly agrees that changes are needed to help provide more housing that is available and affordable to those most in need; and

**WHEREAS**, while Oregon House Bill 2001 attempts to address this problem, it will have unanticipated significant negative consequences if implemented as currently written; and

**WHEREAS**, the City is concerned that the bill, if passed, will result in the tear-down of existing homes and the obliteration of older neighborhoods that tend to provide more affordable housing; and

**WHEREAS**, as a result, the bill could have the opposite of its intended effect, namely the removal of affordable older homes and replacing them with market rate (or above market rate) rental units, thereby making home ownership more unattainable in communities like Sherwood; and

**WHEREAS**, school districts, including the Sherwood School District, have not planned and would have difficulty planning for the type of unpredictable growth that could occur if this bill were passed; and

**WHEREAS**, school planning has historically been based on zoned capacity, and new schools must be considered and funded years in advance; and

**WHEREAS**, Sherwood schools are currently significantly overcrowded and a bond was passed in 2016 to construct a new high school, which was designed to accommodate anticipated growth but will not accommodate the potential density increase that this bill would provide; and

**WHEREAS**, the District cannot bond for additional facility improvements for approximately 12 years due to limits on the amount of bonded debt allowed; and

**WHEREAS**, the bill would require that up to four additional dwelling units be permitted on any single family residential lot, regardless of the size of the lot or capacity of the infrastructure to accommodate it, which negates all of the historical planning and outreach done by communities since the passage and implementation of Senate Bill 100, and further negates the various completed Master Plans that are based on specific land use assumptions, and immediately requires local jurisdictions to update those plans to consider this potential fourfold increase in density and is in clear violation of the intent of Goal One; and

**WHEREAS**, the bill prohibits requiring that system development chargers (SDCs) be paid at the time of building permit issuance which is an unfunded mandate placing an unreasonable administrative burden on local governments to track, monitor, and enforce the payment of SDCs, and

**WHEREAS**, this would negatively affects a local jurisdiction's ability to provide growth-related improvements in a timely manner, impacting existing and future residents; and

**WHEREAS**, the bill's provision restricting owner occupancy requirements essentially has the effect of transforming residential neighborhoods into higher density neighborhoods and decreasing affordability in high demand areas where investors buy up inventory to create rental properties at rates not affordable to local population (college towns and vacation destinations) ; and

**WHEREAS**, the proposed bill is a heavy-handed, one size fits all, top-down approach from the state government that is a direct attack on home rule authority in Oregon, which effectively treats all cities of 10,000 residents or more in the same manner irrespective of geography, demographics, individualized community needs, and local decision-making; and

**WHEREAS**, the City believes strongly that, with coordination and collaboration, there are other, more effective ways to help address the housing crisis, and the Sherwood City Council is prepared to participate to help identify a more appropriate and effective solution.

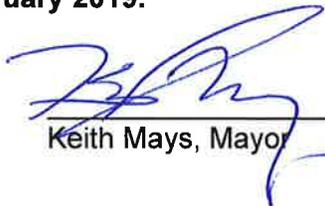
**NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** The City of Sherwood Council hereby strongly opposes the adoption of House Bill 2001 in the Oregon 2019 Legislative Session.

**Section 2.** The Sherwood City Manager is directed to share this resolution expressing the City's opposition to House Bill 2001 with state representatives and anyone else who may have the ability to positively impact this bill and to address the concerns raised by the City.

**Section 3.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 5th day of February 2019.**

  
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Keith Mays, Mayor

Attest:

  
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Sylvia Murphy, MMC, City Recorder