



March 6, 2025

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

Re: Opposition to Senate Bill 49-1

Dear Honorable Chair Pham and Members of the Committee,

Thank you for the opportunity to provide comments on Senate Bill 49-1. On behalf of the Happy Valley City Council, I would like to express our strong opposition to SB 49-1. 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 SB 49-1 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 SB 49-1 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 SB 49-1:

Prevents Public Involvement

Top-down approaches can produce conflicts between state goals. Notably, SB 49-1 is counter to the very pillar of Oregon's unique land use system: Goal 1, Citizen Involvement. The provisions of SB 49-1 supersede local development standards that were developed by gathering input from community members and implemented by volunteer Planning Commissioners and the elected City Council. These standards include SB 49-1's zoning provisions that are overridden by requirements to remove minimum density requirements. Minimum density requirements are a tool we use to promote commercial development and the effective delivery of community services. The proposal will render many community-informed decisions effectively irrelevant. If community input is circumvented each legislative session, they are structurally discouraged to participate in city planning process.

Does Not Address the Housing Problem

SB 49-1 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 SB 49-1. Instead, the Bill proposes a restriction on minimum density requirements, which are a key tool to meeting regional housing goals. 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, SB 49-1 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.

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 the Housing Accountability and Production Office (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. SB 49-1's mandated implementation of model zoning code areas distorts the original purpose of those models and leaves cities like Happy Valley with even more administrative changes to keep up with.

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 housing development must not preclude jurisdictions from continuing to manage housing options. Ongoing changes to zoning and density requirements create, rather than solve, problems and tie up limited local resources and staff in the process.

Thank you for your consideration of our concerns.



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Mayor

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