

Attachment B. Required Notice to Applicants

The City of Happy Valley must deliver this notice to all existing and prospective applicants for the development of housing within the city. Failure to issue this notice or comply with the terms outlined in this notice are a violation of state law and can be reported to the Housing Accountability and Production Office (HAPO) at this intake form:

<https://www.oregon.gov/lcd/HAPO/Pages/Inquiries-and-Complaints.aspx>

Eligible Development and Design Flexibilities

The City of Happy Valley must allow any applicant for the development of housing to request flexibility⁹ to any standards in the following table. The applicant is eligible to request flexibility to one or more standards on this table. In order to continue utilizing a local process for adjustments to housing development and design standards in lieu of a state-prescribed process under section 38, chapter 110, Oregon Laws 2024 (Senate Bill 1537), the city is required to approve 90% of received requests from this table. Each row counts as one request, even where a request contains multiple components within that category (rows continue on the following page).

Development or Design Standard	Required Eligible Adjustment Amount
Side or rear setbacks	Must allow an adjustment up to 10% of required setback distance.
For an individual development project, common area, open space or area that must be landscaped on the same lot or parcel as proposed housing	Must allow a reduction up to 25%
Parking minimums	Must be eligible for a full adjustment
Minimum lot sizes	Must allow an adjustment up to 10%, and including up to a 10% adjustment to lot widths or depths
Maximum lot sizes	Must allow an adjustment up to 10%, including up to a 10% adjustment to lot widths or depths, if the adjustment results in more dwelling units than would be allowed without adjustment, and the adjustment does not result in reduction of density below the minimum applicable density
Building lot coverage	Must allow an adjustment up to 10%
*Bicycle parking (minimum spaces)	Must allow an adjustment to the minimum number of spaces for use by residents, provided the application includes at least one-half space per residential unit
*Bicycle parking (location)	Must allow an adjustment to the location of bike parking spaces, provided lockable, covered bike parking spaces are within or adjacent to the residential development
*Building height maximums (excluding cottage clusters)	Must allow an adjustment in addition to any existing applicable height bonuses; Must allow an adjustment up to the greater of "one story" or 20% of the base zone height
*Unit density maximums	Must allow an amount necessary to account for other requested adjustments in this table
*Prohibitions on ground floors of mixed use buildings against residential uses except for one face of the building facing the street & within 20 ft of the street	Must be eligible for a full adjustment
*Prohibitions on ground floors of mixed use buildings against nonresidential active uses that support the residential uses of the building	Must be eligible for a full adjustment
Facade materials, color or pattern	Must be eligible for a full adjustment
Facade articulation	Must be eligible for a full adjustment

⁹ These flexibilities are referred to as "adjustments" in SB 1537. An adjustment is defined as "a deviation from an existing land use regulation".

Development or Design Standard	Required Eligible Adjustment Amount
Roof forms and materials	Must be eligible for a full adjustment
Entry and garage door materials	Must be eligible for a full adjustment
Garage door orientation unless adjacent to or across from school/public park	Must be eligible for a full adjustment
Window materials except bird-safe glazing requirements	Must be eligible for a full adjustment
Total window area	Must allow up to 30% adjustment if application includes at least 12% of total façade as window area
*Building orientation requirements, not including transit street orientation requirements	Must be eligible for a full adjustment
*Building height transition requirements	Must allow up to 50% adjustment from the base zone
*Requirements for balconies and porches	Must be eligible for a full adjustment
*Requirements for recesses and offsets	Must be eligible for a full adjustment
<i>*Only applicable to manufactured dwelling parks, middle housing, multi-unit, and mixed use residential.</i>	

City's Requirements for Mandatory Adjustments

Senate Bill 1537 (2024) advances tools that will increase housing production, affordability and choice. This includes a requirement for cities to allow temporary flexibility on specified land use regulations for qualifying residential developments¹⁰. The City of Happy Valley received approval for an exemption that allows the city to apply a local process to grant flexibility to local design and development standards instead of a state-prescribed process. To maintain this exemption, the city must:

1. Provide and clearly communicate all local processes by which any existing or prospective applicant for the development of housing under the jurisdiction of the city may request flexibility on design and development standards.
2. Allow any applicant for the development of housing to request flexibility on the specific design and development standards up to the amount specified in the table above via the applicable local process, and
3. At a minimum, approve 90% of adjustment requests submitted to the city within the previous five years. This percentage will be reviewed annually when the city submits required reporting to HAPO.
4. Allow any applicant rendered ineligible to request an adjustment via the local process to directly apply section 38 for the standard or standards rendered ineligible.

Following a complaint and investigation by the Office, a finding of non-compliance with these criteria will result in a revocation of the exemption. The city would then be required to apply the state-prescribed per section 38, chapter 110, Oregon Laws 2024. Suspected violations can be reported to HAPO at this intake form:

<https://www.oregon.gov/lcd/HAPO/Pages/Inquiries-and-Complaints.aspx>

Learn more about HAPO, Senate Bill 1537, and Mandatory Adjustments at:

About HAPO: <https://www.oregon.gov/lcd/Housing/Pages/Housing-Accountability-and-Production-Office.aspx>

¹⁰ See section 38, chapter 110, Oregon Laws 2024 or Senate Bill 1537 (2024 Session).

Mandatory Adjustments – Overview for Housing Developers:

https://www.oregon.gov/lcd/Housing/Documents/20250306_HAPO_MandatoryAdjustments_OnePager.pdf

Mandatory Adjustment Technical Summary:

https://www.oregon.gov/lcd/Housing/Documents/Mandatory_Adjustments_Summary.pdf

Flexibilities to Housing Development and Design Standards Dashboard:

<https://geo.maps.arcgis.com/apps/dashboards/04337d6378a24ba5b9bb6c9f7f5b3c9c>

HAPO Inquiries and Complaints Intake Form:

<https://www.oregon.gov/lcd/HAPO/Pages/Inquiries-and-Complaints.aspx>

Review HAPO's Final Decision:

https://www.oregon.gov/lcd/Housing/Mandatory%20Adjustments/20260122_HappyValley_Decision_Mandatory_Adjustment_Exemption.pdf