

**CITY OF HAPPY VALLEY
RESOLUTION 25-07**

CFEC PARKING B

WHEREAS, cities and counties that are within a metropolitan area and have not adopted land use regulations eliminating parking minimums as provided in OAR 660-012-0420 are required to adopt an alternative approach to managing parking; and,

WHEREAS, the City Council directed staff to pursue the “Fair Parking Policy Approach” as identified in OAR 660-012-0445; and,

WHEREAS, the proposed resolution was created with direction from the City Council; and,

WHEREAS, the community was invited to participate in the process of reviewing the proposed resolution at a series of public meetings with the Planning Commission and City Council; and,

WHEREAS, the City Council held a work session on March 4, 2025 and a public hearing on June 17, 2025, focused on the parking management strategies in CFEC Parking B; and

NOW THEREFORE, THE CITY OF HAPPY VALLEY RESOLVES AS FOLLOWS:

Section 1. Parking spaces for each residential unit in multifamily developments that include five or more leased or sold residential units on a lot or parcel shall be unbundled parking (parking cannot be included in the rental/lease/purchase price).

Section 2. Commercial paid parking lots shall have a 10 percent tax on income, with revenues from the collected tax dedicated to improving transportation alternatives to drive-alone travel.

Resolution 25-07 is enacted by the City Council of the City of Happy Valley, this 17th day of June, 2025, effective on the 30th day of June, 2025.

Tom Ellis

Tom Ellis
Mayor

ATTEST:

Kara Kerpan

Kara Kerpan
City Recorder

Mayor
Honorable Tom Ellis



City Manager
Jason A. Tuck, ICMA-CM

July 21, 2025

Subject: Required Parking Policy Changes – Climate Friendly and Equitable Communities (CFEC) “Unbundled Parking” Implementation for Multifamily Housing

Dear To Whom it May Concern,

We are writing to inform you about a new state-required change affecting how parking must be managed at multifamily housing developments in the City of Happy Valley. As part of the Governor’s Climate Friendly and Equitable Communities (CFEC) initiative, cities within metropolitan areas — including Happy Valley — must implement reforms to reduce vehicle dependence, lower climate pollution, and increase housing affordability. The City of Happy Valley — along with several other cities — sued the state over the legality of the CFEC requirements but did not prevail in court.

On June 17, 2025, the Happy Valley City Council adopted Resolution 25-07, to implement the State’s requirements. One provision of the Resolution applies to the operations of apartment and condo complexes. More specifically, these developments are now required to unbundle the cost of parking from the price of rent. As of June 30, 2025, new leases or rental agreements may not include parking within the cost of rent. Each tenant must decide if they would like onsite parking and pay a minimum of \$130 per stall each month. Onsite parking may no longer be offered free of charge or included in the cost of rent.

What Does This Mean for Your Property?

Effective June 30, 2025:

- **Parking may no longer be included in the base cost of rent or purchase. Each parking space must be offered as a separate, optional charge. Parking may no longer be provided free of charge.**
- **Residents on new leases or rental agreements must “opt in” if they want to rent a parking space. The current minimum rate is \$130 per month per parking stall.**
- **Residents who choose not to rent a parking space are not required to pay the additional fee.**

These rules are intended to allow tenants to make individual transportation choices and avoid subsidizing parking they do not use. For your property, this means leases and management practices must be updated to clearly reflect that parking is separately priced. **Rather than simply adding the \$130 per month charge per parking stall, the City highly encourages all developments to reduce the cost of rent for those that are not utilizing parking and retain the existing cost for those that wish to keep parking.** We welcome anyone to live in the City, and do not want to see residents being priced out of their home.

Why Is This Required?

This reform is part of Oregon's climate strategy under Executive Order 20-04, which directs agencies to adopt rules that reduce emissions and promote equitable access to housing and transportation. The relevant regulations are outlined in Oregon Administrative Rules (OAR) 660-012-0410 through 0445, with specific reference to OAR 660-012-0430(1)(a).

Studies show that requiring parking to be included in rent inflates housing costs—especially for low-income renters, who are less likely to own cars. The goals of unbundling include:

- Supporting renters by lowering base housing costs;
- Encouraging use of transit, biking, walking, and car-sharing;
- Reducing vehicle miles traveled and climate pollution;
- Providing more flexibility in site planning and land use; and
- Providing other options to car-dependent development.

You can learn more about the state rules and their purpose at the Oregon Department of Land Conservation and Development's CFEC resource page:

<https://www.oregon.gov/lcd/cl/pages/cfec.aspx>

What You Need to Do

- Update lease agreements for new tenants and renewals after June 30, 2025
- Clearly separate parking costs from rent in all advertisements, listings, and tenant communications
- Ensure your leasing team understands how to offer parking as an “opt-in” service
- Maintain records of parking transactions separately from unit rent

We understand this transition will take time and resources to analyze the change, revise your materials, and properly train staff but encourage you to do so in a timely manner.

We Are Here to Help

City staff are available to answer questions, review your approach, and help you ensure compliance with the CFEC requirements. Please don't hesitate to reach out to me at literway@happyvalleyor.gov or 503-886-8445.

Thank you for your continued partnership in making Happy Valley a wonderful community for all.

Laura Terway

City of Happy Valley

Economic and Community Development Department

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