

from the desk of:



Lesly Munoz
State Representative
HD-22

February 17, 2026

Re: Woodburn's Response to HB 4035-3

Woodburn is Oregon's most demographically concentrated community of color and has long been a leader in forging nonprofit partnerships, regional collaborations, and private-sector investment to achieve equitable outcomes. Despite this leadership, the city continues to face significant unmet housing needs and a shortage of buildable land.

Woodburn has produced housing at a rate that exceeds any other city in Oregon. Its population grew by more than 16% between 2020 and 2024, yet the supply of affordable housing has not kept pace. SB 1564 would have enabled the development of at least 600 new homes—200 of them guaranteed affordable—on land that is no longer viable for agricultural use. Importantly, SB 1564 required no public funding. The policy in SB 1564 would have authorized a one-time, 120-acre site-specific urban growth boundary expansion for the City of Woodburn, allowing for the development of more than 600 housing units, with at least 30 percent affordable at 80 percent of area median income. The property is immediately adjacent to existing housing, with infrastructure, including streets, electricity, water, and sewer, abutting the parcel. This proposal is narrow and tailored to a single property under willing ownership. It does not alter the broader land use framework but instead provides a targeted solution to meet Woodburn's immediate housing needs.

The decision not to move forward with SB 1564 is especially troubling given the severity of Oregon's housing crisis. A crisis of this magnitude demands unconventional solutions, flexibility, and a willingness to support both statewide reforms and community-specific approaches. SB 1564 was precisely the kind of targeted, innovative solution that Oregon needs at this moment.

SB 1564 enjoys broad support from a variety of stakeholders, including Marion County, the Woodburn Chamber of Commerce, the Farmworker Housing Development Corporation, PCUN, CAPACES Leadership Institute, and the Mid-Willamette Council of Governments, yet it was pushed aside in favor of HB 4035-3. HB 4035-3 attempts to repair the shortcomings of SB 1537, which failed to deliver a workable statewide expedited UGB process. SB 1564, by contrast, addressed Woodburn's unique and immediate circumstances.

Woodburn will soon run out of land available for housing. It is imperative that the Legislature find a path to allow SB 1564 to move forward so that urgently needed homes can be built. There is no logical reason SB 1564 and HB 4035-3 could not both advance. Oregon needs both statewide reforms and community-specific solutions. These bills were never mutually exclusive.

Office of the Mayor

270 Montgomery Street • Woodburn, Oregon 97071

Ph. 503-982-5228 • Fax 503-982-5245

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While HB 4035-3 may offer potential relief in the future, it does not provide the certainty or timeline required to address Woodburn's crisis today. The bill does not clearly define what qualifies as "developed," creating uncertainty about whether the city could confidently proceed with this property. The implementation timelines associated with SB 1537 and HB 4035-3 would take years before yielding results, while the policy in SB 1564 provides near-term relief.

The two bills accomplish fundamentally different outcomes, and the language in SB 1564 remains the only certain policy that delivers a site-specific, immediate solution for Woodburn. There is also continued uncertainty about whether Woodburn would qualify under a reformed framework, leaving the community without assurance that relief would ever materialize. This proposal is materially different from broader UGB expansion efforts and applies only to a single parcel in a community that plays an essential role in Oregon's regional economy. Anyone who suggests that HB 4035-3 addresses Woodburn's housing crisis is not listening to Woodburn and the communities in need of housing.

Our current land use system was not built with an equity lens, creating barriers for working families and communities of color seeking stability and opportunity. Housing is foundational to health, educational success, workforce participation, and economic mobility. Without the language necessary to address Woodburn's unique situation in this session, we will lose a critical opportunity to provide meaningful relief to farm workers, working families, youth, and a diverse community that contributes so much to our state.

Oregon's housing crisis is too severe, too urgent, and too consequential for us to rely solely on conventional approaches that have repeatedly fallen short. Our communities need bold, practical solutions that recognize the diversity of local challenges and empower cities to act when statewide processes cannot keep pace.

SB 1564 represented exactly that kind of innovative, community-driven response. As we continue our work this session, I urge my colleagues to remain open to unconventional but effective strategies, to honor the lived realities of the communities we serve, and to ensure that Woodburn—and cities like it—are not left waiting while the crisis deepens. Oregon cannot afford to miss opportunities like this again.

Sincerely,


Frank J. Lonergan
Mayor