

Summary: City officials predict as many as 700 houses in 17 subdivisions will spring up, bringing a population spike

Looking south from the back deck of their four-bedroom hillside home, Ed and Paula Spencer enjoy a sweeping view of Happy Valley.

Most days, the only sounds they hear are chirping birds, an occasional barking dog and the rat-a-tat-tat of air hammers, nailing down roofs of new houses under construction several hundred feet below.

There are plenty of air hammers at work these days in Happy Valley. Within the next two years, city building officials expect as many as 700 houses in 17 subdivisions will spring up within Happy Valley's natural "bowl" and in the Rock Creek area to the east.

If that happens, City Manager Clinton Holmes predicts Happy Valley's population of about 6,000 could jump to 8,500 by 2006.

"Within the next year, we will probably be issuing between 150 and 170 building permits," Holmes said.

The impact of the rapid growth is reflected in Happy Valley's \$12.2 million budget for 2003-04 -- up about 67 percent from this year's \$7.3 million.

Holmes is proposing the city add six to eight positions, many of them in the building department, and expand City Hall, the former home of Happy Valley pioneer Ed Rebstock.

Mayor Eugene Grant said the new employees will be added gradually during the next few years as needed.

"The real uncertainty is the housing market," Grant said. If interest rates on loans grow dramatically during the next couple years, he said, it would probably slow the city's rapid growth.

Happy Valley residents voted in 1965 to incorporate as a way of keeping the then-rural suburban community from being gobbled up by Portland. Founders wanted to keep the city small.

It still retains much of that rural character. But the rolling hills that once supported farms and grazing land now are dotted with dozens of subdivisions.

Ed and Paula Spencer can see many of them from their hillside perch.

"From Day 1, we assumed growth was coming," Ed Spencer said.

For the Spencers, the transition from the traffic- and people-congested San Francisco Bay Area to the wide-open serenity of Happy Valley was a move they never regretted -- even if those houses keep creeping up the hillside.

The city's two elementary schools are getting ready for the newcomers. Builder Keith Wilson, owner of Wilson Homes Development, has constructed more than 100 houses in the valley in the past decade, some ranging from \$300,000 to more than \$1 million.

He said Happy Valley is an attractive mix.

"It's a peaceful valley, very quiet, has this serenity, green foliage, open area," Wilson said. "And it's convenient to everything -- cities, the mountains, the beach."

Jim Crumley, the city's community development director, said there are only about a half-dozen vacant

parcels larger than 5 acres in the bowl.

But there are 800 acres of buildable land in Rock Creek, a sloping, relatively undeveloped area south and east of the city that residents voted to annex in 2000.

And because of its hilly terrain, Happy Valley doesn't have an abundance of flat land upon which to build, Swelland said. Building on hills generally drives up construction costs, which adds to the asking price for new homes, he said.

Not everyone shares Swelland's assessment. Khalil **Azar**, a 65-year-old retired Portland dentist, said Happy Valley was a nice place to live 32 years ago, when his family moved into a house off Southeast King Road.

**Azar** said he has watched helplessly for years as subdivision after subdivision gobbled up land around him. Two years ago, a developer offered him \$1.2 million for his home and 10 acres. **Azar** turned him down.

"None of the old-timers, like myself, are happy with growth in Happy Valley," **Azar** said. "My neighbor is moving to Montana."

**Azar** said he'll probably be doing the same, in another couple of years.

#### CITATION (AGLC STYLE)

DENNIS MCCARTHY - The Oregonian, 'ONCE QUIET HAPPY VALLEY IS SPROUTING HOMES', *Oregonian, The* (online), 6 Jun 2003  
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