

# House Bill 2225

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Land Conservation and Development)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Department of Land Conservation and Development to establish pilot program in which local governments may site and develop affordable housing.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to pilot program to establish sites dedicated to affordable housing; and declaring an emer-  
3 gency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 to 4 of this 2009 Act are added to and made a part of ORS 197.295**  
6 **to 197.314.**

7 **SECTION 2. The Legislative Assembly finds and declares that a supply of land dedicated**  
8 **to affordable housing and planned and zoned to encourage development of affordable housing**  
9 **and to protect the land's use for siting affordable housing over a long period is necessary for**  
10 **the economic prosperity of Oregon communities.**

11 **SECTION 3. As used in sections 2 to 4 of this 2009 Act:**

12 (1) "Affordable housing" has the meaning given that term by the Land Conservation and  
13 Development Commission by rule under section 4 of this 2009 Act.

14 (2) "Lot" has the meaning given that term in ORS 92.010.

15 (3) "Manufactured structure" has the meaning given that term in ORS 446.003.

16 (4) "Parcel" has the meaning given that term in ORS 92.010.

17 **SECTION 4. (1) The Department of Land Conservation and Development, working with**  
18 **the Housing and Community Services Department, other state agencies and local govern-**  
19 **ments, shall establish and implement an affordable housing pilot program. Notwithstanding**  
20 **the statewide land use planning goal provisions providing requirements for amendments to**  
21 **urban growth boundaries, the Land Conservation and Development Commission shall adopt**  
22 **rules to implement the pilot program.**

23 (2) Under the rules, the commission shall establish a site selection process by which the  
24 commission must select five pilot projects, in up to five jurisdictions, from among nomi-  
25 nations made by local governments. Under the site selection process:

26 (a) A local government:

27 (A) May nominate potential pilot projects that provide sites dedicated to affordable  
28 housing; and

29 (B) Must submit a concept plan for each proposed pilot project, including any proposed  
30 amendments to comprehensive plans and land use regulations required to implement the pi-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 lot project.

2 (b) The commission shall select pilot projects that are:

3 (A) Reasonably likely to provide a site for affordable housing that would not otherwise  
4 be provided without the special provisions of the pilot program;

5 (B) Reasonably likely to serve identified populations in the area that require affordable  
6 housing;

7 (C) Near public facilities and services, including transportation, or for which the facilities  
8 and services are planned and reasonably likely to be provided in the near future; and

9 (D) If the pilot project requires bringing a new site within an urban growth boundary,  
10 located, planned and zoned to avoid or minimize adverse effects on natural resources and  
11 nearby farm and forest uses.

12 (3) The Land Conservation and Development Commission, by rule:

13 (a) Shall define “affordable housing” that would be authorized on sites dedicated to af-  
14 fordable housing, including sites that are used as manufactured dwelling parks or mobile  
15 home parks;

16 (b) Shall specify related requirements for affordable housing that may include price  
17 range, taking into consideration:

18 (A) Housing prices within a region compared to the income of residents of that region;

19 (B) The availability of government-assisted housing in a region;

20 (C) The need for sites to accommodate manufactured structures due to the conversion  
21 of manufactured dwelling parks or mobile home parks in a region to other uses; and

22 (D) Other relevant factors;

23 (c) Shall limit the size of each pilot project site to 50 or fewer acres;

24 (d) May authorize mixed income housing developments that include affordable housing  
25 on pilot project sites; and

26 (e) May establish, without regard to whether an urban growth boundary already contains  
27 a 20-year supply of buildable lands and notwithstanding the priorities for inclusion of land  
28 within the urban growth boundary in ORS 197.298, an expedited process for amending urban  
29 growth boundaries to include up to two sites per pilot project that are dedicated to affordable  
30 housing if the rules:

31 (A) Identify specific goal and rule requirements related to urban growth boundaries that  
32 may be notwithstanding for the purpose of implementing the pilot program; and

33 (B) Require that pilot project sites included within an urban growth boundary:

34 (i) Are dedicated to affordable housing; and

35 (ii) Remain planned and zoned for affordable housing, except as provided otherwise by  
36 rules authorized in paragraph (d) of this subsection.

37 (4) A local government that brings a pilot project site within its urban growth boundary:

38 (a) Shall protect sites dedicated to affordable housing from conversion to other uses be-  
39 fore, during and after the development of affordable housing, except as provided otherwise  
40 by rules authorized in subsection (3)(d) of this section;

41 (b) Shall ensure that housing developed on the site continues to be used to provide af-  
42 fordable housing for a period of at least 50 years through:

43 (A) Zoning restrictions;

44 (B) Guaranteed rental rates or sales prices;

45 (C) Regulations, provisions or conditions like those described in ORS 197.309 (2);

1 (D) Other regulations, provisions or conditions determined by the local government to  
2 be effective in maintaining the affordability of housing on land dedicated to that purpose  
3 pursuant to sections 2 to 4 of this 2009 Act; or

4 (E) Restrictive agreements entered into with sources of affordable housing funding; and

5 (c) May authorize a mix of affordable housing and other housing types on a site, provided  
6 the percentage of affordable housing units developed on the site meets or exceeds require-  
7 ments specified by rules authorized in subsection (3)(d) of this section.

8 (5) A local government that brings a pilot project site within its urban growth boundary  
9 may not plan and zone the site to allow a use, or mix of uses, not authorized under sections  
10 2 to 4 of this 2009 Act unless the local government withdraws the site from the urban growth  
11 boundary and rezones the site pursuant to law, statewide land use planning goals and land  
12 use regulations implementing the goals that regulate allowable uses of land outside urban  
13 growth boundaries.

14 (6) A local government may not use sections 2 to 4 of this 2009 Act to bring high value  
15 farmland, as determined by the commission, within its urban growth boundary.

16 (7) The inclusion of sites dedicated to affordable housing within an urban growth bound-  
17 ary pursuant to this section does not authorize a local government to convert buildable lands  
18 within the urban growth boundary that are planned for needed housing, as defined in ORS  
19 197.303, to other uses.

20 (8) Notwithstanding the exception in ORS 197.309 (1), for pilot project sites or affordable  
21 housing developed under this section, a local government may act under ORS 197.309 (1) in  
22 a manner that has the effect of establishing the sales price for a housing unit or residential  
23 building lot or parcel, or that requires a housing unit or residential building lot or parcel to  
24 be designated for sale to a particular class or group of purchasers.

25 (9) This section does not constitute a statutory contract. Sites dedicated to affordable  
26 housing that are established under this section and affordable housing developed under this  
27 section remain subject to new or additional regulatory requirements authorized by law,  
28 statewide land use planning goals and land use regulations implementing the goals.

29 SECTION 5. This 2009 Act being necessary for the immediate preservation of the public  
30 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect  
31 on its passage.

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