

**C-Engrossed**  
**House Bill 4079**

Ordered by the House February 26  
Including House Amendments dated February 11 and February 19 and  
February 26

Sponsored by Representatives STARK, BUEHLER, KOMP; Representatives DOHERTY, ESQUIVEL, HUFFMAN, KRIEGER, LIVELY, MCKEOWN, WHISNANT, WILSON (Presession filed.)

**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.

Directs Land Conservation and Development Commission to establish pilot program in which local governments may site and develop affordable housing. **Appropriates moneys to commission to establish pilot program.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to housing; and declaring an emergency.

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

4 **SECTION 1. Sections 2 to 9 of this 2016 Act are added to and made a part of ORS 197.295**  
5 **to 197.314.**

6 **SECTION 2. The Legislative Assembly finds and declares that a supply of land dedicated**  
7 **to affordable housing, planned and zoned to encourage development of affordable housing and**  
8 **protected for affordable housing siting over a long period, is necessary for the economic**  
9 **prosperity of communities in this state.**

10 **SECTION 3. The Land Conservation and Development Commission, working with the**  
11 **Housing and Community Services Department, other state agencies and local governments,**  
12 **shall establish and implement an affordable housing pilot program. Notwithstanding any**  
13 **statewide land use planning goal provisions specifying requirements for amending urban**  
14 **growth boundaries, the commission shall adopt rules to implement the pilot program on or**  
15 **before July 1, 2017. The pilot program is intended to:**

16 (1) **Encourage local governments to provide an adequate supply of land within urban**  
17 **growth boundaries that is dedicated to affordable housing;**

18 (2) **Encourage the development of affordable housing on land dedicated to affordable**  
19 **housing; and**

20 (3) **Protect land dedicated to affordable housing from conversion to other uses before or**  
21 **after the development of affordable housing.**

22 **SECTION 4. (1) Under the rules adopted under section 3 of this 2016 Act, the Land Con-**  
23 **servation and Development Commission shall establish a site selection process by which the**  
24 **commission shall select two pilot projects, one from a city with a population of 25,000 or less**  
25 **and one from a city with a population greater than 25,000, from among nominations made**  
26 **by local governments.**

**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       **(2) A local government may nominate a pilot project that provides a site dedicated to**  
2 **affordable housing within the jurisdiction of the local government.**

3       **(3) When nominating a pilot project for the site selection process, a local government**  
4 **shall:**

5       **(a) Submit a concept plan for the pilot project, including any proposed amendments to**  
6 **the comprehensive plan and land use regulations required to implement the pilot project; and**

7       **(b) Demonstrate that the landowner of the site has agreed to designation of the**  
8 **landowner's property as a pilot project for the purposes of sections 2 to 9 of this 2016 Act.**

9       **(4) The commission shall select pilot projects that are:**

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

12       **(b) Reasonably likely to serve identified populations in the area that require affordable**  
13 **housing;**

14       **(c) Adjacent to the city's existing urban growth boundary;**

15       **(d) Near public facilities and services, including roadways and an identified transit cor-**  
16 **ridor to serve the area, or for which public facilities and services are planned and reasonably**  
17 **likely to be provided at a reasonable cost in the near future;**

18       **(e) Located, planned and zoned to avoid or minimize adverse effects on natural resources**  
19 **and nearby farm and forest uses if the pilot project would require amending an urban growth**  
20 **boundary to include the pilot project site; and**

21       **(f) Nominated by a local government that demonstrates efforts by the local government**  
22 **to accommodate and encourage the development of needed housing within its existing urban**  
23 **growth boundary.**

24       **(5) The following local governments are not eligible for nomination or selection under the**  
25 **pilot program:**

26       **(a) Clackamas, Marion, Multnomah, Polk and Washington Counties and cities within**  
27 **Clackamas, Marion, Multnomah, Polk and Washington Counties;**

28       **(b) Metro and cities and counties included in the Metro urban growth boundary; and**

29       **(c) Local governments within Jefferson County that are served by the North Unit Irri-**  
30 **gation District.**

31       **SECTION 5. (1) The Land Conservation and Development Commission shall, by rule:**

32       **(a) Define "affordable housing";**

33       **(b) Specify types of affordable housing allowed on pilot project sites, including sites that**  
34 **are used as manufactured dwelling parks;**

35       **(c) Limit the total acreage of all lots and parcels included in each pilot project site to**  
36 **not greater than 50 acres; and**

37       **(d) Specify local government efforts that serve to demonstrate that the local government**  
38 **is accommodating and encouraging development of needed housing within its existing urban**  
39 **growth boundary.**

40       **(2) The commission shall specify by rule related requirements for affordable housing that**  
41 **may include a sales price or rental rate range, taking into consideration:**

42       **(a) Housing prices within the region compared to the income of residents of that region;**

43       **(b) The availability of government assisted housing in the region;**

44       **(c) The need for sites to accommodate manufactured dwellings, as defined in ORS 446.003,**  
45 **due to the conversion of manufactured dwelling parks or mobile home parks in the region**

1 to other uses; and

2 (d) Other relevant factors as identified by the commission.

3 (3) The commission may adopt rules that authorize mixed income housing developments  
4 that include affordable housing on pilot project sites.

5 **SECTION 6.** (1) Notwithstanding ORS 197A.320 and without regard to whether an urban  
6 growth boundary already contains a 20-year supply of buildable lands, the Land Conservation  
7 and Development Commission by rule may establish an expedited process for amending urban  
8 growth boundaries to include pilot project sites selected under section 4 of this 2016 Act.

9 (2) An amendment to an urban growth boundary pursuant to this section must identify  
10 the specific goal and rule requirements related to urban growth boundaries from which a  
11 local government is exempt for the purpose of implementing the pilot program.

12 (3) Pilot project sites included within an urban growth boundary amended pursuant to  
13 this section must:

14 (a) Be dedicated to affordable housing; and

15 (b) Remain planned and zoned for affordable housing, except as otherwise provided in  
16 rules adopted pursuant to section 5 (3) of this 2016 Act.

17 **SECTION 7.** (1) The local government of a pilot project site selected by the Land Con-  
18 servation and Development Commission under section 4 of this 2016 Act shall protect the  
19 pilot project site within its urban growth boundary from conversion to other uses before,  
20 during and after the development of affordable housing at the pilot project site, except as  
21 provided otherwise in rules adopted by the commission under section 5 (3) of this 2016 Act.

22 (2) The local government of a pilot project site selected by the commission shall ensure  
23 that housing developed on the site continues to be used to provide affordable housing for a  
24 period of at least 50 years after the selection of the pilot project site through:

25 (a) Zoning restrictions;

26 (b) Guaranteed rental rates or sales prices;

27 (c) Incentives, contract commitments, density bonuses or other voluntary regulations,  
28 provisions or conditions designed to increase the supply of moderate or lower cost housing  
29 units;

30 (d) Other regulations, provisions or conditions determined by the local government to be  
31 effective in maintaining the affordability of housing on land selected for a pilot project under  
32 section 4 of this 2016 Act; or

33 (e) Restrictive agreements entered into with sources of affordable housing funding.

34 (3) The local government of a pilot project site selected by the commission may authorize  
35 a mix of affordable housing and other housing types on the site, provided that the percentage  
36 of affordable housing units developed on the site meets or exceeds requirements specified in  
37 rules adopted by the commission pursuant to section 5 (3) of this 2016 Act.

38 **SECTION 8.** (1) The local government of a pilot project site selected by the Land Con-  
39 servation and Development Commission under section 4 of this 2016 Act may not plan or zone  
40 the site to allow a use or mix of uses not authorized under sections 2 to 9 of this 2016 Act  
41 unless the local government withdraws the pilot project site from the urban growth boundary  
42 and rezones the site pursuant to law, statewide land use planning goals and land use regu-  
43 lations implementing the goals that regulate allowable uses of land outside urban growth  
44 boundaries.

45 (2) A local government may not use sections 2 to 9 of this 2016 Act to bring high-value

1 farmland, as determined by the commission, within its urban growth boundary.

2 (3) The inclusion of pilot project sites dedicated to affordable housing within an urban  
3 growth boundary pursuant to sections 2 to 9 of this 2016 Act does not authorize a local  
4 government to convert buildable lands within the urban growth boundary that are planned  
5 for needed housing, as defined in ORS 197.303, to other uses.

6 (4) Notwithstanding ORS 197.309 (1), for a pilot project site selected under section 4 of  
7 this 2016 Act, and affordable housing developed on a selected pilot project site, a local gov-  
8 ernment may take any action described in ORS 197.309 that has the effect of establishing the  
9 sales price for a housing unit or residential building lot or parcel, or that requires a housing  
10 unit or residential building lot or parcel to be designated for sale to a particular class or  
11 group of purchasers.

12 (5) Sections 2 to 9 of this 2016 Act do not constitute a statutory contract. A pilot project  
13 site selected under section 4 of this 2016 Act and affordable housing developed on a selected  
14 pilot project site remain subject to new or additional regulatory requirements authorized by  
15 law, statewide land use planning goals and land use regulations implementing the goals.

16 (6) As used in this section, “lot” and “parcel” have the meanings given those terms in  
17 ORS 92.010.

18 **SECTION 9.** The Land Conservation and Development Commission shall report on the  
19 progress of the pilot program, in the manner provided in ORS 192.245, to the committees of  
20 the Legislative Assembly related to housing and human services:

21 (1) At least once during each of three consecutive regular sessions of the Legislative  
22 Assembly, beginning with the 2017 regular session of the Legislative Assembly; and

23 (2) At least once following adjournment sine die of the regular sessions of the Legislative  
24 Assembly described in subsection (1) of this section, but no later than the convening of the  
25 next regular session of the Legislative Assembly.

26 **SECTION 10.** There is appropriated to the Department of Land Conservation and Devel-  
27 opment, for the biennium beginning July 1, 2015, out of the General Fund, the amount of  
28 \$100,000 for the purpose of carrying out the provisions of sections 2 to 9 of this 2016 Act.

29 **SECTION 11.** This 2016 Act being necessary for the immediate preservation of the public  
30 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect  
31 on its passage.

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