

# House Bill 2003 Amendments Section by Section

## (-4 and -5 Amendments)

The Dash 4 amendments replace sections 1-11 & 23-26, retain sections 12-13 & 18-22, and delete sections 14-17 of the House Bill 2003 as introduced. The Dash 5 amendments add a new section.

### REGIONAL HOUSING NEEDS ANALYSIS STUDY (Section 1)

**SECTION 1(1). Definitions:** Defines key terms.

**SECTION 1(2). Regional Housing Needs Analysis:** Directs the Department of Administrative Services (DAS), in coordination with the Department of Land Conservation and Development (DLCD) and the Housing and Community Services Department (HCSD), to develop a regional housing needs analysis. The analysis shall identify the total of number of units needed to accommodate population growth in the region over the next 20 years and the shortage of existing units.

**SECTION 1(3). Methodology Requirements:** The methodologies for calculation regional housing needs analysis and the housing shortage analysis must classify housing by housing type (e.g., single-family housing, multifamily housing) and affordability as defined by the United States Department of Housing and Urban Development.

**SECTION 1(4) & 1(5) Conducting Regional Housing Needs Analysis:** Requires DAS, in coordination with DLCD and HCSD, to conduct a regional housing needs analysis for each region, inventory existing housing and estimate the housing shortage for each city and Metro by July 1, 2020. Allows DAS to consult with subject matter experts, including jurisdictions that have conducted regional housing needs analyses.

**SECTION 1a. Report to Legislature:** Requires DLCD, in consultation with DAS and HCSD, to submit a report to the Legislature evaluating the following:

- Whether a regional housing needs analysis and housing shortage analysis could appropriately allocate the housing shortage among cities or local governments in a region;
- How a regional housing needs analysis and shortage analysis compares to the existing assessments of housing need in Oregon in terms of cost and cost effectiveness, reliability and accuracy, repeatability, and predictability;
- Whether different boundaries would be more appropriate for defining regions based on data that could define a commuting, employment, or housing market;
- Whether the regional housing needs analysis, or an improved version, could serve as an acceptable methodology statewide for land use planning related to housing.

### **SECTION 2. Conforming Amendments**

## HOUSING PRODUCTION STRATEGY (Section 3-5)

**SECTION 3. Housing Production Strategy:** Requires each city with a population greater than 10,000 to develop and adopt a housing production strategy not later than one year after updating their housing needs analysis. Outlines the primary requirement of a housing production strategy, which is a list of specific actions that the city shall undertake to promote development within the city to address the housing shortage and meet the 20-year housing need. The actions may include: the reduction of financial and regulatory impediments, removing or easing approval standards or procedures for needed housing at higher densities or that is affordable, the creation of financial and regulatory incentives for development of needed housing, including incentives for needed housing at higher densities or that is affordable. In creating a housing production strategy, cities must review and consider socioeconomic and demographic characteristics of households, market conditions affecting the provision of needed housing, measures adopted by the city to promote the development of needed housing, and existing and expected barriers to development of needed housing. For each action in the housing production strategy, a city must include the schedule for its adoption, implementation and the expected magnitude on the development of needed housing. Clarifies that housing production strategies are not land use decisions and are not subject to appeal or review by the Land Use Board of Appeals (LUBA).

**SECTION 4. State Review of Housing Production Strategies:** Requires cities to submit their housing production strategy to DLCD for review. The Department shall, based on criteria adopted by the Land Conservation and Development Commission (LCDC), review each housing production strategy and approve, approve with further review, or remand the housing production strategy for further modification.

**SECTION 5(1) and (2). Enhanced Oversight Criteria:** Requires LCDC to adopt criteria to review and identify cities with a population greater than 10,000 that have not sufficiently achieved the production of needed housing in their jurisdiction, or implemented their housing production strategy. The criteria may include an assessment of the city's total unmet need, unmet need in proportion to the city's population, percentage of households that are severely rent burdened, recent housing development, adoption of actions in the housing production strategy, and recent or frequent identification by DLCD under the enhanced oversight section.

**SECTION 5(3). Enhanced Oversight and Support:** Allows the Department to review cities under the criteria adopted by LCDC for the purpose of providing enhanced support and regulatory oversight. The Department may award technical or financial resources, provide enhanced review and oversight of a city's housing production strategy, enter into agreements with the city to modify or implement its housing production strategy, or petition the commission to require the city to act in compliance with a statewide land use planning goal related to housing.

## HOUSING NEEDS ANALYSIS SCHEDULE (Section 6-7)

**SECTION 6. Housing Needs Analysis:** Requires local jurisdictions outside of Metro with a population greater than 10,000 to update their housing needs analysis every eight years on a schedule adopted by LCDC. Requires Metro to update its housing needs analysis every six years on a schedule adopted by LCDC.

**SECTION 7. LCDC Schedule:** Requires LCDC to adopt a schedule by which Metro and local jurisdictions outside of Metro with a population greater than 10,000 shall update their housing needs analysis and demonstrate sufficient buildable lands. LCDC must adopt the schedule no later than Dec 31, 2019.

## ALLOCATING HOUSING NEED WITHIN METRO (Section 8)

**SECTION 8. Allocating Housing Need:** Requires Metro to allocate housing need that is not being met to cities within the metropolitan service district that have a population greater than 10,000. Requires cities to take steps to demonstrate sufficient residential development within two years of the date of allocation.

## CONFORMING AMENDMENT (Section 9)

**SECTION 9. Needed Housing Definition:** Expands the application of the “needed housing” definition to ORS 197.295 to 197.314. The definition was previously only linked to ORS 197.307.

## ENHANCED ENFORCEMENT AUTHORITY (Section 10-11)

**SECTION 10. Third Party Enforcement Order Requests:** Adds “housing production strategy” to the list of actions that a person may request an enforcement order from LCDC about.

**SECTION 11. LCDC Orders:** LCDC is required to issue an order requiring a local government to take action to bring their comprehensive plan and land use regulations into compliance with statewide housing goals. This section adds unsatisfactory progress in implementing a housing production strategy to the list of reasons that LCDC shall issue an order.

## AFFORDABLE HOUSING BY-RIGHT ON PUBLIC PROPERTY (Section 12-13)

**SECTION 12. Conforming amendments:** Adds Section 13 to ORS chapter 197.

**SECTION 13. Affordable Housing By-Right:** Makes affordable housing a by-right allowable use on public property if the property is not preserved as open space or parks, is located within the urban growth boundary (UGB), and is zoned for or surrounded by parcels zoned for residential development. At least 50 percent of the units must be affordable to households making equal to or less than 60 percent of median for a period of 60 years.

**SECTION 14. DELETED**

- Added Section 15 to 16 ORS 223.297 and 223.214.

**SECTION 15. DELETED**

- Would have allowed the Secretary of State to audit local government’s methodology for calculation System Development Charges (SDCs).

**SECTION 16. DELETED**

- Would have required the Building Codes Division (BCD) of the Department of Consumer and Business Services to maintain records of SDC methodologies and proposed and adopted increases in SDCs. Would have required BCD to make the information publicly available by electronic records.

**SECTION 17. DELETED**

- Would have required each local government that imposes SDCs to deliver copies of their methodology, list of capitol improvements used to establish SDCs, and ordinances and resolutions adopted to increase an SDC after January 1, 2010.

**BARRIERS TO HOUSING DEVELOPMENT (Section 18 to 22)**

**SECTION 18. Attorney Fees for Affordable Housing:** Requires the Land Use Board of Appeals to award attorney fees to an applicant who is a prevailing party against a petitioner who appeals a local governments approval of a permit to partition, subdivide, or construct publicly supported.

**SECTION 19. Reduction of Density:** Current law prohibits local governments from requiring a reduction in density below what is authorized by local land use regulations as a condition of development unless for a health, safety, or habitability reason. A local jurisdiction may also require a reduction of density as a condition of development to comply with a protection measure adopted pursuant to a statewide land use planning goal. Section 19 of House Bill 2003 would require a county to prove that the reduction of density is necessary to resolve a health, safety, or habitability reason, or to comply with a protective measure adopted pursuant to a statewide land use planning goal.

**SECTION 20. Reduction of Density:** Same as Section 19 but for cities.

**SECTION 21. Affordable Housing on Religiously Owned Property:** Current law allows real property associated with religious activity in counties to allow for the development of affordable housing by-right but defines affordable housing as a single building. Section 21 clarifies that the housing can be in a single building or multiple buildings.

**SECTION 22. Affordable Housing on Religiously Owned Property:** Same as Section 22 but for cities.

## APPROPRIATIONS AND EFFECTIVE DATE (Section 23 to 26)

**SECTION 23. Appropriation to LCDC:** Appropriates money to LCDC to implement the provisions of the bill.

**SECTION 24. Appropriation to Local Jurisdictions:** Appropriates \$1.5 million to DLCD to provide technical assistance to local governments in implementing the housing production strategy requirements of the bill.

**SECTION 25. Operative Date:** Allows DAS, LCDC, DLCD, and HCSD to take action before the operative date to implement provisions of the bill.

**SECTION 26. Emergency Clause:** Declares emergency. Bill takes effect upon passage.

### **The Dash 5 amendments add a new section to House Bill 2003 as introduced.**

**SECTION 35. Employees Developing Typical Plans at DCBS:** Exempts an employee of DCBD, who is a registered architect or engineer and is providing typical plans and specifications authorized under statute (ORS 455.062) within the scope of their employment from disciplinary action under ORS 671.010 to 671.220 or 672.002 to 672.325. The typical plans and specifications authorized under ORS 455.062 include single-family dwellings and auxiliary structures.