

## **HB 2003 -4, -5, -6 STAFF MEASURE SUMMARY**

### **House Committee On Agriculture and Land Use**

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**Prepared By:** Laura Kentnesse, LPRO Analyst

**Meeting Dates:** 3/5, 4/2, 4/4

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#### **WHAT THE MEASURE DOES:**

Directs the Oregon Department of Administrative Services (DAS) to develop and periodically refine a methodology for calculating: a regional housing needs analysis that identifies the total number of housing units needed to accommodate anticipated regional populations over the next 20 years based on specified factors; an inventory of existing housing stock in the Metro and each city with a population of more than 5,000; and a housing shortage analysis for Metro and each city with a population of more than 5,000. Specifies that methodologies must classify housing by housing type and affordability. Requires DAS conduct regional housing needs analyses, existing housing stock inventories, and housing shortage analyses every four years beginning on or before January 1, 2021. Requires DAS report its findings to the Legislative Assembly by January 1, 2021. Requires DAS consider the most recent consolidated population forecast produced by the Portland State University Population Research Center in making certain calculations or forecasts, and allows DAS to consult or contract with entities that have created or conducted regional housing needs analyses.

Requires that metropolitan service districts, cities within metropolitan service districts, and cities with a population of more than 10,000 develop a 20-year housing needs estimate every eight years based on specified factors; requires that local jurisdictions classify housing by housing type, affordability, and varying densities. Requires that local jurisdictions adopt a housing strategy within 12 months of completing their housing needs estimates; requires the strategy consist of actions, measures, and policies to be undertaken that are calculated to demonstrably lead to greater residential development of needed housing at rates necessary to meet estimated housing need. Requires local jurisdictions ensure that land zoned for needed housing is in appropriate locations and zoned at density ranges that are likely to be achieved by the housing market. Suggests possible actions, measures, or policies for local housing strategies and requires the Land Conservation and Development Commission (Commission) to maintain a list of potential policies. Requires local jurisdictions, if housing capacity is less than the most recent estimate of housing need, amend their urban growth boundaries, amend their comprehensive plans and other planning tools, or a combination of the above. Specifies additional requirements for cities located outside of a metropolitan service district. Requires cities with a population of less than 10,000 determine their 20-year housing needs estimate and buildable lands inventory at the time of periodic or other legislative review, and adopt measures to accommodate estimated housing need.

Directs the Commission to annually identify a maximum of 10 priority housing cities that experience difficulties implementing their housing strategy; requires city selection be based on Commission-established criteria and other specified considerations. Allows the Department of Land Conservation and Development (DLCD) to assist selected priority housing cities to increase needed housing development through technical or financial assistance, enhanced strategy review and oversight, or through petitioning the Commission to require the city to amend its comprehensive plan or land use regulations. Requires DLCD provide an annual report to the Legislative Assembly on priority housing city activities. Appropriates money from the General Fund to DLCD to assist priority housing cities.

Allows affordable housing development on public property within urban growth boundaries, and allows rezoning for that purpose, provided that the use is compatible with surrounding zoning. Authorizes the Secretary of State to audit local government calculation methodology and revenue usage of system development charges, and to

bring enforcement action to correct violations. Requires the Department of Consumer and Business Services (DCBS) Building Codes Division (BCD) to maintain a list of local governments' system development charges and proposed modifications. Requires local governments to deliver copies of records to BCD. Appropriates moneys from the General Fund to DCBS for maintaining records, making records publicly available, and reimbursing local governments for costs of compliance. Awards attorney fees to the prevailing intervening developers of affordable housing in Land Use Board of Appeals decisions. Assigns local governments the burden of proving on appeal the necessity of density or height reductions in housing development applications. Allows nonresidential places of worship to develop multiple affordable dwellings on land where the nonresidential place of worship is allowed use. Becomes operative on January 1, 2020. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-4 Directs DAS, in coordination with DLCD and HCSD, to develop a methodology for calculating: a regional housing needs analysis that identifies the total number of housing units needed to accommodate anticipated regional populations over the next 20 years based on specified factors; an inventory of existing housing stock of each city and Metro; and a housing shortage analysis for each city and Metro. Specifies that methodologies must classify housing by housing type and affordability. Requires DAS, in coordination with DLCD and HCSD, conduct regional housing needs analyses, existing housing stock inventories, and housing shortage analyses every four years beginning on or before January 1, 2021. Allows DAS, in developing methodologies and analyses, to: consult or contract with subject matter experts, cities and Metro, regional solutions centers, and other jurisdictions that have created regional housing needs analyses; consider the most recent consolidated population forecast produced by the Portland State University Population Research Center; and consider any other relevant existing analyses, data, and other information collected or produced by state agencies or public entities.

Requires DAS and DLCD report their findings to the Legislative Assembly by July 1, 2020. Requires DLCD, in consultation with DAS and HCSD, to submit a report to the Legislative Assembly by January 31, 2021; requires the report to evaluate: whether the regional housing needs and housing shortage analyses could appropriately allocate the housing shortage among a region's cities or local governments; how the analyses compare to existing assessments of housing need and capacity conducted by local governments; how the analyses relate to statewide planning goals related to housing, and rules and policies; whether different boundaries would be more appropriate for defining regions within the regional housing needs analysis; other ways in which the analyses could be improved; and whether the regional housing needs analysis, or an improved version, could serve as an acceptable methodology statewide for land use planning related to housing. Allows DLCD to consult or contract with other state agencies, subject matter experts, private firms, local governments, regional solutions centers, and other jurisdictions that have created regional housing needs analyses, for the purposes of preparing this report.

Requires cities with a population of greater than 10,000 to develop and adopt a housing production strategy no later than one year after the city's deadline for completing a housing capacity analysis or the date that housing capacity was allocated to the city by a metropolitan service district. Requires that the housing production strategy include a list of specific actions, including the adoption of measures and policies, that the city will undertake to promote development within the city to address the housing shortage for the most recent 20-year period. Requires cities to review and consider: socioeconomic and demographic characteristics of households living in existing needed housing; market conditions affecting the provision of needed housing; measures already adopted by the city to promote needed housing development; existing and expected barriers to needed housing development; and specified factors for each city action. Specifies that the adoption of a housing production strategy is not a land use decision, and that the strategy may not contain proposed changes to a comprehensive

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plan or land use regulations. Requires cities to submit an adopted or amended housing production strategy to DLCD no later than 20 days following city adoption. Specifies information to be included in the submission to DLCD. Establishes notice requirements and timelines. Requires DLCD to approve or remand the housing production strategy based on Land Conservation and Development Commission (LCDC) criteria within 120 days following receipt of the submission. Specifies that a DLCD determination is not a land use decision, is final, and is not subject to appeal. Directs LCDC to adopt criteria for reviewing and identifying cities with a population greater than 10,000 that have not sufficiently achieved needed housing production or implemented a housing production strategy. Allows criteria to include the city's: total unmet housing need; unmet housing need in proportion to the city's population; percentage of households identified as severely rent burdened; recent housing development; recent adoption of a housing production strategy or adoption of actions pursuant to a housing production strategy; recent or frequent previous identification by DLCD, and other attributes LCDC considers relevant. Allows DLCD to periodically review cities under LCDC criteria for the purposes of prioritizing specified actions by the department.

Requires that a local government demonstrate that its comprehensive plan or regional framework plan provided sufficient buildable lands within the urban growth boundary to accommodate estimated housing needs for 20 years when scheduled by LCDC at least once each eight years for local governments that are not within a metropolitan district, or at least once each six years for a metropolitan service district, or on existing periodic review or legislative review timelines. Directs LCDC to adopt, on or before December 31, 2019, a schedule by which metropolitan service districts and local governments must demonstrate sufficient buildable lands

Appropriates \$\_\_\_\_ from the General Fund to LCDC for rulemaking and implementation. Appropriates \$1,500,000 from the General Fund to DLCD to provide technical assistance to local governments for implementation. Declares emergency, effective on passage.

-5 Allows licensed, registered DCBS employees who are acting within their scope of employment to provide typical plans and specifications without the plans and specifications being sealed or signed.

-6 Combines amendments 4 and 5.

*REVENUE: No revenue impact*

*FISCAL: May have fiscal impact, but no statement yet issued*

### **BACKGROUND:**

Oregon's comprehensive land use planning system is based on a set of 19 Statewide Land Use Goals that express the state's land use policies. Goal 10, "Housing," specifies that each city must plan for and accommodate needed housing types, such as multifamily and manufactured housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. Goal 10 also prohibits local plans from discriminating against needed housing types.

House Bill 2003 would: require the Department of Administrative Services to develop a methodology and conduct regional housing needs analyses, existing housing stock inventories, and housing shortage analyses every four years; require local jurisdictions to develop a 20-year housing needs estimate every eight years, and a housing strategy based on the estimate that demonstrably leads to residential development that meets housing need; direct the Land Conservation and Development Commission to identify 10 priority housing cities for technical or financial assistance, or enhanced review and oversight; allow certain affordable housing development and rezoning on public property within urban growth boundaries; authorize the Secretary of State to audit system development charges and bring enforcement action to correct violations; require the Department of Consumer and Business Services to collect and maintain records of local governments' system development charges and proposed modifications; award attorney fees to the prevailing intervening developers of affordable housing in

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Land Use Board of Appeals decisions; assign local governments the burden of proving on appeal the necessity of density or height reductions in housing development applications; and allow nonresidential places of worship to develop multiple affordable dwellings on land where the nonresidential place of worship is allowed use.

PRELIMINARY