On page 1 of the printed bill, line 2, delete “197.312” and insert “197.296, 197.303, 197.312 and
455.610 and section 1, chapter 47, Oregon Laws 2018”.
Delete lines 5 through 24.
On page 2, delete lines 1 through 19 and insert:

“SECTION 2. (1) As used in this section:
“(a) ‘Cottage clusters’ means groupings of no fewer than four detached housing units per
acre with a footprint of less than 900 square feet each and that include a common courtyard.
“(b) ‘Middle housing’ means:
“(A) Duplexes;
“(B) Triplexes;
“(C) Quadplexes;
“(D) Cottage clusters; and
“(E) Townhouses.
“(c) ‘Townhouses’ means a dwelling unit constructed in a row of two or more attached
units, where each dwelling unit is located on an individual lot or parcel and shares at least
one common wall with an adjacent unit.
“(2) Except as provided in subsection (4) of this section, each city with a population
greater than or equal to 25,000 and each county or city within a metropolitan service district
shall permit the development of all middle housing types in areas that are zoned for resi-
dential use and allow for detached single-family dwellings.
“(3) Except as provided in subsection (4) of this section, each city with a population
greater than 10,000 and less than 25,000 outside of a metropolitan service district shall permit
the development of a duplex on each lot, in an area zoned for residential use, that allows for
the development of a detached single-family dwelling. Nothing in this subsection prohibits a
local government from allowing middle housing types in addition to duplexes.
“(4) This section does not apply to:
“(a) Cities with a population of 1,000 or fewer;
“(b) Lands not within an urban growth boundary;
“(c) Lands that are not incorporated and also lack sufficient urban services, as defined
in ORS 195.065;
“(d) Lands that are not zoned for residential use, including lands zoned primarily for
commercial, industrial, agricultural or public uses; or
“(e) Lands that are not incorporated and are zoned under an interim zoning designation
that maintains the land’s potential for planned urban development.
“(5) Local governments may regulate siting and design of middle housing required to be

LC 2887/HB 2001-11
permitted under this section, provided that, for each lot or parcel that allows for the development of a detached single-family home, the regulations allow for at least one middle housing type and do not, individually or cumulatively, discourage the development of all middle housing types permitted in the area through unreasonable costs or delay. Local governments may regulate middle housing to comply with protective measures adopted pursuant to statewide land use planning goals.

“(6) This section does not prohibit local governments from permitting:
“(a) Single-family dwellings in areas zoned to allow for single-family dwellings; or
“(b) Middle housing in areas not required under this section.

“SECTION 3. (1) Notwithstanding ORS 197.646, a local government shall adopt land use regulations or amend its comprehensive plan to implement section 2 of this 2019 Act no later than:
“(a) June 30, 2021, for each local government subject to section 2 (3) of this 2019 Act; or
“(b) June 30, 2022, for each local government subject to section 2 (2) of this 2019 Act.
“(2) The Land Conservation and Development Commission, with the assistance of the Building Codes Division of the Department of Consumer and Business Services, shall develop a model middle housing ordinance no later than December 31, 2020.
“(3) A local government that has not acted within the time provided under subsection (1) of this section shall directly apply the model ordinance developed by the commission under subsection (2) of this section under ORS 197.646 (3) until the local government acts as described in subsection (1) of this section.
“(4) In adopting regulations or amending a comprehensive plan under this section, a local government shall consider ways to increase the affordability of middle housing by considering ordinances and policies that include but are not limited to:
“(a) Waiving or deferring system development charges;
“(b) Adopting or amending criteria for property tax exemptions under ORS 307.515 to 307.523, 307.540 to 307.548 or 307.651 to 307.687 or property tax freezes under ORS 308.450 to 308.481; and
“(c) Assessing a construction tax under ORS 320.192 and 320.195.
“(5) A final action adopted by a local government to allow middle housing does not constitute a comprehensive plan amendment or land use regulation that must comply with a statewide planning goal related to transportation or any implementing administrative rules for a statewide planning goal related to transportation.

“SECTION 4. (1) Notwithstanding section 3 (1) or (3) of this 2019 Act, the Department of Land Conservation and Development may grant to a local government that is subject to section 2 of this 2019 Act an extension of the time allowed to adopt land use regulations or amend its comprehensive plan under section 3 of this 2019 Act.
“(2) An extension under this section may be applied only to specific areas where the local government has identified water, sewer, storm drainage or transportation services that are either significantly deficient or are expected to be significantly deficient before December 31, 2023, and for which the local government has established a plan of actions that will remedy the deficiency in those services that is approved by the department. The extension may not extend beyond the date that the local government intends to correct the deficiency under the plan.
“(3) In areas where the extension under this section does not apply, the local government
shall apply its own land use regulations consistent with section 3 (1) of this 2019 Act or the
model ordinance developed under section 3 (2) of this 2019 Act.

“(4) A request for an extension under this section must be filed with the department no
later than December 31, 2020.

“(5) The department shall grant or deny a request for an extension under this section
within 90 days of receipt.

“(6) The department shall adopt rules regarding the form and substance of a local
government’s application for an extension under this section. The department may include
rules regarding:

“(a) Defining the affected areas;

“(b) Calculating deficiencies of water, sewer, storm drainage or transportation services;

“(c) Service deficiency levels required to qualify for the extension;

“(d) The components and timing of a remediation plan necessary to qualify for an ex-
tension; and

“(e) Standards for evaluating applications.

SECTION 5. ORS 197.296 is amended to read:

“197.296. (1)(a) The provisions of subsections (2) to (9) of this section apply to metropolitan
service district regional framework plans and local government comprehensive plans for lands
within the urban growth boundary of a city that is located outside of a metropolitan service district
and has a population of 25,000 or more.

“(b) The Land Conservation and Development Commission may establish a set of factors under
which additional cities are subject to the provisions of this section. In establishing the set of factors
required under this paragraph, the commission shall consider the size of the city, the rate of popu-
lation growth of the city or the proximity of the city to another city with a population of 25,000 or
more or to a metropolitan service district.

“(2) At periodic review pursuant to ORS 197.628 to 197.651 or at any other legislative review
of the comprehensive plan or regional framework plan that concerns the urban growth boundary and
requires the application of a statewide planning goal relating to buildable lands for residential use,
a local government shall demonstrate that its comprehensive plan or regional framework plan pro-
vides sufficient buildable lands within the urban growth boundary established pursuant to statewide
planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall
commence on the date initially scheduled for completion of the periodic or legislative review.

“(3) In performing the duties under subsection (2) of this section, a local government shall:

“(a) Inventory the supply of buildable lands within the urban growth boundary and determine
the housing capacity of the buildable lands; and

“(b) Conduct an analysis of existing and projected housing need by type and density range, in
accordance with all factors under ORS 197.303 and statewide planning goals and rules relating to
housing, to determine the number of units and amount of land needed for each needed housing type
for the next 20 years.

“(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, ‘buildable
lands’ includes:

“(A) Vacant lands planned or zoned for residential use;

“(B) Partially vacant lands planned or zoned for residential use;

“(C) Lands that may be used for a mix of residential and employment uses under the existing
planning or zoning; and
“(D) Lands that may be used for residential infill or redevelopment.

“(b) For the purpose of the inventory and determination of housing capacity described in subsection (3)(a) of this section, the local government must demonstrate consideration of:

“(A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;

“(B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and

“(C) The presence of a single family dwelling or other structure on a lot or parcel.

“(c) Except for land that may be used for residential infill or redevelopment, a local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

“(5)(a) Except as provided in paragraph (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

“(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

“(B) Trends in density and average mix of housing types of urban residential development; and

“(C) Demographic and population trends;

“(D) Economic trends and cycles; and

“(E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

“(b) A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years.

“(c) A local government shall use data from a wider geographic area or use a time period for economic cycles and trends longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

“(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, the local government shall take one or more both of the following actions to accommodate the additional housing need:

“(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, the local government shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary[].

“(b) Amend its comprehensive plan, regional framework plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential develop-
ment will occur at densities sufficient to accommodate housing needs for the next 20 years without
expansion of the urban growth boundary. A local government or metropolitan service district that
takes this action shall [monitor and record the level of development activity and development density
by housing type following the date of the adoption of the new measures; or] adopt findings regarding
the density expectations assumed to result from measures adopted under this paragraph
based upon the factors listed in ORS 197.303 (2) and subsection (5)(a) of this section. The
density expectations may not project an increase in residential capacity above achieved den-
sity by more than three percent without quantifiable validation of such departures. For a
local government located outside of a metropolitan service district, a quantifiable validation
must demonstrate that the assumed housing capacity has been achieved in areas that are
zoned to allow the same authorized density level within the local jurisdiction or a jurisdiction
in the same region. For a metropolitan service district, a quantifiable validation must dem-
onstrate that the assumed housing capacity has been achieved in areas that are zoned to
allow the same authorized density level within the metropolitan service district.
“(c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.]“(c) As used in this subsection, ‘authorized density level’ has the meaning given that
term in ORS 215.416 and 227.175.
“(7) Using the housing need analysis conducted under subsection (3)(b) of this section, the local
government shall determine the overall average density and overall mix of housing types at which
residential development of needed housing types must occur in order to meet housing needs over the
next 20 years. If that density is greater than the actual density of development determined under
subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types
determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic
review, shall adopt measures that demonstrably increase the likelihood that residential development
will occur at the housing types and density and at the mix of housing types required to meet housing
needs over the next 20 years.
“(8)(a) A local government outside a metropolitan service district that takes any actions under
subsection (6) or (7) of this section shall demonstrate that the comprehensive plan and land use
regulations comply with goals and rules adopted by the commission and implement ORS 197.295 to
197.314.
“(b) [The] A local government shall determine the density and mix of housing types anticipated
as a result of actions taken under subsections (6) and (7) of this section and monitor and record the
actual density and mix of housing types achieved following the adoption of these actions. The
local government shall compare actual and anticipated density and mix. The local government shall
submit its comparison to the commission at the next periodic review or at the next legislative re-
view of its urban growth boundary, whichever comes first.
“(9) In establishing that actions and measures adopted under subsections (6) and (7) of this sec-
tion demonstrably increase the likelihood of higher density residential development, the local gov-
ernment shall at a minimum ensure that land zoned for needed housing is in locations appropriate
for the housing types identified under subsection (3) of this section, [and] is zoned at density ranges
that are likely to be achieved by the housing market using the analysis in subsection (3) of this
section and is in areas where sufficient urban services are planned to enable the higher dens-
ity development to occur over the 20-year period. Actions or measures, or both, may include
but are not limited to:
“(a) Increases in the permitted density on existing residential land;
“(b) Financial incentives for higher density housing;
“(c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;
“(d) Removal or easing of approval standards or procedures;
“(e) Minimum density ranges;
“(f) Redevelopment and infill strategies;
“(g) Authorization of housing types not previously allowed by the plan or regulations;
“(h) Adoption of an average residential density standard; and
“(i) Rezoning or redesignation of nonresidential land.
“(10)(a) The provisions of this subsection apply to local government comprehensive plans for lands within the urban growth boundary of a city that is located outside of a metropolitan service district and has a population of less than 25,000.
“(b) At periodic review pursuant to ORS 197.628 to 197.651 or at any other legislative review of the comprehensive plan that requires the application of a statewide planning goal relating to buildable lands for residential use, a city shall, according to rules of the commission:
“(A) Determine the estimated housing needs within the jurisdiction for the next 20 years;
“(B) Inventory the supply of buildable lands available within the urban growth boundary to accommodate the estimated housing needs determined under this subsection; and
“(C) Adopt measures necessary to accommodate the estimated housing needs determined under this subsection.
“(c) For the purpose of the inventory described in this subsection, ‘buildable lands’ includes those lands described in subsection (4)(a) of this section.

**SECTION 6.** ORS 197.303 is amended to read:

“197.303. (1) As used in ORS 197.307, ‘needed housing’ means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. ‘Needed housing’ includes the following housing types:

“(a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
“(b) Government assisted housing;
“(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
“(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
“(e) Housing for farmworkers.

“(2) For the purpose of estimating housing needs, a local government shall use the population projections prescribed by ORS 195.033 or 195.036 and shall consider and adopt findings related to the following factors and the projected changes in these factors:

“(a) Household sizes;
“(b) Household demographics in terms of age, gender, race or other established demographic category;
“(c) Household incomes;
“(d) Vacancy rates; and
“(e) Employment types and income.

“(2) (3) Subsection (1)(a) and (d) of this section does not apply to:

“(a) A city with a population of less than 2,500.

“(b) A county with a population of less than 15,000.

“(3) A local government may take an exception under ORS 197.732 to the definition of ‘needed housing’ in subsection (1) of this section in the same manner that an exception may be taken under the goals.”.

On page 3, delete lines 12 through 36 and insert:

“SECTION 8. Section 1, chapter 47, Oregon Laws 2018, is amended to read:

“Sec. 1. (1) For purposes of this section:

“(a) A household is severely rent burdened if the household spends more than 50 percent of the income of the household on gross rent for housing.

“(b) A regulated affordable unit is a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.

“(c) A single-family unit may be rented or owned by a household and includes single-family homes, duplexes, townhomes, row homes and mobile homes.

“(2)(a) The Housing and Community Services Department shall annually provide to the governing body of each city in this state with a population greater than 10,000 the most current data available from the United States Census Bureau, or any other source the department considers at least as reliable, showing the percentage of renter households in the city that are severely rent burdened.

“(b) The Housing and Community Services Department, in collaboration with the Department of Land Conservation and Development, shall develop a survey form on which the governing body of a city may provide specific information related to the affordability of housing within the city, including, but not limited to:

“(A) The actions relating to land use and other related matters that the governing body has taken to increase the affordability of housing and reduce rent burdens for severely rent burdened households; and

“(B) The additional actions the governing body intends to take to reduce rent burdens for severely rent burdened households.

“(c) If the Housing and Community Services Department determines that at least 25 percent of the renter households in a city are severely rent burdened, the department shall provide the governing body of the city with the survey form developed pursuant to paragraph (b) of this subsection.

“(d) The governing body of the city shall return the completed survey form to the Housing and Community Services Department and the Department of Land Conservation and Development within 60 days of receipt.

“(3)(a) In any year in which the governing body of a city is informed under this section that at least 25 percent of the renter households in the city are severely rent burdened, the governing body shall hold at least one public meeting to discuss the causes and consequences of severe rent burdens within the city, the barriers to reducing rent burdens and possible solutions.

“(b) The Housing and Community Services Department may adopt rules governing the conduct of the public meeting required under this subsection.

“(4) No later than February 1 of each year, the governing body of each city in this state with a population greater than 10,000 shall submit to the Department of Land Conservation and Devel-
opment a report for the immediately preceding calendar year setting forth separately for each of the following categories the total number of units that were permitted and the total number that were produced:

“(a) Residential units.
(b) Regulated affordable residential units.
(c) Multifamily residential units.
(d) Regulated affordable multifamily residential units.
(e) Single-family [units] homes.
(f) Regulated affordable single-family [units] homes.
(g) Accessory dwelling units.
(h) Regulated affordable accessory dwelling units.
(i) Units of middle housing, as defined in section 2 of this 2019 Act.
(j) Regulated affordable units of middle housing.

SECTION 9. ORS 455.610 is amended to read:

“455.610. (1) The Director of the Department of Consumer and Business Services shall adopt, and amend as necessary, a Low-Rise Residential Dwelling Code that contains all requirements, including structural design provisions, related to the construction of residential dwellings three stories or less above grade. The code provisions for plumbing and electrical requirements must be compatible with other specialty codes adopted by the director. The Electrical and Elevator Board, the Mechanical Board and the State Plumbing Board shall review, respectively, amendments to the electrical, mechanical or plumbing provisions of the code.

“(2) Changes or amendments to the code adopted under subsection (1) of this section may be made when:

“(a) Required by geographic or climatic conditions unique to Oregon;
(b) Necessary to be compatible with other statutory provisions;
(c) Changes to the national codes are adopted in Oregon; or
(d) Necessary to authorize the use of building materials and techniques that are consistent with nationally recognized standards and building practices.

“(3) Notwithstanding ORS 455.030, 455.035, 455.110 and 455.112, the director may, at any time following appropriate consultation with the Mechanical Board or Building Codes Structures Board, amend the mechanical specialty code or structural specialty code to ensure compatibility with the Low-Rise Residential Dwelling Code.

“(4) The water conservation provisions for toilets, urinals, shower heads and interior faucets adopted in the Low-Rise Residential Dwelling Code shall be the same as those adopted under ORS 447.020 to meet the requirements of ORS 447.145.

“(5) The Low-Rise Residential Dwelling Code shall be adopted and amended as provided by ORS 455.030 and 455.110.

“(6) The director, by rule, shall establish uniform standards for a municipality to allow an alternate method of construction to the requirements for one and two family dwellings built to the Low-Rise Residential Dwelling Code in areas where the local jurisdiction determines that the fire apparatus means of approach to a property or water supply serving a property does not meet applicable fire code or state building code requirements. The alternate method of construction, which may include but is not limited to the installation of automatic fire sprinkler systems, must be approved in conjunction with the approval of an application under ORS 197.522.

“(7) For lots of record existing before July 2, 2001, or property that receives any approval for
partition, subdivision or construction under ORS 197.522 before July 2, 2001, a municipality allowing
an alternate method of construction to the requirements for one and two family dwellings built to
the Low-Rise Residential Dwelling Code may apply the uniform standards established by the director
pursuant to subsection (6) of this section. For property that receives all approvals for partition,
subdivision or construction under ORS 197.522 on or after July 2, 2001, a municipality allowing an
alternate method of construction to the requirements for one and two family dwellings built to the
Low-Rise Residential Dwelling Code must apply the uniform standards established by the director
pursuant to subsection (6) of this section.

“(8) The director, by rule, shall establish uniform standards for a municipality to allow
alternate approval of construction related to conversions of low-rise residential dwellings to
no more than four residential dwelling units built to the Low-Rise Residential Dwelling Code
that received occupancy approval prior to January 1, 2020. The standards adopted under this
subsection shall include standards describing the information that must be submitted before
an application for alternate approval will be deemed complete.

“(9)(a) A building official described in ORS 455.148 or 455.150 must approve or deny an
application for alternate approval under subsection (8) of this section within 15 days of re-
ceiving a complete application.

“(b) A building official who denies an application for alternate approval under this sub-
section shall provide to the applicant:

“(A) A written explanation of the basis for the denial; and

“(B) A statement that describes the applicant’s appeal rights under subsection (10) of this
section.

“(10) An appeal from a denial under subsection (9) of this section shall be made to the
Residential and Manufactured Structures Board. The board shall issue a decision no later
than 30 days after the appeal is first made. The decision of the board may not be appealed.

SECTION 10. (1) It is the policy of the State of Oregon to reduce to the extent practi-
cable administrative and permitting costs and barriers to the construction of middle housing,
as defined in section 2 of this 2019 Act, while maintaining safety, public health and the gen-
eral welfare with respect to construction and occupancy.

“(2) The Department of Consumer and Business Services shall submit a report describing
rules and standards relating to low-rise residential dwellings proposed under ORS 455.610, as
amended by section 9 of this 2019 Act, in the manner provided in ORS 192.245, to an interim
committee of the Legislative Assembly related to housing no later than January 1, 2020.

SECTION 11. Section 12 of this 2019 Act is added to and made a part of ORS 94.550 to
94.783.

SECTION 12. A provision in a governing document that is adopted or amended on or
after the effective date of this 2019 Act, is void and unenforceable to the extent that the
 provision would prohibit or have the effect of unreasonably restricting the development of
 housing that is otherwise allowable under the maximum density of the zoning for the land.

SECTION 13. A provision in an instrument conveying, or contracting to convey, title to
real property is not enforceable if:

“(1) The provision would prohibit the development of middle housing, as defined in section
2 of this 2019 Act, on the property but would allow the development of a single-family
dwelling; and

“(2) The instrument was executed on or after the effective date of this 2019 Act.
“SECTION 14. (1) Sections 2, 12 and 13 of this 2019 Act and the amendments to ORS 197.296, 197.303, 197.312 and 455.610 and section 1, chapter 47, Oregon Laws 2018, by sections 5 to 9 of this 2019 Act become operative on January 1, 2020.

“(2) The Land Conservation and Development Commission, the Department of Consumer and Business Services and the Residential and Manufactured Structures Board may take any actions before the operative date specified in subsection (1) of this section necessary to enable the commission, department or board to exercise, on or after the operative date specified in subsection (1) of this section, the duties required under sections 2, 3 and 10 of this 2019 Act and the amendments to ORS 455.610 by section 9 of this 2019 Act.”.

In line 37, delete “10” and insert “15”.

After line 43, insert:

“SECTION 16. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2019, out of the General Fund, the amount of $3,000,000 for the purpose of providing technical assistance to local governments in implementing section 3 (1) of this 2019 Act and to develop plans to improve water, sewer, storm drainage and transportation services as described in section 4 (2) of this 2019 Act. The department shall prioritize technical assistance to cities or counties with limited planning staff or that commit to implementation earlier than the date required under section 3 (1) of this 2019 Act.”.

In line 44, delete “11” and insert “17”.