

Requested by Representative NOBLE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2997**

1 On page 1 of the printed bill, line 2, delete “; amending ORS 197.309”.

2 Delete lines 4 through 31 and delete pages 2 and 3 and insert:

3 **“SECTION 1. (1) As used in this section:**

4 **“(a) ‘Affordable housing’ means housing that is affordable to**
5 **households with incomes equal to or higher than 80 percent of the**
6 **median family income for the county in which the housing is built.**

7 **“(b) ‘Contiguous units’ means units on the same lot or parcel or**
8 **on lots or parcels that have a common boundary, including lots or**
9 **parcels separated only by a public road.**

10 **“(c) ‘Housing development’ means multifamily housing or a col-**
11 **lection of nonmultifamily residential housing units planned, owned or**
12 **constructed together through one or more applications or development**
13 **projects under ORS 227.175 or a development agreement under ORS**
14 **94.504 to 94.528 and are developed for a project of 20 or more contiguous**
15 **units.**

16 **“(c) ‘Multifamily housing’ means a structure that contains three**
17 **or more housing units sharing at least one wall, floor or ceiling sur-**
18 **face in common with another unit within the same structure.**

19 **“(2) Notwithstanding ORS 91.225 and 197.309 (4), a city with a popu-**
20 **lation greater than 30,000 but less than 40,000 located in a county with**
21 **a population greater than 105,000 but less than 125,000 may adopt a**

1 land use regulation, or impose as a condition for approving a permit
2 under ORS 227.178 a requirement, that has the effect of establishing
3 the sales or rental price for a new housing development, or that re-
4 quires a new housing development to be designated for sale or rent as
5 affordable housing.

6 “(3) A regulation, provision or requirement adopted or imposed
7 under subsection (2) of this section:

8 “(a) May not require more than 20 percent of housing units within
9 a housing development to be sold or rented as affordable housing;

10 “(b) May apply only to housing developments containing at least 20
11 housing units;

12 “(c) Must provide developers the option to pay an in-lieu fee, in an
13 amount determined by the city, in exchange for providing the requisite
14 number of housing units within the housing development to be sold
15 or rented at below-market rates; and

16 “(d) Must require the city to offer a developer of a housing devel-
17 opment, other than a developer that elects to pay an in-lieu fee pur-
18 suant to paragraph (c) of this subsection, at least one of the following
19 incentives:

20 “(A) Whole or partial fee waivers or reductions.

21 “(B) Whole or partial waivers of system development charges or
22 impact fees set by the city.

23 “(C) Finance-based incentives.

24 “(D) Full or partial exemption from ad valorem property taxes on
25 the terms described in this subparagraph. For purposes of any statute
26 granting a full or partial exemption from ad valorem property taxes
27 that uses a definition of ‘low income’ to mean income at or below 60
28 percent of the area median income and for which the housing devel-
29 opment is otherwise eligible, the city shall allow the housing develop-
30 ment of the developer to qualify using a definition of ‘low income’ to

1 mean income at or below 80 percent of the area median income.

2 “(4) A regulation, provision or requirement adopted or imposed
3 under subsection (2) of this section may offer developers one or more
4 of the following incentives:

5 “(a) Density adjustments.

6 “(b) Expedited service for local permitting processes.

7 “(c) Modification of height, floor area or other site-specific re-
8 quirements.

9 “(d) Other incentives as determined by the city.

10 “(5) Subsection (2) of this section does not restrict the authority of
11 a city to offer developers voluntary incentives, including incentives to:

12 “(a) Increase the number of affordable housing units in a develop-
13 ment.

14 “(b) Decrease the sales or rental price of affordable housing units
15 in a development.

16 “(c) Build affordable housing units that are affordable to house-
17 holds with incomes equal to or lower than 80 percent of the median
18 family income for the county in which the housing is built.

19 “(6)(a) A city that adopts or imposes a regulation, provision or re-
20 quirement described in subsection (2) of this section may not apply the
21 regulation, provision or requirement to any housing development for
22 which an application for a permit, as defined in ORS 227.160, has been
23 submitted as provided in ORS 227.178 (3), or, if such a permit is not
24 required, a building permit application has been submitted to the city
25 prior to the effective date of the regulation, provision or requirement.

26 “(b) If a housing development described in paragraph (a) of this
27 subsection has not been completed within the period required by the
28 permit issued by the city, the developer of the housing development
29 shall resubmit an application for a permit, as defined in ORS 227.160,
30 as provided in ORS 227.178 (3), or, if such a permit is not required, a

1 **building permit application under the regulation, provision or re-**
2 **quirement adopted by the city under subsection (2) of this section.**

3 **“(7)(a) A city that adopts or imposes a regulation, provision or re-**
4 **quirement under subsection (2) of this section shall adopt and apply**
5 **only clear and objective standards, conditions and procedures regulat-**
6 **ing the development of affordable housing units within its jurisdiction.**
7 **The standards, conditions and procedures may not have the effect, ei-**
8 **ther individually or cumulatively, of discouraging development of af-**
9 **fordable housing units through unreasonable cost or delay.**

10 **“(b) Paragraph (a) of this subsection does not apply to an applica-**
11 **tion or permit for residential development in historic areas designated**
12 **for protection under a land use planning goal protecting historic areas.**

13 **“(c) In addition to an approval process for affordable housing based**
14 **on clear and objective standards, conditions and procedures as pro-**
15 **vided in paragraph (a) of this subsection, a city may adopt and apply**
16 **an alternative approval process for applications and permits for resi-**
17 **dential development based on approval criteria regulating, in whole**
18 **or in part, appearance or aesthetics that are not clear and objective**
19 **if:**

20 **“(A) The developer retains the option of proceeding under the ap-**
21 **proval process that meets the requirements of paragraph (a) of this**
22 **subsection;**

23 **“(B) The approval criteria for the alternative approval process**
24 **comply with applicable statewide land use planning goals and rules;**
25 **and**

26 **“(C) The approval criteria for the alternative approval process au-**
27 **thorize a density at or above the density level authorized in the zone**
28 **under the approval process provided in paragraph (a) of this sub-**
29 **section.**

30 **“(8) If a regulation, provision or requirement adopted or imposed**

1 by a city under subsection (2) of this section requires that a percentage
2 of housing units in a new housing development be designated as af-
3 fordable housing, any incentives offered under subsection (3)(d) or (4)
4 of this section must relate to the required percentage of affordable
5 housing units in a manner determined by the city.

6 **SECTION 2. Section 1 of this 2019 Act is repealed on January 2,**
7 **2023.”.**

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