

Requested by Representative WILLIAMSON

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2997**

1 On page 1 of the printed A-engrossed bill, line 2, before the period insert
2 “; creating new provisions; and amending ORS 197.309”.

3 On page 3, after line 23, insert:

4 **“SECTION 3.** ORS 197.309 is amended to read:

5 “197.309. (1) As used in this section:

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

9 “(b) ‘Multifamily structure’ means a structure that contains three or more
10 housing units sharing at least one wall, floor or ceiling surface in common
11 with another unit within the same structure.

12 “(2) Except as provided in subsection (3) of this section, a metropolitan
13 service district may not adopt a land use regulation or functional plan pro-
14 vision, or impose as a condition for approving a permit under ORS 215.427
15 or 227.178 a requirement, that has the effect of establishing the sales or
16 rental price for a housing unit or residential building lot or parcel, or that
17 requires a housing unit or residential building lot or parcel to be designated
18 for sale or rent to a particular class or group of purchasers or renters.

19 “(3) The provisions of subsection (2) of this section do not limit the au-
20 thority of a metropolitan service district to:

21 “(a) Adopt or enforce a use regulation, provision or requirement creating

1 or implementing an incentive, contract commitment, density bonus or other
2 voluntary regulation, provision or requirement designed to increase the sup-
3 ply of moderate or lower cost housing units; or

4 “(b) Enter into an affordable housing covenant as provided in ORS 456.270
5 to 456.295.

6 “(4) Notwithstanding ORS 91.225, a city or county may adopt a land use
7 regulation or functional plan provision, or impose as a condition for ap-
8 proving a permit under ORS 215.427 or 227.178 a requirement, that has the
9 effect of establishing the sales or rental price for a new multifamily struc-
10 ture, or that requires a new multifamily structure to be designated for sale
11 or rent as affordable housing.

12 “(5) A regulation, provision or requirement adopted or imposed under
13 subsection (4) of this section:

14 “(a) May not require more than 20 percent of housing units within a
15 multifamily structure to be sold or rented as affordable housing;

16 “(b) May apply only to multifamily structures containing at least 20
17 housing units;

18 “(c) Must provide developers the option to pay an in-lieu fee, in an
19 amount determined by the city or county, in exchange for providing the
20 requisite number of housing units within the multifamily structure to be sold
21 or rented at below-market rates; [and]

22 “(d) Must require the city or county to offer a developer of multifamily
23 structures, other than a developer that elects to pay an in-lieu fee pursuant
24 to paragraph (c) of this subsection, at least one of the following incentives:

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

26 “(B) Whole or partial waivers of system development charges or impact
27 fees set by the city or county.

28 “(C) Finance-based incentives.

29 “(D) Full or partial exemption from ad valorem property taxes on the
30 terms described in this subparagraph. For purposes of any statute granting

1 a full or partial exemption from ad valorem property taxes that uses a defi-
2 nition of 'low income' to mean income at or below 60 percent of the area
3 median income and for which the multifamily structure is otherwise eligible,
4 the city or county shall allow the multifamily structure of the developer to
5 qualify using a definition of 'low income' to mean income at or below 80
6 percent of the area median income[.]; **and**

7 **“(e) Does not apply to a continuing care retirement community, as**
8 **defined in ORS 101.020, that executes and records within the real**
9 **property records of the county in which the property is located an in-**
10 **strument acknowledging that the property may not be converted in**
11 **part or in whole to a multifamily structure except in compliance with**
12 **regulations, provisions or requirements adopted by the city or county**
13 **under subsection (3) or (4) of this section.**

14 “(6) A regulation, provision or requirement adopted or imposed under
15 subsection (4) of this section may offer developers one or more of the fol-
16 lowing incentives:

17 “(a) Density adjustments.

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

19 “(c) Modification of height, floor area or other site-specific requirements.

20 “(d) Other incentives as determined by the city or county.

21 “(7) Subsection (4) of this section does not restrict the authority of a city
22 or county to offer developers voluntary incentives, including incentives to:

23 “(a) Increase the number of affordable housing units in a development.

24 “(b) Decrease the sale or rental price of affordable housing units in a
25 development.

26 “(c) Build affordable housing units that are affordable to households with
27 incomes equal to or lower than 80 percent of the median family income for
28 the county in which the housing is built.

29 “(8)(a) A city or county that adopts or imposes a regulation, provision or
30 requirement described in subsection (4) of this section may not apply the

1 regulation, provision or requirement to any multifamily structure for which
2 an application for a permit, as defined in ORS 215.402 or 227.160, has been
3 submitted as provided in ORS 215.416 or 227.178 (3), or, if such a permit is
4 not required, a building permit application has been submitted to the city
5 or county prior to the effective date of the regulation, provision or require-
6 ment.

7 “(b) If a multifamily structure described in paragraph (a) of this sub-
8 section has not been completed within the period required by the permit is-
9 sued by the city or county, the developer of the multifamily structure shall
10 resubmit an application for a permit, as defined in ORS 215.402 or 227.160,
11 as provided in ORS 215.416 or 227.178 (3), or, if such a permit is not required,
12 a building permit application under the regulation, provision or requirement
13 adopted by the city or county under subsection (4) of this section.

14 “(9)(a) A city or county that adopts or imposes a regulation, provision or
15 requirement under subsection (4) of this section shall adopt and apply only
16 clear and objective standards, conditions and procedures regulating the de-
17 velopment of affordable housing units within its jurisdiction. The standards,
18 conditions and procedures may not have the effect, either individually or
19 cumulatively, of discouraging development of affordable housing units
20 through unreasonable cost or delay.

21 “(b) Paragraph (a) of this subsection does not apply to:

22 “(A) An application or permit for residential development in an area
23 identified in a formally adopted central city plan, or a regional center as
24 defined by Metro, in a city with a population of 500,000 or more.

25 “(B) An application or permit for residential development in historic
26 areas designated for protection under a land use planning goal protecting
27 historic areas.

28 “(c) In addition to an approval process for affordable housing based on
29 clear and objective standards, conditions and procedures as provided in par-
30 agraph (a) of this subsection, a city or county may adopt and apply an al-

1 ternative approval process for applications and permits for residential
2 development based on approval criteria regulating, in whole or in part, ap-
3 pearance or aesthetics that are not clear and objective if:

4 “(A) The developer retains the option of proceeding under the approval
5 process that meets the requirements of paragraph (a) of this subsection;

6 “(B) The approval criteria for the alternative approval process comply
7 with applicable statewide land use planning goals and rules; and

8 “(C) The approval criteria for the alternative approval process authorize
9 a density at or above the density level authorized in the zone under the ap-
10 proval process provided in paragraph (a) of this subsection.

11 “(10) If a regulation, provision or requirement adopted or imposed by a
12 city or county under subsection (4) of this section requires that a percentage
13 of housing units in a new multifamily structure be designated as affordable
14 housing, any incentives offered under subsection (5)(d) or (6) of this section
15 shall be related in a manner determined by the city or county to the required
16 percentage of affordable housing units.”.

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