

D R A F T

SUMMARY

Requires Oregon Business Development Department to conduct pilot program with three jurisdictions within this state to study and make recommendations concerning administrative processes and procedures used in approving residential construction projects. Specified minimum criteria for choosing pilot program participants. Requires department to submit report to interim committee of Legislative Assembly related to housing not later than September 1, 2022.

Specifies that substantial completion for code requirements in residential subdivision includes requirements for roads and off-site water and sewage disposal capacity and that substantial completion does not require recording plat of subdivision.

Requires local government to assign, if necessary, temporary addresses to lots in residential subdivision.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to housing; creating new provisions; amending ORS 455.175; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2022 Act is added to and made a part**
6 **of ORS chapter 455.**

7 **SECTION 2. (1)(a) The Oregon Business Development Department**
8 **shall establish a pilot program to research, analyze and develop rec-**
9 **ommendations for improving administrative procedures involved in**
10 **receiving applications for, processing applications and issuing building**
11 **permits for, and obtaining other necessary approvals for residential**
12 **construction projects. The department shall undertake the pilot pro-**
13 **gram in cooperation with three jurisdictions that the department**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 chooses on the basis of applications from the jurisdictions and criteria
2 the department develops for participation in the pilot program. The
3 criteria, at a minimum, must:

4 (A) Take account of the volume, average length, nature, causes and
5 consequences of delays or interruptions in the administrative approval
6 process that a jurisdiction uses;

7 (B) Balance participation in the pilot program by geographic dis-
8 tribution within this state and by the size of the jurisdiction or the
9 volume of the jurisdiction's resources devoted to approving residential
10 construction projects, or both, to the extent practicable and to the
11 extent such a balance serves the interests of investigating common
12 challenges, obstacles, improvements or successes among administra-
13 tive approval procedures in use in various jurisdictions throughout
14 this state; and

15 (C) Enable the department to discover practical and replicable rec-
16 ommendations and solutions for improving administrative processes
17 within the jurisdictions that participate in the pilot program and
18 within other jurisdictions.

19 (b) The department may develop appropriate criteria for partic-
20 ipation in the pilot program other than the criteria set forth in para-
21 graph (a) of this subsection and may specify the form, content and
22 format of applications and processes for submitting applications.

23 (c) The department shall prefer cities as participants in the pilot
24 program, but if an insufficient number of cities apply to participate,
25 the department may choose a county for participation. If more than
26 three cities apply for the pilot program, the department shall choose
27 participants on the basis of the criteria the department has identified
28 under this subsection and, to the extent that more than one
29 applicant's qualifications are equivalent under the identified criteria,
30 on the basis of an equitable lottery among applicants.

31 (2) In conducting the pilot program, the department shall:

1 (a) Study and identify the processes that participating jurisdictions
2 use in approving residential construction projects;

3 (b) Develop a comprehensive overview of the processes described in
4 paragraph (a) of this subsection;

5 (c) Identify the timelines involved in beginning, continuing and
6 completing the processes;

7 (d) Identify the sources and causes of delays, interruptions, devi-
8 ations or other defects in the processes;

9 (e) Identify staffing, cost, budgetary and other factors that con-
10 tribute to the defects identified in paragraph (d) of this subsection; and

11 (f) Identify, test and recommend practical solutions that can reduce
12 or eliminate the identified defects.

13 (3) The department shall submit a report on the results of the pilot
14 program to an interim committee of the Legislative Assembly not later
15 than September 1, 2022. In the report, the department shall:

16 (a) Include an overview of the administrative procedures a resi-
17 dential land developer and builder must undertake in each of the par-
18 ticipating jurisdictions;

19 (b) Identify and analyze the timelines required for each step in the
20 approval process, including but not limited to the timelines required
21 to submit, process and complete applications for land use and resi-
22 dential subdivisions, engineering approvals and building permits re-
23 lated to residential construction projects;

24 (c) Identify the staffing, cost, budgetary and other barriers that
25 cause delays, interruptions, deviations or other defects in the pro-
26 cesses;

27 (d) Recommend strategies by means of which a jurisdiction may
28 reduce the time needed to approve residential construction projects;

29 (e) Identify cost burdens for jurisdictions and recommend methods
30 for reallocating or increasing resources needed to improve adminis-
31 trative processes related to approving residential construction

1 **projects;**

2 (f) **Recommend how jurisdictions may set priorities for approving**
3 **middle housing, as defined in ORS 197.758, and housing for families**
4 **with incomes at 80 to 150 percent of the median family income for the**
5 **region within which each jurisdiction is located; and**

6 (g) **Make such other recommendations as the department deems**
7 **appropriate for how to meet the challenge of alleviating this state’s**
8 **housing shortages.**

9 (4) **The department shall enter into a contract with another party**
10 **or agency to assist with conducting the pilot program described in this**
11 **section.**

12 **SECTION 3.** ORS 455.175 is amended to read:

13 455.175. (1) As used in this section:

14 (a) “Conditions of development” means requirements that, as part of a
15 residential subdivision, a developer, declarant or owner must construct pub-
16 lic improvements that are contained in:

17 (A) A development agreement under ORS 94.504 to 94.528;

18 (B) Conditions of approval under ORS 92.040, 215.416 or 227.175; or

19 (C) Any other agreement with, or conditional approval by, a local gov-
20 ernment.

21 (b) “Residential subdivision” means a residential development requiring
22 a developer, declarant or owner to subdivide land, as defined in ORS 92.010,
23 and to obtain a permit under ORS 215.416 or 227.175.

24 (c) “Substantial completion” means [*the*] a city, county or other appro-
25 priate public body has inspected, tested and found acceptable under applica-
26 ble code requirements **the public improvements required for land use**
27 **approval, which must include the following conditions of**
28 **development**, unless the parties agree to a lower standard:

29 (A) The water supply system;

30 (B) The fire hydrant system;

31 (C) The sewage disposal system;

1 (D) The storm water drainage system, excepting any landscaping require-
2 ments that are part of the system;

3 (E) The curbs;

4 (F) The demarcating of street signs acceptable for emergency responders;

5 [*and*]

6 (G) The roads **engineered and constructed to support load designs**
7 necessary for **all-weather** access by emergency vehicles[.], **whether or not**
8 **the roads are fully paved or completed; and**

9 (H) **The off-site improvements that are necessary for emergency**
10 **services and water and sewage disposal capacity that is sufficient to**
11 **serve the residential subdivision.**

12 (2) A city or county may not deny a building permit allowing the con-
13 struction of residential dwellings under a residential subdivision on the basis
14 that the conditions of development have not been met, if:

15 (a) Substantial completion of conditions of development for the residential
16 subdivision occurs; and

17 (b) The developer, declarant or owner, to secure the completion of the
18 remaining public improvements included as conditions of development for the
19 residential subdivision:

20 (A) Obtains and maintains a bond; or

21 (B) Undertakes an alternative form of financial guarantee, if any, that is
22 acceptable to, but may not be required by, the city or county.

23 (3) Subsection (2) of this section does not prevent a city or county from
24 declining to issue certificates of occupancy for any residential dwellings if
25 all conditions of development are not fully completed or the conditions for
26 the release of the bond are not fulfilled.

27 (4) **A city's or county's determination as to whether conditions of**
28 **development are substantially complete does not require the plat of a**
29 **residential subdivision to be recorded.**

30 (5) **A city or county if necessary shall assign temporary addresses**
31 **to lots in a residential subdivision. In assigning temporary addresses,**

1 **the city or county may:**

2 **(a) Use preliminary, tentative or proposed plats or some other ap-**
3 **proved plan that describes all lots with accurate lot numbering; and**

4 **(b) Require applicants to notify the city or county whenever lot**
5 **numbering or subdivision names change during development.**

6 **SECTION 4. Section 2 of this 2022 Act is repealed on December 31,**
7 **2022.**

8 **SECTION 5. This 2022 Act being necessary for the immediate pres-**
9 **ervation of the public peace, health and safety, an emergency is de-**
10 **clared to exist, and this 2022 Act takes effect on its passage.**

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