

House Bill 2708

Sponsored by Representative ZIKA; Representatives BREESE-IVERSON, LEIF, SMITH DB (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Department of Land Conservation and Development to approve local governments' plans for urban growth boundary expansion areas to accommodate affordable housing.
Sunsets affordable housing pilot program on January 2, 2026.

A BILL FOR AN ACT

1
2 Relating to expansion of urban growth boundaries to accommodate affordable housing; creating new
3 provisions; and repealing sections 2, 3, 4, 5, 6, 7, 8 and 9, chapter 52, Oregon Laws 2016.

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

5 **SECTION 1. Sections 2 to 4 of this 2021 Act are added to and made a part of ORS chapter**
6 **197.**

7 **SECTION 2. (1) Notwithstanding ORS 197.296 or 197A.320 or any statewide goal relating**
8 **to housing or urbanization, a local government may expand its urban growth boundary to**
9 **include an expansion area approved by the Department of Land Conservation and Develop-**
10 **ment under sections 2 to 4 of this 2021 Act.**

11 **(2) An urban growth boundary expansion area must:**

12 **(a) Be compact, contiguous, adjacent to an existing urban growth boundary and not**
13 **larger than 50 acres;**

14 **(b) Be in the vicinity of public facilities and services, including roadways and an identified**
15 **transit corridor serving the area or have public facilities and services planned and reasonably**
16 **likely to be provided in the near future;**

17 **(c) Have not less than 30 percent of the development in the expansion area dedicated to**
18 **affordable housing; and**

19 **(d) Not contain any high-value farmland, as defined in ORS 195.300.**

20 **SECTION 3. (1) In addition to the submission requirements of ORS 197.610, a local gov-**
21 **ernment shall submit to the Department of Land Conservation and Development a concep-**
22 **tual plan for the expansion area and receive approval from the department before the local**
23 **government holds its first public hearing on the proposed changes to its comprehensive plan,**
24 **land use regulations and urban growth boundary.**

25 **(2) The conceptual plan must demonstrate:**

26 **(a) Compliance with section 2 of this 2021 Act;**

27 **(b) How development of the expansion area will comply with other statewide planning**
28 **goals;**

29 **(c) Actions that the local government has taken or is taking, or other affirmative steps**
30 **to encourage development sufficient to accommodate housing needs, including under ORS**
31 **197.290 and 197.296;**

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 (d) That the affordable housing within the expansion area described in section 2 (2)(c) of
2 this 2021 Act will:

3 (A) Be developed and not have otherwise been provided without the availability of the
4 expansion area program as described in sections 2 to 4 of this 2021 Act;

5 (B) Serve identified populations in the area that require affordable housing; and

6 (C) Remain as affordable housing for a period of not less than 50 years;

7 (e) Actions that the local government has taken and will take to ensure that the afford-
8 able housing required under section 2 (2)(c) of this 2021 Act will actually be developed and
9 will remain affordable for a period of not less than 50 years, including through any combi-
10 nation of:

11 (A) Planning and zoning restrictions;

12 (B) Establishing sale or rental prices for housing, including under ORS 197.309;

13 (C) Requiring developers or property owners to enter into affordable housing covenants,
14 including under ORS 456.270 to 456.295;

15 (D) Requiring developers or property owners to enter into restrictive agreements with
16 sources of affordable housing funding; or

17 (E) Providing direct or indirect incentives, contract commitments, density bonuses or
18 other regulations, conditions or voluntary programs designed to ensure the supply of af-
19 fordable housing units.

20 (3) A local government must resubmit a new conceptual plan and receive approval under
21 subsection (1) of this section if, after submitting a conceptual plan, the plan is altered such
22 that:

23 (a) The location of the expansion area has changed;

24 (b) The uses authorized in the expansion area have changed; or

25 (c) The plan has been significantly altered, as described by the Land Conservation and
26 Development Commission by rule or based upon a condition of approval by the department
27 of the original conceptual plan.

28 **SECTION 4.** (1) The Land Conservation and Development Commission shall make rules
29 to implement sections 2 to 4 of this 2021 Act, including rules to:

30 (a) Establish a process by which a local government may amend its urban growth
31 boundaries to include approved expansion areas.

32 (b) Define “affordable housing.”

33 (c) Provide methods or standards by which local governments can demonstrate compli-
34 ance with the percentage of affordable housing required under section 2 (2)(c) of this 2021
35 Act.

36 (d) Specify types of affordable housing allowed within expansion areas, which must in-
37 clude manufactured dwelling park sites and may additionally authorize mixed income housing
38 developments or mixed residential and commercial uses that include affordable housing.

39 (e) Specify methods of evaluating actions by local governments to create and preserve
40 affordable housing in compliance with section 3 (2)(e) of this 2021 Act.

41 (2) Within an urban growth expansion area approved under sections 2 to 4 of this 2021
42 Act or pilot site approved under sections 2 to 9, chapter 52, Oregon Laws 2016, a local gov-
43 ernment may not allow uses not authorized upon the approval of the expansion area or pilot
44 site unless the local government withdraws those lands from the urban growth boundary and
45 amends its land use regulations consistent with uses authorized outside the urban growth

1 **boundary.**

2 **(3) The inclusion of land within an urban growth boundary expansion area under sections**
3 **2 to 4 of this 2021 Act or pilot site under sections 2 to 9, chapter 52, Oregon Laws 2016, does**
4 **not authorize a local government to convert buildable lands, as defined in ORS 197.286, to**
5 **other uses.**

6 **SECTION 5. (1) Sections 2, 3 and 5 to 9, chapter 52, Oregon Laws 2016, are repealed on**
7 **January 2, 2026.**

8 **(2) Section 4, chapter 52, Oregon Laws 2016, as amended by section 1, chapter 32, Oregon**
9 **Laws 2019, is repealed on January 2, 2026.**

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