

**A-Engrossed**  
**House Bill 3261**

Ordered by the House March 25  
Including House Amendments dated March 25

Sponsored by Representative MARSH

**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.

Limits local government's restrictions on conversions of certain properties into emergency shelters or affordable housing.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to conversion of properties for living spaces; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 197.**

5 **SECTION 2. (1) Except as provided in this section and notwithstanding any statewide land**  
6 **use planning goals or land use regulations, a local government shall unconditionally allow the**  
7 **conversion of the lawful use of a property:**

8 (a) **From use as a hotel or motel, to use as an emergency shelter.**

9 (b) **From use as a hotel or motel, or a hotel or motel that was converted to an emergency**  
10 **shelter under paragraph (a) of this subsection, to use as affordable housing.**

11 (2) **This section applies only to areas:**

12 (a) **Within an urban growth boundary;**

13 (b) **Not designated by the local government as specifically for heavy industrial uses;**

14 (c) **With adequate transportation access to commercial and medical services; and**

15 (d) **Not within an area designated for a statewide land use planning goal relating to na-**  
16 **tural disasters or hazards, including flood plains or mapped environmental health hazards,**  
17 **unless the converted use complies with regulations directly related to the disasters or haz-**  
18 **ards.**

19 (3) **A local government may require a converted use under this section to comply with:**

20 (a) **Applicable building codes;**

21 (b) **Occupancy limits; or**

22 (c) **For uses under subsection (1)(b) of this section, reasonable standards relating to sit-**  
23 **ing or design, if the standards do not, individually or cumulatively, prohibit the conversion**  
24 **through unreasonable costs or delay.**

25 (4) **A conversion under this section is not a land use decision as defined in ORS 197.015.**

26 (5) **A local government is not required to consider whether the conversion significantly**  
27 **affects an existing or planned transportation facility for the purposes of implementing a**  
28 **statewide land use planning goal relating to transportation.**

**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       **(6) As used in this section:**

2       **(a) “Affordable housing” means housing in which all units are affordable to households**  
3 **with incomes equal to or less than 60 percent of the area median income as defined in ORS**  
4 **458.610 and whose affordability is enforceable by an affordable housing covenant, as described**  
5 **in ORS 456.270 to 456.295, for a duration of no less than 30 years.**

6       **(b) “Conversion” includes an alteration to a building that changes the number of units**  
7 **but does not expand the building footprint.**

8       **(c) “Emergency shelter” means a building that provides shelter on a temporary basis for**  
9 **individuals and families who lack permanent housing.**

10       **(d) “Lawful use” includes a nonconforming use as described in ORS 215.130 (6) or any**  
11 **other local land use regulation allowing for the continuation of a use that was lawful when**  
12 **first enacted.**

13       **SECTION 3.** **Section 2 of this 2021 Act applies to conversions or applications for conver-**  
14 **sions on or after January 1, 2021.**

15       **SECTION 4.** **This 2021 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**  
17 **on its passage.**

18