

HB 4118 -1 STAFF MEASURE SUMMARY

House Committee On Housing

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Meeting Dates: 2/14

WHAT THE MEASURE DOES:

Allows governing body of a city, upon petition from a landowner, to amend city's urban growth boundary (UGB) to allow inclusion of land to be solely used for workforce housing or both workforce housing and workforce commercial development, which is subject to an affordable housing covenant of no less than 30 years. Defines "workforce housing" as housing affordable to low income households earning equal to or less than 80 percent of area median income, or moderate income households earning greater than 80 percent but equal to or less than 120 percent of area median income. Defines "workforce commercial" as commercial use buildings not larger than 2,000 square feet that are a type and scale supportive of nearby workforce housing households.

Specifies that eligible land: is designated as an urban reserve; is a contiguous parcel not larger than 100 acres and adjacent to the city's existing UGB; is not designated for protection by locally adopted open space, scenic, historic, and natural resource goals unless it retains the designation after inclusion within the UGB; and may be rezoned for workforce housing and workforce commercial uses consistent with locally adopted land use planning goal relating to transportation planning. Specifies UGB amendment may occur if the city has identified need for additional workforce housing, accepted public comment on the proposed plan, and has not approved an expansion of its UGB in the five years prior. Specifies approval of petition is contingent on city amending its comprehensive plan or land use regulations as necessary to allow the sole use of the land for workforce housing and workforce commercial purposes.

Requires that a city enter into a binding agreement with the property owner and any other local government or district to ensure land is provided with necessary urban services within two years of the expansion's approval. Requires city to serve as affordable housing covenant holder for at least 30 years. Prohibits city, upon the expansion of the UGB for workforce housing and workforce commercial, from rezoning the land for any other use for 30 years. Requires approval for UGB amendment be granted by Metro for lands within Metro UGB; or by cities and counties for lands outside Metro. Allows a city to impose additional conditions on housing affordability as provided by state land use laws.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Establishes Task Force on Barriers to Housing, Industrial and Manufacturing Development, charged with considering: statutory and regulatory barriers to the provision of land for, and the timely production of, needed housing as well as large-scale industrial and manufacturing development; the impact of urban growth boundary (UGB) expansion on housing affordability; the impact of land use policies; barriers to homeownership for historically disadvantaged and low- and moderate-income communities; and cost-reduction and investment strategies for the provision of necessary infrastructure. Describes task force membership, structure, and appointing entities. Directs Legislative Policy and Research Office to staff task force. Requires task force to submit report to interim committees of the Legislative Assembly related to housing by December 31, 2022. Sunsets task force on December 31, 2022. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

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Each Oregon city is surrounded by an urban growth boundary (UGB), which may be expanded through a cross-jurisdictional agreement between a city, county, or special district that provides services in an urban area. Cities with a population greater than 10,000 are required by Oregon law to conduct a housing needs analysis to identify housing units or land needed to accommodate needed housing development over a 20-year period.

As part of a March 2021 technical report on the Regional Housing Needs Analysis methodology (directed by the legislative assembly in House Bill 2003 (2019), ECONorthwest estimated that statewide, 443,000 new single family and multi-family units across all affordability levels are needed to accommodate population growth in Oregon by 2040. In the 80-120% area median income category, the report projected a need for nearly 83,000 units by 2040, and in the 80% or lower area median income categories, it estimated a need for 159,114 units by 2040.

In 2007, the legislature authorized local governments to designate urban land that might be eligible for future development, called urban reserves. Urban reserves are areas outside of a city's existing UGB that are identified for long-term city growth.

House Bill 4118 allows a local government, upon a petition from a landowner, to expand its UGB for the development of workforce housing or combined workforce housing and workforce commercial uses on land designated as an urban reserve, subject to certain conditions and applicable local government land use processes. The measure requires that any development on land rezoned for workforce housing or workforce commercial use be subject to an affordable housing covenant of no less than 30 years.