House Bill 4063

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Housing for Oregon Home Builders Association (OHBA))

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.

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. Specifies 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

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

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

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

SECTION 2. (1)(a) The Oregon Business Development Department shall establish a pilot program to research, analyze and develop recommendations for improving administrative procedures involved in receiving applications for, processing applications and issuing building permits for, and obtaining other necessary approvals for residential construction projects. The department shall undertake the pilot program in cooperation with three jurisdictions that the department chooses on the basis of applications from the jurisdictions and criteria the department develops for participation in the pilot program. The criteria, at a minimum, must:

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

(B) Balance participation in the pilot program by geographic distribution within this state and by the size of the jurisdiction or the volume of the jurisdiction’s resources devoted to approving residential construction projects, or both, to the extent practicable and to the extent such a balance serves the interests of investigating common challenges, obstacles, improvements or successes among administrative approval procedures in use in various jurisdictions throughout this state; and

(C) Enable the department to discover practical and replicable recommendations and solutions for improving administrative processes within the jurisdictions that participate in the pilot program and within other jurisdictions.

(b) The department may develop appropriate criteria for participation in the pilot program other than the criteria set forth in paragraph (a) of this subsection and may specify

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.

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the form, content and format of applications and processes for submitting applications.

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

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

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

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

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

(d) Identify the sources and causes of delays, interruptions, deviations or other defects in the processes;

(e) Identify staffing, cost, budgetary and other factors that contribute to the defects identified in paragraph (d) of this subsection; and

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

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

(a) Include an overview of the administrative procedures a residential land developer and builder must undertake in each of the participating jurisdictions;

(b) Identify and analyze the timelines required for each step in the approval process, including but not limited to the timelines required to submit, process and complete applications for land use and residential subdivisions, engineering approvals and building permits related to residential construction projects;

(c) Identify the staffing, cost, budgetary and other barriers that cause delays, interruptions, deviations or other defects in the processes;

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

(e) Identify cost burdens for jurisdictions and recommend methods for reallocating or increasing resources needed to improve administrative processes related to approving residential construction projects;

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

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

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

SECTION 3. ORS 455.175 is amended to read:

455.175. (1) As used in this section:

(a) “Conditions of development” means requirements that, as part of a residential subdivision,
a developer, declarant or owner must construct public improvements that are contained in:

(A) A development agreement under ORS 94.504 to 94.528;
(B) Conditions of approval under ORS 92.040, 215.416 or 227.175; or
(C) Any other agreement with, or conditional approval by, a local government.

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

(c) “Substantial completion” means [the] a city, county or other appropriate public body has inspected, tested and found acceptable under applicable code requirements the public improvements required for land use approval, which must include the following conditions of development, unless the parties agree to a lower standard:

(A) The water supply system;
(B) The fire hydrant system;
(C) The sewage disposal system;
(D) The storm water drainage system, excepting any landscaping requirements that are part of the system;
(E) The curbs;
(F) The demarcating of street signs acceptable for emergency responders; [and]
(G) The roads engineered and constructed to support load designs necessary for all-weather access by emergency vehicles[,], whether or not the roads are fully paved or completed; and
(H) The off-site improvements that are necessary for emergency services and water and sewage disposal capacity that is sufficient to serve the residential subdivision.

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

(a) Substantial completion of conditions of development for the residential subdivision occurs; and
(b) The developer, declarant or owner, to secure the completion of the remaining public improvements included as conditions of development for the residential subdivision:

(A) Obtains and maintains a bond; or
(B) Undertakes an alternative form of financial guarantee, if any, that is acceptable to, but may not be required by, the city or county.

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

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

(5) A city or county if necessary shall assign temporary addresses to lots in a residential subdivision. In assigning temporary addresses, the city or county may:

(a) Use preliminary, tentative or proposed plats or some other approved plan that describes all lots with accurate lot numbering; and
(b) Require applicants to notify the city or county whenever lot numbering or subdivision names change during development.

SECTION 4. Section 2 of this 2022 Act is repealed on December 31, 2022.
SECTION 5. This 2022 Act being necessary for the immediate preservation of the public
peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage.