House Bill 2984

Sponsored by Representative MARSH; Representative FAHEY, Senators DEMBROW, GOLDEN (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.

Allows conversion of building from commercial use to workforce housing within urban growth boundary. Prohibits, for such conversions, local governments from enforcing parking minimums and suspends collection of system development charges.

A BILL FOR AN ACT

Relating to housing; amending ORS 197.308.

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

SECTION 1. ORS 197.308, as amended by section 4, chapter 47, Oregon Laws 2022, is amended to read:

ORS 197.308. (1) As used in this section:

(a) “Affordable housing” means residential property:

[(a)] (A) In which:

[(i)] (i) Each unit on the property is made available to own or rent to families with incomes of 80 percent or less of the area median income [as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development]; or

[(ii)] (ii) The average of all units on the property is made available to families with incomes of 60 percent or less of the area median income; and

[(b)] (B) Whose affordability is enforceable, including as described in ORS 456.270 to 456.295, for a duration of no less than 30 years.

(b) “Area median income” means the median income for the metropolitan statistical area in which affordable housing or workforce housing is located as determined by the Housing and Community Services Department and adjusted for household size based on information from the United States Department of Housing and Urban Development.

(c) “Workforce housing” means residential property:

(A) In which each unit on the property is made available to own or rent to families with incomes of 120 percent or less of the area median income; and

(B) Whose affordability is enforceable, including as described in ORS 456.270 to 456.295, for a duration of no less than 15 years.

(2) A local government shall allow affordable housing, and may not require a zone change or conditional use permit for affordable housing, if the proposed affordable housing is on property that is:

(a) Owned by:

[(A)] (A) A public body, as defined in ORS 174.109; or

[(B)] (B) A nonprofit corporation that is organized as a religious corporation; or

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.

LC 1342
(b) Zoned:
(A) For commercial uses;
(B) To allow religious assembly; or
(C) As public lands.

(3) A local government shall allow the conversion of a building from commercial use to
residential use for workforce housing. The local government may not require a zone change
or conditional use permit for such use.

\[[3](4)\] Subsection (2) Subsections (2) and (3) of this section:
(a) [Does not] Apply [only to the development of housing not] within an urban growth boundary.
(b) [Does] Do not trigger any requirement that a local government consider or update an anal-
ysis as required by a statewide planning goal relating to economic development.
(c) [Applies] Apply on property zoned to allow for industrial uses only if the property is:
(A) Publicly owned;
(B) Adjacent to lands zoned for residential uses or schools; and
(C) Not specifically designated for heavy industrial uses.
(d) [Does] Do not apply on lands where the local government determines that:
(A) The development on the property cannot be adequately served by water, sewer, storm water
drainage or streets, or will not be adequately served at the time that development on the lot is
complete;
(B) The property contains a slope of 25 percent or greater;
(C) The property is within a 100-year floodplain; or
(D) The development of the property is constrained by land use regulations based on statewide
land use planning goals relating to:
   (i) Natural disasters and hazards; or
   (ii) Natural resources, including air, water, land or natural areas, but not including open spaces
or historic resources.

\[[4](5)\] A local government shall approve an application at an authorized density level and au-
thorized height level, as defined in ORS 227.175 (4), for the development of affordable housing, at the
greater of:
(a) Any local density bonus for affordable housing; or
(b) Without consideration of any local density bonus for affordable housing:
   (A) For property with existing maximum density of 16 or fewer units per acre, 200 percent of
   the existing density and 12 additional feet;
   (B) For property with existing maximum density of 17 or more units per acre and 45 or fewer
   units per acre, 150 percent of the existing density and 24 additional feet; or
   (C) For property with existing maximum density of 46 or more units per acre, 125 percent of the
   existing density and 36 additional feet.

\[[5(a)](6)(a)\] Subsection [(4)] (5) of this section does not apply to housing allowed under sub-
section (2) of this section in areas that are not zoned for residential uses.
(b) A local government may reduce the density or height of the density bonus allowed under
subsection [(4)] (5) of this section as necessary to address a health, safety or habitability issue, in-
cluding fire safety, or to comply with a protective measure adopted pursuant to a statewide land
use planning goal. Notwithstanding ORS 197.350, the local government must adopt findings sup-
ported by substantial evidence demonstrating the necessity of this reduction.

(7) For the development of housing under subsection (3) of this section, a local govern-
ment may not:

(a) Enforce any land use regulation that establishes a minimum number of parking spaces that is greater than the amount allowed for the existing commercial use.

(b) Require the payment of a system development charge as defined in ORS 223.299 until the end of an affordability restriction described in subsection (1)(c)(B) of this section.