

**A-Engrossed**  
**House Bill 3174**

Ordered by the House March 27  
Including House Amendments dated March 27

Sponsored by Representative MARSH, Senator ANDERSON; Representatives GAMBA, HARTMAN, OWENS, WRIGHT, Senator WEBER

**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.

Requires Oregon Department of Administrative Services to provide grants [*to local governments*] for regional housing [*coordinators*] **coordination and to local governments to support development of needed housing.**

Requires department to provide grants to Association of Oregon Counties and League of Oregon Cities for specific purposes relating to planning for housing.

Requires department to analyze local governments' costs in planning for housing.

Appropriates moneys to department to award grants and conduct analysis.

Sunset January 2, 2034.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to housing; and prescribing an effective date.

3 Whereas providing sufficient housing to people currently experiencing homelessness in Oregon  
4 would require the production of 29,000 additional units annually within this state; and

5 Whereas the lack of an adequate supply of housing disproportionately disadvantages and bur-  
6 dens households that are Black, Indigenous, People of Color, low-income or otherwise historically  
7 disadvantaged; and

8 Whereas an analysis from the Office of Economic Analysis of the Oregon Department of Ad-  
9 ministrative Services estimates that in order to address this state's existing housing shortfall, local  
10 governments will need 400 to 500 additional professional planning, public works and building staff  
11 to review and approve the needed housing; and

12 Whereas local governments are under significant financial and staff capacity constraints; and

13 Whereas the timeliness of the local government residential building permit review and approval  
14 processes is an identified constraint on the production of housing in this state; now, therefore,

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

16 **SECTION 1. (1) The Oregon Department of Administrative Services, in consultation with**  
17 **the Department of Land Conservation and Development and the Housing and Community**  
18 **Services Department, shall provide grants to councils of governments, as defined in ORS**  
19 **294.900, and economic development districts to support housing and community development**  
20 **capacity within cities and counties in this state and within the nine federally recognized In-**  
21 **dian tribes in this state.**

22 **(2) Councils of governments and economic development districts receiving grants under**  
23 **this section shall partner and consult with local governments, developers, financiers, the**

**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 Department of Land Conservation and Development, the Housing and Community Services  
2 Department, other relevant state agencies and other interested public and private partners  
3 to enable local governments throughout the region to encourage community development  
4 and the development of infrastructure and needed housing, as defined in ORS 197.303, by:

5 (a) Bridging any information gaps;

6 (b) Identifying and securing needed resources, including infrastructure and community  
7 facilities;

8 (c) Connecting producers of needed housing with consumers of needed housing; and

9 (d) Working with representatives of historically underrepresented groups to overcome  
10 community-specific barriers to obtaining housing.

11 **SECTION 2.** (1) The Oregon Department of Administrative Services, in consultation with  
12 the Department of Land Conservation and Development and Housing and Community Ser-  
13 vices Department, shall provide grants to cities or counties or, with the support of cities and  
14 counties within a region, to a council of governments as defined in ORS 294.900 or to a  
15 partnership among local governments.

16 (2) Grants under this section must be used to support the administration, planning, per-  
17 mitting, land use approval, public works, building code, engineering, inspecting and compli-  
18 ance needs of the city or county to review and approve needed housing development.

19 (3) A recipient receiving a grant under this section shall agree to:

20 (a) Regardless of population, provide the Housing and Community Services Department  
21 with the report described in ORS 456.586 (4); and

22 (b) Within two years of receiving the grant:

23 (A) If the applicant is a city with an approved housing production strategy under ORS  
24 197.290, implement one or more components of the strategy; or

25 (B) If the applicant does not have an approved housing production strategy, take other  
26 steps to address housing deficiencies identified in the city's most recent housing capacity  
27 analysis.

28 (4) A partnership among governments is eligible for grants under this section only if all  
29 participating governments have:

30 (a) Executed agreements memorializing their partnership; and

31 (b) Adopted resolutions declaring a commitment to use the grant to facilitate the devel-  
32 opment of needed housing.

33 **SECTION 3.** Grants under section 2 of this 2023 Act must be awarded based on:

34 (1) The number of residential building permits approved within the jurisdiction of the  
35 applicant in the most recent two-year period for which data is available under ORS 456.586  
36 (4); or

37 (2) If data under subsection (1) of this section is unavailable, the most recently calculated  
38 estimated needed housing as defined in ORS 197.303.

39 **SECTION 4.** The Oregon Department of Administrative Services shall provide grants in  
40 equal amounts to the Association of Oregon Counties and the League of Oregon Cities for  
41 the purposes of:

42 (1) In consultation with the Department of Land Conservation and Development, coordi-  
43 nating with each other to create a statewide education program designed to explain Oregon's  
44 unique land use system, as well as the causes of Oregon's housing crisis and the potential  
45 solutions to it, for delivery to the governing body and staff of local governments; and

1 (2) Each recruiting and hiring a state housing liaison, who shall:

2 (a) Serve as a conduit of information among the state housing liaison's respective local  
3 government members, housing coordinators, state agencies, the regional solutions centers  
4 described in ORS 284.754, the Governor's office and the Legislative Assembly on matters re-  
5 lated to housing production; and

6 (b) Encourage the development of needed housing by facilitating communication, coordi-  
7 nating activities and maintaining mutually beneficial relationships among the persons de-  
8 scribed in paragraph (a) of this subsection.

9 **SECTION 5.** (1) On or before July 1 of each year:

10 (a) Recipients of grants under section 1 of this 2023 Act shall submit a report to the  
11 Oregon Department of Administrative Services describing the steps regional housing coordi-  
12 nators took to encourage the development of needed housing;

13 (b) Recipients of grants under section 2 of this 2023 Act shall submit a report to the  
14 Oregon Department of Administrative Services and the Department of Land Conservation  
15 and Development on the activities funded by the grant, including the types of tasks staff  
16 performed and the number of housing permits facilitated; and

17 (c) Recipients of grants under section 4 of this 2023 Act shall submit a report to the  
18 Oregon Department of Administrative Services describing the education programs and the  
19 activities of the state housing liaisons.

20 (2) On or before December 31 of each year, the Oregon Department of Administrative  
21 Services shall compile the reports received by the department under this section and trans-  
22 mit the reports to an interim committee of the Legislative Assembly relating to housing.

23 **SECTION 6.** Section 5 of this 2023 Act becomes operative on January 1, 2024.

24 **SECTION 7.** If House Bill 2889 becomes law, section 3 of this 2023 Act is amended to read:

25 **Sec. 3.** Grants under section 2 of this 2023 Act must be awarded based on[.] **the housing pro-**  
26 **duction targets, as described in section 4, chapter \_\_, Oregon Laws 2023 (Enrolled House**  
27 **Bill 2889), within the jurisdiction of the applicant.**

28 *[(1) The number of residential building permits approved within the jurisdiction of the applicant*  
29 *in the most recent two-year period for which data is available under ORS 456.586 (4); or]*

30 *[(2) If data under subsection (1) of this section is unavailable, the most recently calculated esti-*  
31 *mated needed housing as defined in ORS 197.303.]*

32 **SECTION 8.** If House Bill 2889 becomes law, the amendments to section 3 of this 2023  
33 Act by section 7 of this 2023 Act become operative on January 1, 2026.

34 **SECTION 9.** The division of the Oregon Department of Administrative Services that  
35 serves as the office of economic analysis, in consultation with the Department of Land Con-  
36 servation and Development and Housing and Community Services Department, shall:

37 (1) Develop a survey of local governments' use of staff time that is required to produce  
38 housing, including the time spent to process appeals of quasi-judicial or legislative decisions  
39 of the local government related to housing and to review housing permits, building in-  
40 spections for housing, needed comprehensive plan revisions or amendments to land use reg-  
41 ulations related to housing required by changes to law, and adoption of conditional use  
42 permits for housing; and

43 (2) On or before September 15 of each year, conduct the survey, collect survey results  
44 and provide a report to an appropriate interim committee of the Legislative Assembly in the  
45 manner provided in ORS 192.245 on the office's summary and analysis of the survey and any

1 other data collected or used in the analysis.

2 **SECTION 10. Sections 1 to 5 and 9 of this 2023 Act are repealed on January 2, 2034.**

3 **SECTION 11. If House Bill 2889 becomes law, section 10 of this 2023 Act is amended to read:**

4 **Sec. 10. (1) Sections 1, 2, 4, [to] 5 and 9 of this 2023 Act are repealed on January 2, 2034.**

5 **(2) Section 3, as amended by section 7 of this 2023 Act, is repealed on January 2, 2034.**

6 **SECTION 12. In addition to and not in lieu of any other appropriation, there is appro-**  
7 **priated to the Oregon Department of Administrative Services, for the biennium beginning**  
8 **July 1, 2023, out of the General Fund:**

9 **(1) The amount of \$5,000,000, to provide grants under section 1 of this 2023 Act.**

10 **(2) The amount of \$45,000,000, to provide grants under section 2 of this 2023 Act.**

11 **(3) The amount of \$500,000, to provide grants under section 4 (1) of this 2023 Act.**

12 **(4) The amount of \$600,000, to provide grants under section 4 (2) of this 2023 Act.**

13 **(5) The amount of \$100,000, to perform the analysis and provide the report required under**  
14 **section 9 of this 2023 Act.**

15 **(6) The amount of \$250,000, to administer grants and reports under sections 1 to 5 of this**  
16 **2023 Act.**

17 **SECTION 13. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
18 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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