

## **HB 4063 -1, -2, -3, -4, -8 STAFF MEASURE SUMMARY**

### **House Committee On Housing and Homelessness**

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**Meeting Dates:** 2/13, 2/15

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#### **WHAT THE MEASURE DOES:**

The measure clarifies housing planning responsibilities for Metro urban unincorporated lands. Allows a development applicant to opt-in to amended local development standards. Allows middle housing partitions to be further partitioned in the same calendar year, and clarifies the applicability of middle housing land divisions to townhouses. Repeals the requirement that a buyer’s agent reject certain communications from a prospective homebuyer. Requires the county assessor to accept a mortgage on real property as an application to have a manufactured structure recorded in the county’s deed records. Extends fees and eviction notice timelines for tenants who are or have recently been hospitalized. Allows a city to administratively approve or terminate an eligible property tax exemption for single-unit housing.

#### Detailed Summary:

##### **Metro Urban Unincorporated Lands (Sections 1 – 6)**

Applies the directives established in the Oregon Housing Needs Analysis (House Bill 2001 and House Bill 2889 (2023)) to urban unincorporated lands within the Metro urban growth boundary, and clarifies that Metro counties are responsible for conducting housing capacity analyses and housing production strategies for these lands.

##### **“Goal Post” Rule (Sections 7 – 8)**

Allows an applicant of a current residential development project to opt-in to amended development standards without repeating specified elements of an application process.

##### **Homebuyer Letter (Section 9)**

Removes language from current statute (per House Bill 2550 (2021)) requiring a seller’s agent to reject non-customary communications provided by a buyer.

##### **Middle Housing Partitions (Sections 10 – 16)**

Allows middle housing partitions to be further partitioned within the same calendar year. Clarifies the applicability of middle housing land divisions to townhouses.

##### **Manufactured Structure Documentation (Sections 17 – 18)**

Requires the county assessor to accept a mortgage on real property as an application to have a manufactured structure recorded in the deed records of the county in which the structure is located, or accept an application provided by the Department of Consumer and Business Services.

##### **Tenant Hospitalization (Sections 19 – 24)**

Extends timelines for late fees or eviction notice for tenants who are currently or have recently been hospitalized.

##### **Single-Unit Housing Property Tax Exemption (Sections 25 – 28)**

Allows a city to administratively approve or terminate an eligible property tax exemption for single-unit housing.

##### **House Bill 2001 (2023) Technical Fixes (Sections 29 – 44)**

Clarifies that cities within Metro may utilize needed housing allocations from DAS and are not required to complete a separate, local projection of needed housing.

The measure takes effect on the 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

- 1 The amendment removes sections 19-24 related to tenant hospitalization.
- 2 The amendment clarifies an applicant may utilize the “opt in” provisions only once per project. It resets the application review clock upon request for review under amended standards, and allows a city or county to deny a request for review under amended standards if public notice has already been issued on the project. It also allows a city or county to impose fees, if needed, to cover costs for additional review process
- 3 The amendment modifies the definition of “Metro Urban Unincorporated Lands” to include water and sewer service districts and relevant ORS chapters. It directs the Department of Administrative Services, when making an allocation to Metro urban unincorporated lands for needed housing, to make one aggregate allocation per county.
- 4 The amendment clarifies, for the purposes of partitioning a middle housing lot, that a city or county may allow a parcel to be further partitioned into no more than three parcels in the same calendar year in which the parcel was created. It allows the “parent lot” that is not divided in a middle housing land division to retain future development rights. The amendment also retains the current definition of “townhouses” within middle housing statutes.
- 8 The amendment requires a city that has approved an application for single-unit housing property tax exemption to provide the county assessor with specified information about the application prior to the April 1 filing deadline for the tax exemption.

**BACKGROUND:**

In the 2023 session, the Oregon Legislature enacted [House Bill 2001](#), establishing the Oregon Housing Needs Analysis (OHNA) as a new framework by which local governments must determine housing need and establish housing production goals across income levels and for various housing types. The OHNA framework focused on cities with a population over 10,000 and did not include urban unincorporated areas within the Portland Metro area. House Bill 4063 applies OHNA directives to urban unincorporated lands within the Metro urban growth boundary. The measure further clarifies that cities within Metro may utilize needed housing allocations from DAS and are not required to complete a separate, local projection of needed housing.

For an in-progress application for housing development, the state “goal post” rule in ORS 215.427 may be utilized by an applicant when a city has tightened its land use or development rules, and the applicant wants to rely on the older, less stringent standards that were in place at the time an application was submitted. In other instances, if a local government adopts more lenient rules during the time a development project is under review, the applicant is currently required to resubmit a new application to be reviewed under the new standards. Developers have reported that the application process has potential adverse impacts on a project’s cost and time, potentially delaying residential projects for needed housing. House Bill 4063 allows an applicant of a current residential development project to opt-in to amended local standards without repeating the full application process.

[House Bill 2001 \(2019\)](#) required cities and counties to allow the development of middle housing on lands zoned for detached single-family residential use within an urban growth boundary. The measure allowed local governments to regulate the siting and design of middle housing, but did not address regulatory barriers to dividing or partitioning middle housing lots. In 2021, [Senate Bill 458](#) clarified the conditions under which local governments must approve divisions of real property for new middle housing development. House Bill 4063 allows middle housing partitions to be further partitioned within the same calendar year. The measure also clarifies the applicability of middle housing land divisions to townhouses.

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[House Bill 2550](#), enacted by the Legislative Assembly in 2021, required sellers' agents in residential real estate transactions to reject non-customary communications to avoid the potential for unlawful selection of a buyer based on race, color, religion, sex, sexual orientation, national origin, marital status, or familial status. The provisions of what became known as the "Homebuyer Love Letter" bill were ruled unconstitutional by a U.S. District Judge in May, 2022. Though in practice, the provisions of what became ORS 696.805(7) are no longer valid, House Bill 4063 deletes this language from statute.

Under ORS 308.875, manufactured homes are classified as personal property when an owner owns a structure but not the land beneath it. This can have the effect of limiting an owner's financing options for purchasing or refinancing their home, or restricting the home's ability to appreciate in value. ORS 446.626 describes guidelines under which manufactured structure owners can apply for an ownership document to convert their personal property to real property, provided they own the land beneath the structure, are the holder of a recorded lease of at least 20 years, or is a member of a manufactured dwelling nonprofit cooperative that owns the land on which the structure is located. House Bill 4063 adds an affidavit option through which a manufactured structure owner is allowed to request the structure's recording in the deed records of the county in which it is located.

Property owners of certain rehabilitated or newly constructed single-unit housing may apply for tax exemptions granted by cities under ORS 307.664. [House Bill 2080 \(2023\)](#) extended the program sunset from January 1, 2025 to January 1, 2030 as the date by which a city must approve an application for exemption. ORS 307.674 describes procedures a local government must follow to approve or deny an application for a tax exemption. Currently, the law requires approval by a city's governing body through ordinance or resolution, and requires similar action for a termination of an exemption for failure to meet requirements (ORS 307.681). House Bill 4063 allows cities to expedite the approval or termination process through administrative approval.