

Senate Bill 1537

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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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act establishes HAPO to support and enforce housing laws; lets home builders use updated local rules; awards additional lawyer fees for housing appeals; gives grants and loans to encourage home building; creates a fund for grants to developers of affordable housing; makes cities approve changes to housing rules; makes cities expedite applications to build housing; lets cities change their growth boundaries; and gives money to DLCD, BO and OHCS for this Act. (Flesch Readability Score: 63.0).

Requires the Department of Land Conservation and Development and the Department of Consumer and Business Services to jointly establish and administer the Housing Accountability and Production Office. Requires the office to assist local governments and housing developers with housing laws. Authorizes the office to take certain actions to enforce housing laws. Becomes operative on July 1, 2025.

Allows a housing developer with a pending application to opt in to amended local land use regulations.

Expands eligibility for attorney fees for the appeal of a residential development proposal to include local governments and all needed housing.

Establishes grant and loan programs within the Oregon Infrastructure Finance Authority, Oregon Business Development Department and Housing and Community Services Department to support housing development.

Authorizes cities and counties to adopt a program for awarding grants to developers of affordable housing and moderate income housing projects to finance certain costs associated with such housing projects. Directs the Housing and Community Services Department to develop a revolving loan program to make interest-free loans to participating cities and counties to fund the grants. Imposes an annual fee on each grantee developer in repayment of the loans. Provides for the distribution of the fee moneys first to fire districts for ad valorem property taxes and then to the department in repayment of the loan that funded the grant awarded to the developer.

Requires local governments to approve certain adjustments to land use regulations for housing development within an urban growth boundary. Establishes alternate appellate procedures for the adjustments. Establishes an exemption process. Requires reporting to the Department of Land Conservation and Development on the use of adjustments. Requires the department to report biennially to an interim committee of the Legislative Assembly. Sunsets on January 2, 2032.

Requires local governments to process certain applications relating to housing development as limited land use decisions. Sunsets on January 2, 2032.

Develops alternative processes to amend urban growth boundaries to include up to 150 net residential acres per city. Provides for limitations and review by counties, Metro and the Department of Land Conservation and Development and the courts. Sunsets on January 2, 2033.

Appropriates moneys to the Oregon Business Development Department, Housing and Community Services Department and Department of Land Conservation and Development for purposes of the Act.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to housing; creating new provisions; amending ORS 183.471, 197.335, 197.843, 215.427, 227.178 and 455.770; and prescribing an effective date.

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

HOUSING ACCOUNTABILITY AND PRODUCTION OFFICE

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 **SECTION 1. Housing Accountability and Production Office.** (1) The Department of Land
2 Conservation and Development and the Department of Consumer and Business Services shall
3 enter into an interagency agreement to establish and administer the Housing Accountability
4 and Production Office.

5 (2) The Housing Accountability and Production Office shall:

6 (a) Provide technical assistance, including assistance through grants, to local govern-
7 ments to:

8 (A) Comply with housing laws;

9 (B) Reduce permitting and land use barriers to housing production; and

10 (C) Support reliable and effective implementation of local procedures and standards re-
11 lating to the approval of residential development projects.

12 (b) Serve as a resource, which includes providing responses to requests for technical as-
13 sistance with complying with housing laws, to:

14 (A) Local governments, as defined in ORS 174.116; and

15 (B) Applicants for land use and building permits for residential development who are ex-
16 periencing permitting and land use barriers related to housing production.

17 (c) Investigate and respond to complaints of violations of housing laws under section 2
18 of this 2024 Act.

19 (d) Establish best practices related to model codes, development plans, procedures and
20 practices by which local governments may comply with housing laws.

21 (e) Provide mediation of active disputes relating to housing laws between a local gov-
22 ernment and applicants for land use and building permits for residential development, in-
23 cluding mediation under ORS 197.860.

24 (f) Coordinate agencies that are involved in the housing development process, including
25 the Department of Land Conservation and Development, Department of Consumer and
26 Business Services, Oregon Housing and Community Services and Oregon Business Develop-
27 ment Department, to enable the agencies to support local governments and applicants for
28 land use and building permits for residential development by identifying state agency tech-
29 nical and financial resources that can address identified housing development and feasibility
30 barriers.

31 (g) Establish policy and funding priorities for state agency resources and programs for
32 the purpose of addressing barriers to housing production, including making recommendations
33 for moneys needed for the purposes of sections 17, 20, 22, 23 and 35 of this 2024 Act.

34 (3) The Land Conservation and Development Commission and the Department of Con-
35 sumer and Business Services shall coordinate in adopting, amending or repealing rules for:

36 (a) Carrying out the respective responsibilities of the departments and the office under
37 sections 1 to 5 of this 2024 Act.

38 (b) Model codes, development plans, procedures and practices by which local governments
39 may comply with housing laws.

40 (c) Establishing standards by which complaints are investigated and pursued.

41 (4) The office shall prioritize assisting local governments in voluntarily undertaking
42 changes to come into compliance with housing laws.

43 (5) As used in sections 1 to 5 of this 2024 Act:

44 (a) "Housing law" means ORS chapter 197A and ORS 92.010 to 92.192, 92.830 to 92.845,
45 197.360 to 197.380, 197.475 to 197.493, 197.505 to 197.540, 197.660 to 197.670, 197.748, 215.402 to

1 215.438, 227.160 to 227.186, 455.148, 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170,
 2 455.175, 455.180, 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220, 455.465 and
 3 455.467 and administrative rules implementing those laws, to the extent that the law or rule
 4 imposes a mandatory duty on a local government or its officers, employees or agents and the
 5 application of the law or rule applies to residential development or pertains to a permit for
 6 a residential use or a division of land for residential purposes.

7 (b) "Residential" includes mixed-use residential development.

8 **SECTION 2. Office responses to violations of housing laws.** (1) The Housing Account-
 9 ability and Production Office shall establish a form or format through which the office re-
 10 ceives allegations of local governments' violations of housing laws that impact housing
 11 production. For complaints that relate to a specific development project, the office may re-
 12 ceive complaints only from the project applicant. For complaints not related to a specific
 13 development project, the office may receive complaints from any person within the local
 14 government's jurisdiction or the Department of Land Conservation and Development or the
 15 Department of Consumer and Business Services.

16 (2)(a) Except as provided in paragraph (b) of this subsection, the office shall investigate
 17 suspected violations of housing laws or violations credibly alleged under subsection (1) of this
 18 section.

19 (b) The office may develop consistent procedures to evaluate and determine the credibil-
 20 ity of alleged violations of housing laws.

21 (c) If a complainant has filed a notice of appeal with the Land Use Board of Appeals or
 22 has initiated private litigation regarding any aspect of the application decision that was al-
 23 leged to have been the subject of the housing law violation, the office may not further par-
 24 ticipate in the specific complaint or its appeal, except for:

25 (A) Providing agency briefs, including briefs under ORS 197.830 (8), to the board or the
 26 court; or

27 (B) Mediation at the request of the local government and complainant, including medi-
 28 ation under ORS 197.860.

29 (3)(a) If the office has a reasonable basis to conclude that a violation was or is being
 30 committed, the office shall deliver written warning notice to the local government specifying
 31 the violation and any authority under this section that the office intends to invoke if the
 32 violation continues or is not remedied. The notice must include an invitation to address the
 33 suspected violation through mediation, the execution of a voluntary compliance agreement
 34 or the adoption of suitable model codes developed by the office under section 1 (3)(b) of this
 35 2024 Act.

36 (b) The office shall prioritize technical assistance funding to local governments that
 37 agree to comply with housing laws under this subsection.

38 (c) A determination by the office is not a legislative or judicial decision.

39 (4) No earlier than 60 days after a warning notice is delivered under subsection (3) of this
 40 section, the office may:

41 (a) Initiate a request for an enforcement order of the Land Conservation and Develop-
 42 ment Commission by delivering a notice of request under section 3 (3) of this 2024 Act.

43 (b) Seek a court order against a local government as described under ORS 455.160 (3)
 44 without being adversely affected or serving the demand as described in ORS 455.160 (2).

45 (c) Notwithstanding ORS 197.090 (2)(b) to (e), participate in and seek review of a matter

1 under ORS 197.090 (2)(a) that pertains to housing laws without the notice or consent of the
 2 commission. No less than once every two years, the office shall report to the commission
 3 on the matters in which the office participated under this paragraph.

4 (d) Except regarding matters under the exclusive jurisdiction of the Land Use Board of
 5 Appeals, apply to a circuit court for an order compelling compliance with any housing law.
 6 If the court finds that the defendant is not complying with a housing law, the court may
 7 grant an injunction requiring compliance.

8 (5) The office may not, in the name of the office, exercise the authority of the Depart-
 9 ment of Land Conservation and Development under ORS 197A.130.

10 (6) The office shall send notice to each complainant under subsection (1) of this section
 11 at the time that the office:

12 (a) Takes any action under subsection (3) or (4) of this section; or

13 (b) Has determined that it will not take further actions or make further investigations.

14 (7) The actions authorized of the office under this section are in addition to and may be
 15 exercised in conjunction with any other investigative or enforcement authority that may be
 16 exercised by the Department of Land Conservation and Development, the Land Conservation
 17 and Development Commission or the Department of Consumer and Business Services.

18 (8) Nothing in this section:

19 (a) Amends the jurisdiction of the Land Use Board of Appeals or of a circuit court;

20 (b) Creates a new cause of action; or

21 (c) Tolls or extends:

22 (A) The statute of limitations for any claim; or

23 (B) The deadline for any appeal or other action.

24 **SECTION 3. Office enforcement orders.** (1) The Housing Accountability and Production
 25 Office may request an enforcement order under section 2 (4)(a) of this 2024 Act requiring
 26 that a local government take action necessary to bring its comprehensive plan, land use
 27 regulation, limited land use decisions or other land use decisions or actions into compliance
 28 with a housing law, except for a housing law that pertains to the state building code or the
 29 administration of the code.

30 (2) Except as otherwise provided in this section, a request for an enforcement order by
 31 the office is subject to the applicable provisions of ORS 197.335 and ORS chapter 183 and is
 32 not subject to ORS 197.319, 197.324 or 197.328.

33 (3) The office shall make a request for an enforcement order under this section by de-
 34 livering a notice to the local government that states the grounds for initiation and summa-
 35 rizes the procedures for the enforcement order proceeding along with a copy of the notice
 36 to the Land Conservation and Development Commission. A decision of the office to initiate
 37 an enforcement order is final and is not subject to appeal.

38 (4) After receiving notice of an enforcement order request under subsection (3) of this
 39 section, before making any subsequent land use decision that could be affected by the
 40 enforcement order, the local government shall deliver a notice to that applicant in substan-
 41 tially the following form:

42 _____

43
 44 NOTICE: The Housing Accountability and Production Office has found good cause for an
 45 enforcement proceeding against _____ (name of local government). An

1 enforcement order may be adopted that could limit, prohibit or require the application of
 2 specified criteria to any action authorized by this decision but not applied for until after the
 3 adoption of the enforcement order. Future applications for building permits or time exten-
 4 sions may be affected.

5 _____
 6
 7 (5) Within 14 days after receipt by the commission of the notice under subsection (3) of
 8 this section, the Director of the Department of Land Conservation and Development shall
 9 assign the enforcement order proceedings to a hearings officer who is:

10 (a) An administrative law judge assigned under ORS 183.635; or

11 (b) A hearings officer randomly selected from a pool of officers appointed by the com-
 12 mission to review proceedings initiated under this section.

13 (6) The hearings officer shall schedule a contested case hearing within 60 days of the
 14 delivery of the notice to the commission under subsection (3) of this section.

15 (7)(a) The hearings officer shall prepare a proposed enforcement order, including recom-
 16 mended findings and conclusions of law.

17 (b) A proposed enforcement order may require the local government to adopt models that
 18 have been developed by the office under section 1 (3)(b) of this 2024 Act that are suitable to
 19 address the basis for the proposed enforcement order.

20 (c) The hearings officer must issue and serve the proposed enforcement order on the
 21 office and all parties to the hearing within 30 days of the date the record closed.

22 (8)(a) The proposed enforcement order becomes a final order of the commission 14 days
 23 after service on the office and all parties to the hearing, unless the office or a party to the
 24 hearing appeals the proposed enforcement order to the commission prior to the proposed
 25 enforcement order becoming final.

26 (b) If the proposed enforcement order is appealed, the commission shall consider the
 27 matter at:

28 (A) Its next regularly scheduled meeting; or

29 (B) If the appeal is made 45 or fewer days prior to the next regularly scheduled meeting,
 30 at the following regularly scheduled meeting or a special meeting held earlier.

31 (9) The commission shall affirm, affirm with modifications or reverse the proposed
 32 enforcement order. The commission shall issue a final order no later than 30 days after the
 33 meeting at which it considered the matter.

34 (10) The commission may adopt rules administering this section, including rules related
 35 to standing, preserving issues for commission review or other provisions concerning the
 36 commission's scope and standard for review of proposed enforcement orders under this sec-
 37 tion.

38 **SECTION 4. Housing Accountability and Production Office Fund.** (1) The Housing Ac-
 39 countability and Production Office Fund is established in the State Treasury, separate and
 40 distinct from the General Fund.

41 (2) The Housing Accountability and Production Office Fund consists of moneys appropri-
 42 ated, allocated, deposited or transferred to the fund by the Legislative Assembly or other-
 43 wise.

44 (3) Interest earned by the fund shall be credited to the fund.

45 (4) Moneys in the fund are continuously appropriated to the Department of Land Con-

1 servation and Development and the Department of Consumer and Business Services to ad-
 2 minister the fund, to operate the Housing Accountability and Production Office and to
 3 implement sections 1 to 5 of this 2024 Act.

4 **SECTION 5. Reporting.** On or before September 15, 2026, the Housing Accountability and
 5 Production Office shall:

6 (1) Contract with an organization possessing relevant expertise to produce a report
 7 identifying improvements in the local building plan review approval, design review approval,
 8 land use, zoning and permitting processes, including but not limited to plan review approval
 9 timelines, process efficiency, local best practices and other ways to accelerate and improve
 10 the efficiency of the development process for construction, with a focus on increasing hous-
 11 ing production.

12 (2) Produce a report based on a study by the office of state and local timelines and
 13 standards related to public works and building permit application review and develop rec-
 14 ommendations for changes to reduce complexity, delay or costs that inhibit housing pro-
 15 duction, including an evaluation of their effect on the feasibility of varying housing types and
 16 affordability levels.

17 (3) Produce a report summarizing state agency plans, policies and programs related to
 18 reducing or eliminating regulatory barriers to the production of housing. The report must
 19 also include recommendations on how state agencies may prioritize resources and programs
 20 to increase housing production.

21 (4) Provide the reports under subsections (1) to (3) of this section to one or more ap-
 22 propriate interim committees of the Legislative Assembly in the manner provided in ORS
 23 192.245.

24 **SECTION 6. Sunset.** Section 5 of this 2024 Act is repealed on January 2, 2027.

25 **SECTION 7. Operative and applicable dates.** (1) Sections 2 and 3 of this 2024 Act become
 26 operative on July 1, 2025.

27 (2) Sections 2 and 3 of this 2024 Act apply only to violations of housing laws occurring
 28 on or after July 1, 2025.

29 (3) The Department of Land Conservation and Development and Department of Consumer
 30 and Business Services may take any action before the operative date specified in subsection
 31 (1) of this section that is necessary for the departments or the Housing Accountability and
 32 Production Office to exercise, on and after the operative date, all of the duties, functions and
 33 powers conferred by sections 1 to 5 of this 2024 Act.

34 OPTING IN TO AMENDED HOUSING REGULATIONS

35
 36
 37 **SECTION 8.** ORS 215.427 is amended to read:

38 215.427. (1) Except as provided in subsections (3), (5) and (10) of this section, for land within an
 39 urban growth boundary and applications for mineral aggregate extraction, the governing body of a
 40 county or its designee shall take final action on an application for a permit, limited land use deci-
 41 sion or zone change, including resolution of all appeals under ORS 215.422, within 120 days after the
 42 application is deemed complete. The governing body of a county or its designee shall take final
 43 action on all other applications for a permit, limited land use decision or zone change, including
 44 resolution of all appeals under ORS 215.422, within 150 days after the application is deemed com-
 45 plete, except as provided in subsections (3), (5) and (10) of this section.

1 (2) If an application for a permit, limited land use decision or zone change is incomplete, the
 2 governing body or its designee shall notify the applicant in writing of exactly what information is
 3 missing within 30 days of receipt of the application and allow the applicant to submit the missing
 4 information. The application shall be deemed complete for the purpose of subsection (1) of this sec-
 5 tion and ORS 197A.470 upon receipt by the governing body or its designee of:

6 (a) All of the missing information;

7 (b) Some of the missing information and written notice from the applicant that no other infor-
 8 mation will be provided; or

9 (c) Written notice from the applicant that none of the missing information will be provided.

10 (3)(a) If the application was complete when first submitted or the applicant submits additional
 11 information[, *as described in subsection (2) of this section,*] within 180 days of the date the application
 12 was first submitted [*and the county has a comprehensive plan and land use regulations acknowledged*
 13 *under ORS 197.251*], approval or denial of the application [*shall be based*] **must be based:**

14 (A) Upon the standards and criteria that were applicable at the time the application was first
 15 submitted[.]; or

16 (B) **For an application to establish a residential use, upon the request of the applicant,**
 17 **those standards and criteria that became operative during the pendency of the application.**

18 (b) **If an applicant requests review under different standards as provided in paragraph**
 19 **(a)(B) of this subsection:**

20 (A) **For the purposes of this section, the date of the application's submission or receipt**
 21 **is the date of the request;**

22 (B) **For the purposes of this section and ORS 197A.470 the application is not deemed**
 23 **complete until:**

24 (i) **The county determines that additional information is not required under subsection**
 25 **(2) of this section; or**

26 (ii) **The applicant makes a submission under subsection (2) of this section in response to**
 27 **a county's request; and**

28 (C) **The county may not require that the applicant:**

29 (i) **Pay a duplicative fee based on completed review;**

30 (ii) **Resubmit a new application or duplicative information; or**

31 (iii) **Repeat redundant processes or hearings that are inapplicable to the change in stan-**
 32 **dards or criteria.**

33 [*(b) If the application is for industrial or traded sector development of a site identified under sec-*
 34 *tion 12, chapter 800, Oregon Laws 2003, and proposes an amendment to the comprehensive plan, ap-*
 35 *proval or denial of the application must be based upon the standards and criteria that were applicable*
 36 *at the time the application was first submitted, provided the application complies with paragraph (a)*
 37 *of this subsection.]*

38 (4) On the 181st day after first being submitted, the application is void if the applicant has been
 39 notified of the missing information as required under subsection (2) of this section and has not sub-
 40 mitted:

41 (a) All of the missing information;

42 (b) Some of the missing information and written notice that no other information will be pro-
 43 vided; or

44 (c) Written notice that none of the missing information will be provided.

45 (5) The period set in subsection (1) of this section or the 100-day period set in ORS 197A.470

1 may be extended for a specified period of time at the written request of the applicant. The total of
 2 all extensions, except as provided in subsection (10) of this section for mediation, may not exceed
 3 215 days.

4 (6) The period set in subsection (1) of this section applies:

5 (a) Only to decisions wholly within the authority and control of the governing body of the
 6 county; and

7 (b) Unless the parties have agreed to mediation as described in subsection (10) of this section
 8 or ORS 197.319 (2)(b).

9 (7) Notwithstanding subsection (6) of this section, the period set in subsection (1) of this section
 10 and the 100-day period set in ORS 197A.470 do not apply to:

11 (a) A decision of the county making a change to an acknowledged comprehensive plan or a land
 12 use regulation that is submitted to the Director of the Department of Land Conservation and De-
 13 velopment under ORS 197.610; or

14 (b) A decision of a county involving an application for the development of residential structures
 15 within an urban growth boundary, where the county has tentatively approved the application and
 16 extends these periods by no more than seven days in order to assure the sufficiency of its final or-
 17 der.

18 (8) Except when an applicant requests an extension under subsection (5) of this section, if the
 19 governing body of the county or its designee does not take final action on an application for a
 20 permit, limited land use decision or zone change within 120 days or 150 days, as applicable, after
 21 the application is deemed complete, the county shall refund to the applicant either the unexpended
 22 portion of any application fees or deposits previously paid or 50 percent of the total amount of such
 23 fees or deposits, whichever is greater. The applicant is not liable for additional governmental fees
 24 incurred subsequent to the payment of such fees or deposits. However, the applicant is responsible
 25 for the costs of providing sufficient additional information to address relevant issues identified in
 26 the consideration of the application.

27 (9) A county may not compel an applicant to waive the period set in subsection (1) of this sec-
 28 tion or to waive the provisions of subsection (8) of this section or ORS 197A.470 or 215.429 as a
 29 condition for taking any action on an application for a permit, limited land use decision or zone
 30 change except when such applications are filed concurrently and considered jointly with a plan
 31 amendment.

32 (10) The periods set forth in subsections (1) and (5) of this section and ORS 197A.470 may be
 33 extended by up to 90 additional days, if the applicant and the county agree that a dispute concerning
 34 the application will be mediated.

35 **SECTION 9.** ORS 227.178 is amended to read:

36 227.178. (1) Except as provided in subsections (3), (5) and (11) of this section, the governing body
 37 of a city or its designee shall take final action on an application for a permit, limited land use de-
 38 cision or zone change, including resolution of all appeals under ORS 227.180, within 120 days after
 39 the application is deemed complete.

40 (2) If an application for a permit, limited land use decision or zone change is incomplete, the
 41 governing body or its designee shall notify the applicant in writing of exactly what information is
 42 missing within 30 days of receipt of the application and allow the applicant to submit the missing
 43 information. The application shall be deemed complete for the purpose of subsection (1) of this sec-
 44 tion or ORS 197A.470 upon receipt by the governing body or its designee of:

45 (a) All of the missing information;

1 (b) Some of the missing information and written notice from the applicant that no other infor-
 2 mation will be provided; or

3 (c) Written notice from the applicant that none of the missing information will be provided.

4 (3)(a) If the application was complete when first submitted or the applicant submits the re-
 5 quested additional information within 180 days of the date the application was first submitted [*and*
 6 *the city has a comprehensive plan and land use regulations acknowledged under ORS 197.251*], ap-
 7 proval or denial of the application [*shall*] **must** be based:

8 (A) Upon the standards and criteria that were applicable at the time the application was first
 9 submitted[.]; **or**

10 (B) **For an application to establish a residential use, upon the request of the applicant,**
 11 **those standards and criteria that became operative during the pendency of the application.**

12 (b) **If an applicant requests review under different standards as provided in paragraph**
 13 **(a)(B) of this subsection:**

14 (A) **For the purposes of this section, the date of the application’s submission or receipt**
 15 **is the date of the request;**

16 (B) **For the purposes of this section and ORS 197A.470 the application is not deemed**
 17 **complete until:**

18 (i) **The city determines that additional information is not required under subsection (2)**
 19 **of this section; or**

20 (ii) **The applicant makes a submission under subsection (2) of this section in response to**
 21 **a city’s request; and**

22 (C) **The city may not require that the applicant:**

23 (i) **Pay a duplicative fee based on completed review;**

24 (ii) **Resubmit a new application or duplicative information; or**

25 (iii) **Repeat redundant processes or hearings that are inapplicable to the change in stan-**
 26 **dards or criteria.**

27 [*(b) If the application is for industrial or traded sector development of a site identified under sec-*
 28 *tion 12, chapter 800, Oregon Laws 2003, and proposes an amendment to the comprehensive plan, ap-*
 29 *proval or denial of the application must be based upon the standards and criteria that were applicable*
 30 *at the time the application was first submitted, provided the application complies with paragraph (a)*
 31 *of this subsection.]*

32 (4) On the 181st day after first being submitted, the application is void if the applicant has been
 33 notified of the missing information as required under subsection (2) of this section and has not sub-
 34 mitted:

35 (a) All of the missing information;

36 (b) Some of the missing information and written notice that no other information will be pro-
 37 vided; or

38 (c) Written notice that none of the missing information will be provided.

39 (5) The 120-day period set in subsection (1) of this section or the 100-day period set in ORS
 40 197A.470 may be extended for a specified period of time at the written request of the applicant. The
 41 total of all extensions, except as provided in subsection (11) of this section for mediation, may not
 42 exceed 245 days.

43 (6) The 120-day period set in subsection (1) of this section applies:

44 (a) Only to decisions wholly within the authority and control of the governing body of the city;
 45 and

1 (b) Unless the parties have agreed to mediation as described in subsection (11) of this section
 2 or ORS 197.319 (2)(b).

3 (7) Notwithstanding subsection (6) of this section, the 120-day period set in subsection (1) of this
 4 section and the 100-day period set in ORS 197A.470 do not apply to:

5 (a) A decision of the city making a change to an acknowledged comprehensive plan or a land
 6 use regulation that is submitted to the Director of the Department of Land Conservation and De-
 7 velopment under ORS 197.610; or

8 (b) A decision of a city involving an application for the development of residential structures
 9 within an urban growth boundary, where the city has tentatively approved the application and ex-
 10 tends these periods by no more than seven days in order to assure the sufficiency of its final order.

11 (8) Except when an applicant requests an extension under subsection (5) of this section, if the
 12 governing body of the city or its designee does not take final action on an application for a permit,
 13 limited land use decision or zone change within 120 days after the application is deemed complete,
 14 the city shall refund to the applicant, subject to the provisions of subsection (9) of this section, ei-
 15 ther the unexpended portion of any application fees or deposits previously paid or 50 percent of the
 16 total amount of such fees or deposits, whichever is greater. The applicant is not liable for additional
 17 governmental fees incurred subsequent to the payment of such fees or deposits. However, the ap-
 18 plicant is responsible for the costs of providing sufficient additional information to address relevant
 19 issues identified in the consideration of the application.

20 (9)(a) To obtain a refund under subsection (8) of this section, the applicant may either:

21 (A) Submit a written request for payment, either by mail or in person, to the city or its designee;
 22 or

23 (B) Include the amount claimed in a mandamus petition filed under ORS 227.179. The court shall
 24 award an amount owed under this section in its final order on the petition.

25 (b) Within seven calendar days of receiving a request for a refund, the city or its designee shall
 26 determine the amount of any refund owed. Payment, or notice that no payment is due, shall be made
 27 to the applicant within 30 calendar days of receiving the request. Any amount due and not paid
 28 within 30 calendar days of receipt of the request shall be subject to interest charges at the rate of
 29 one percent per month, or a portion thereof.

30 (c) If payment due under paragraph (b) of this subsection is not paid within 120 days after the
 31 city or its designee receives the refund request, the applicant may file an action for recovery of the
 32 unpaid refund. In an action brought by a person under this paragraph, the court shall award to a
 33 prevailing applicant, in addition to the relief provided in this section, reasonable attorney fees and
 34 costs at trial and on appeal. If the city or its designee prevails, the court shall award reasonable
 35 attorney fees and costs at trial and on appeal if the court finds the petition to be frivolous.

36 (10) A city may not compel an applicant to waive the 120-day period set in subsection (1) of this
 37 section or to waive the provisions of subsection (8) of this section or ORS 197A.470 or 227.179 as a
 38 condition for taking any action on an application for a permit, limited land use decision or zone
 39 change except when such applications are filed concurrently and considered jointly with a plan
 40 amendment.

41 (11) The periods set forth in subsections (1) and (5) of this section and ORS 197A.470 may be
 42 extended by up to 90 additional days, if the applicant and the city agree that a dispute concerning
 43 the application will be mediated.

44
 45 **ATTORNEY FEES FOR NEEDED HOUSING CHALLENGES**

SECTION 10. ORS 197.843 is amended to read:

197.843. (1) The Land Use Board of Appeals shall award attorney fees to *[an applicant whose application is only for the development of affordable housing, as defined in ORS 197A.445, or publicly supported housing, as defined in ORS 456.250]* **a person whose application includes the development of needed housing, as defined in ORS 197A.018, and any local government that approved the quasi-judicial land use decision**, if the board affirms a quasi-judicial land use decision approving the application or reverses a quasi-judicial land use decision denying the application.

(2) A *[party who was]* **person** awarded attorney fees under this section or ORS 197.850 shall repay the fees plus any interest from the time of the judgment if the property upon which the fees are based is developed for a use other than *[affordable]* **the proposed needed housing**.

(3) As used in this section[.],

[(a) "Applicant" includes:]

[(A) An applicant with a funding reservation agreement with a public funder for the purpose of developing publicly supported housing;]

[(B) A housing authority, as defined in ORS 456.005;]

[(C) A qualified housing sponsor, as defined in ORS 456.548;]

[(D) A religious nonprofit corporation;]

[(E) A public benefit nonprofit corporation whose primary purpose is the development of affordable housing; and]

[(F) A local government that approved the application of an applicant described in this paragraph.]

[(b)] "attorney fees" includes prelitigation legal expenses, including preparing the application and supporting the application in local land use hearings or proceedings.

SECTION 11. Operative and applicable dates. (1) **The amendments to ORS 197.843 by section 10 of this 2024 Act become operative on January 1, 2025.**

(2) **The amendments to ORS 197.843 by section 10 of this 2024 Act apply to decisions for which a notice of intent to appeal under ORS 197.830 is filed on or after January 1, 2025.**

FINANCIAL ASSISTANCE SUPPORTING HOUSING PRODUCTION

SECTION 12. Sections 13 and 14 of this 2024 Act are added to and made a part of ORS chapter 285A.

SECTION 13. Capacity and support for infrastructure planning. The Oregon Business Development Department shall provide capacity and support for infrastructure planning to municipalities to enable them to plan and finance infrastructure for water, sewers and sanitation, stormwater and transportation consistent with opportunities to produce housing units at densities defined in section 17 (2) of this 2024 Act. "Capacity and support" includes assistance with local financing opportunities, state and federal grant navigation, writing and review, resource sharing, regional collaboration support and technical support, including engineering and design assistance and other capacity or support as the department may designate by rule.

SECTION 14. Housing Infrastructure Support Fund. (1) **The Housing Infrastructure Support Fund is established in the State Treasury, separate and distinct from the General Fund.**

(2) **The Housing Infrastructure Support Fund consists of moneys appropriated, allocated,**

1 deposited or transferred to the fund by the Legislative Assembly or otherwise.

2 (3) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
3 ment Department to administer the fund and to implement section 13 of this 2024 Act.

4 **SECTION 15. Sunset.** (1) Sections 13 and 14 of this 2024 Act are repealed on January 2,
5 2027.

6 (2) Any unobligated moneys in the Housing Infrastructure Support Fund on January 2,
7 2027, must be transferred to the General Fund for general governmental purposes.

8 **SECTION 16.** Sections 17 and 18 of this 2024 Act are added to and made a part of ORS
9 285B.410 to 285B.482.

10 **SECTION 17. Utility infrastructure financing.** (1) The Oregon Infrastructure Finance
11 Authority may provide financial assistance, in the form of grants or loans, to a city or a
12 tribal council of a federally recognized Indian tribe in this state for a project that will pri-
13 marily support the development of planned housing as described in subsection (2) of this 2024
14 Act. A project under this section may include:

15 (a) The development or improvement of transportation, water, wastewater and
16 stormwater infrastructure; or

17 (b) Site development, including the development of privately owned sites, necessary for
18 improvement of transportation, water, wastewater and stormwater infrastructure.

19 (2) To be eligible for financial assistance under this section the proposed housing devel-
20 opment must have a minimum density of:

21 (a) Seventeen dwelling units per acre if sited within the Metro urban growth boundary;

22 (b) Ten units per acre if sited in a city with a population of 25,000 or greater;

23 (c) Six units per acre if sited in a city with a population of 2,500 and greater and less than
24 25,000; or

25 (d) Five units per acre if sited in a city with population less than 2,500.

26 (3) To be eligible for a grant under this section the housing to be developed must be
27 subject to an affordable housing covenant, as defined in ORS 456.270, under which:

28 (a) The grantee shall serve as or designate the covenant holder; and

29 (b) The housing will be made affordable to households with low or moderate income as
30 defined in ORS 458.610 for a period of no less than 30 years from the date the housing is first
31 available for occupancy as rental housing or first sold as owner-occupied housing.

32 (4) An applicant may partner with a housing authority as defined in ORS 456.005, a dis-
33 trict as defined in ORS 198.010, or a housing developer to apply for and receive funding under
34 this section.

35 (5) In administering this program, the authority shall prioritize funding the applications
36 of cities and Indian tribes with the greatest need for housing affordability or production.

37 (6) In administering this program, the authority shall use approximately:

38 (a) Twenty-five percent of the funds to support cities or Indian tribes with populations
39 of less than 25,000; and

40 (b) Twenty-five percent of the funds to support cities or Indian tribes with populations
41 of 25,000 or greater and less than 100,000.

42 (7) The Housing Accountability and Production Office shall provide assistance in devel-
43 oping requirements and prioritizing funding for applications under this section. In adminis-
44 tering this program, the authority shall coordinate with:

45 (a) The office;

1 (b) The Oregon Business Development Department with respect to its administration of
2 the housing site cleanup and mitigation program under section 20 of this 2024 Act; and

3 (c) The Housing and Community Services Department with respect to its administration
4 of the programs under sections 22 and 23 of this 2024 Act and the Housing Project Revolving
5 Loan Fund under section 35 of this 2024 Act.

6 (8) The Oregon Business Development Department may adopt rules to implement this
7 section.

8 **SECTION 18. Housing Infrastructure Project Account.** (1) The Housing Infrastructure
9 Project Account is established in the Special Public Works Fund established under ORS
10 285B.455.

11 (2) The department may accept grants, donations, contributions or gifts from any source
12 for deposit in the account. Interest earned by account shall be credited to the account.

13 (3) Moneys in the account are continuously appropriated to the Oregon Business Devel-
14 opment Department for the purpose of providing financial assistance for housing projects as
15 described in section 17 of this 2024 Act.

16 **SECTION 19.** Section 20 of this 2024 Act is added to and made a part of ORS chapter
17 285A.

18 **SECTION 20. Site mitigation and readiness.** (1)(a) The Oregon Business Development
19 Department may provide financial assistance, in the form of grants or loans, to a city or a
20 tribal council of a federally recognized Indian tribe, to provide site cleanup and mitigation
21 of publicly or privately owned properties zoned for residential or mixed-use development in
22 order to allow for a specific housing development project for households with low or moder-
23 ate income.

24 (b) As used in this subsection, “cleanup and mitigation” includes remediation of
25 brownfields, as defined in ORS 285A.185, abatement of public nuisances, including abatement
26 as described in ORS 105.550 to 105.600 or grading of land.

27 (2) To be eligible for financial assistance under this section:

28 (a) The land to be purchased must be zoned to require a minimum density not less than
29 that described in section 17 (2) of this 2024 Act; and

30 (b) The housing to be developed on that land must be subject to an affordable housing
31 covenant as described in section 17 (3) of this 2024 Act.

32 (3) An applicant may partner with a housing authority as defined in ORS 456.005 or a
33 housing developer to apply for and receive funding under this section.

34 (4) In administering this program, the department shall prioritize funding the applica-
35 tions of cities and Indian tribes with the greatest need for housing affordability or pro-
36 duction.

37 (5) In administering this program, the department shall use approximately:

38 (a) Twenty-five percent of the funds to support cities or Indian tribes with populations
39 of less than 25,000; and

40 (b) Twenty-five percent of the funds to support cities or Indian tribes with populations
41 of 25,000 or greater and less than 100,000.

42 (6) The Housing Accountability and Production Office shall provide assistance in devel-
43 oping requirements and prioritizing funding for applications under this section. In adminis-
44 tering this program, the department shall coordinate with:

45 (a) The office;

1 (b) The Oregon Infrastructure Finance Authority with respect to its administration of
2 the housing infrastructure financing program under section 17 of this 2024 Act; and

3 (c) The Housing and Community Services Department with respect to its administration
4 of the programs under sections 22 and 23 of this 2024 Act and the Housing Project Revolving
5 Loan Fund under section 35 of this 2024 Act.

6 (7) The Oregon Business Development Department may adopt rules to implement this
7 section.

8 **SECTION 21.** Sections 22 and 23 of this 2024 Act and ORS 456.502 are added to and made
9 a part of ORS chapter 458.

10 **SECTION 22. Site acquisition.** (1) The Housing and Community Services Department may
11 provide financial assistance, in the form of grants or loans, to cities or federally recognized
12 Indian tribes to purchase land to allow for a specific development project of housing for
13 households with low or moderate income.

14 (2) To be eligible for funding under this section:

15 (a) The land to be purchased must be zoned to require a minimum density not less than
16 that described in section 17 (2) of this 2024 Act; and

17 (b) The housing to be developed on that land must be subject to an affordable housing
18 covenant as described in section 17 (3) of this 2024 Act.

19 (3) An applicant may partner with a housing authority or developer to apply for and re-
20 ceive funding under this section.

21 (4) In administering this program, the department shall prioritize funding the applica-
22 tions of cities and Indian tribes with the greatest need for housing affordability or pro-
23 duction.

24 (5) In administering this program, the department shall use approximately:

25 (a) Twenty-five percent of the moneys to support cities or Indian tribes with populations
26 of less than 25,000; and

27 (b) Twenty-five percent of the moneys to support cities or Indian tribes with populations
28 of 25,000 or greater and less than 100,000.

29 (6) The Housing Accountability and Production Office shall provide assistance in devel-
30 oping requirements and prioritizing funding for applications under this section. In adminis-
31 tering these programs, the department shall coordinate with:

32 (a) The office;

33 (b) The Oregon Infrastructure Finance Authority with respect to its administration of
34 the housing infrastructure financing program under section 17 of this 2024 Act; and

35 (c) The Oregon Business Development Department with respect to its administration of
36 the housing site cleanup and mitigation program under section 20 of this 2024 Act.

37 **SECTION 23. Electrification incentives.** (1) The Housing and Community Services De-
38 partment may provide grants for specific housing development projects to develop dwelling
39 units for low or moderate income that will use only electricity for cooking, heating the
40 dwelling units and heating the water used by the dwelling units.

41 (2) To be eligible for funding under this section:

42 (a) The development must have a minimum density as described in section 17 (2) of this
43 2024 Act; and

44 (b) The housing to be developed on that land must be subject to an affordable housing
45 covenant as described in section 17 (3) of this 2024 Act.

1 (3) The Housing Accountability and Production Office shall provide assistance in devel-
 2 oping requirements and prioritizing funding for applications under this section and section
 3 23 of this 2024 Act. In administering these programs, the department shall coordinate with:

4 (a) The office;

5 (b) The Oregon Infrastructure Finance Authority with respect to its administration of
 6 the housing infrastructure financing program under section 17 of this 2024 Act; and

7 (c) The Oregon Business Development Department with respect to its administration of
 8 the housing site cleanup and mitigation program under section 20 of this 2024 Act.

9
 10 **HOUSING PROJECT REVOLVING LOANS**

11
 12 **SECTION 24.** As used in sections 24 to 35 of this 2024 Act:

13 (1) “Assessor,” “tax collector” and “treasurer” mean the individual filling that county
 14 office so named or any county officer performing the functions of the office under another
 15 name.

16 (2) “County tax officers” and “tax officers” mean the assessor, tax collector and treas-
 17 urer of a county.

18 (3) “Eligible costs” means the following costs associated with an eligible housing project:

19 (a) System development charges;

20 (b) Predevelopment costs;

21 (c) Construction costs; and

22 (d) Land write-downs.

23 (4) “Eligible housing project” means a project to construct housing, or to convert a
 24 building from a nonresidential use to housing, that is:

25 (a) If for-sale property, a single-family dwelling, middle housing as defined in ORS
 26 197A.420 or a multifamily dwelling affordable at initial sale to households with an annual in-
 27 come not greater than 120 percent of the area median income; or

28 (b) If rental property:

29 (A)(i) Middle housing as defined in ORS 197A.420;

30 (ii) A multifamily dwelling;

31 (iii) An accessory dwelling unit as defined in ORS 215.501; or

32 (iv) Any other form of affordable housing or moderate income housing; and

33 (B) Rented at a monthly rate that is affordable to households with an annual income not
 34 greater than 120 percent of the area median income.

35 (5) “Eligible housing project property” means the taxable real and personal property
 36 constituting the improvements of an eligible housing project.

37 (6) “Fee payer” means, for any property tax year, the person responsible for paying ad
 38 valorem property taxes on eligible housing project property to which a grant awarded under
 39 section 29 of this 2024 Act relates.

40 (7) “Fire district taxes” means property taxes levied by fire districts within whose terri-
 41 tory all or a portion of eligible housing project property is located.

42 (8) “Nonexempt property” means property other than eligible housing project property
 43 in the tax account that includes eligible housing project property.

44 (9) “Nonexempt taxes” means the ad valorem property taxes assessed on nonexempt
 45 property.

1 (10) "Sponsoring jurisdiction" means:

2 (a)(A) A city with respect to eligible housing projects located within the city boundaries;

3 or

4 (B) A county with respect to eligible housing projects located in urban unincorporated
5 areas of the county; or

6 (b) The governing body of a city or county described in paragraph (a) of this subsection.

7 **SECTION 25.** (1) A sponsoring jurisdiction may adopt by ordinance or resolution a pro-
8 gram under which the sponsoring jurisdiction awards grants to developers for eligible costs.

9 (2) The ordinance or resolution shall set forth:

10 (a) The kinds of eligible housing projects for which a developer may seek a grant under
11 the program; and

12 (b) Any eligibility requirements to be imposed on projects and developers in addition to
13 those required under sections 24 to 35 of this 2024 Act.

14 (3) A grant award:

15 (a) Shall be in the amount determined under section 26 (3) of this 2024 Act; and

16 (b) May include reimbursement for eligible costs incurred for up to 12 months preceding
17 the date on which the eligible housing project received local site approval.

18 (4) Eligible housing project property for which a developer receives a grant for eligible
19 costs may not be granted any exemption, partial exemption or special assessment of ad
20 valorem property taxes other than the exemption granted under section 30 of this 2024 Act.

21 (5) A sponsoring jurisdiction may amend an ordinance or resolution adopted pursuant to
22 this section at any time. The amendments shall apply only to applications submitted under
23 section 26 of this 2024 Act on or after the effective date of the ordinance or resolution.

24 **SECTION 26.** (1)(a) A sponsoring jurisdiction that adopts a grant program pursuant to
25 section 25 of this 2024 Act shall prescribe an application process, including forms and dead-
26 lines, by which a developer may apply for a grant with respect to an eligible housing project.

27 (b) An application for a grant must include, at a minimum:

28 (A) A description of the eligible housing project;

29 (B) An itemized description of the eligible costs for which the grant is sought;

30 (C) The proposed schedule for completion of the eligible housing project;

31 (D) A project pro forma demonstrating that the project is economically feasible only with
32 the grant moneys; and

33 (E) Any other information, documentation or attestation that the sponsoring jurisdiction
34 considers necessary or convenient for the application review process.

35 (c)(A) The project pro forma under paragraph (b)(D) of this subsection shall be on a form
36 provided to the sponsoring jurisdiction by the Housing and Community Services Department
37 and made available to grant applicants.

38 (B) The department may enter into an agreement with a third party to develop the
39 project pro forma template.

40 (2)(a) The review of an application under this section shall be completed within 90 days
41 following the receipt of the application by the sponsoring jurisdiction.

42 (b) Notwithstanding paragraph (a) of this subsection:

43 (A) The sponsoring jurisdiction may in its sole discretion extend the review process be-
44 yond 90 days if the volume of applications would make timely completion of the review pro-
45 cess unlikely.

1 (B) The sponsoring jurisdiction may consult with a developer about the developer’s ap-
 2 plication, and the developer, after the consultation, may amend the application on or before
 3 a deadline set by the sponsoring jurisdiction.

4 (3) The sponsoring jurisdiction shall:

5 (a) Review each application;

6 (b) Request that the county tax officers provide to the sponsoring jurisdiction the de-
 7 terminations made under section 27 of this 2024 Act;

8 (c) Set the term of the loan that will fund the grant award, for a period not to exceed
 9 10 years;

10 (d) Set the amount of the grant that may be awarded to the developer under section 29
 11 (2) of this 2024 Act by multiplying the increment determined under section 27 (1)(c) of this
 12 2024 Act by the term of the loan; and

13 (e)(A) Provisionally approve the application as submitted;

14 (B) Provisionally approve the application on terms other than those requested in the
 15 application; or

16 (C) Reject the application.

17 (4)(a) The sponsoring jurisdiction shall forward provisionally approved applications to the
 18 Housing and Community Services Department.

19 (b) The department shall review the provisionally approved applications for completeness,
 20 including, but not limited to, the completeness of the project pro forma submitted with the
 21 application under subsection (1)(b)(D) of this section and the amounts computed under sec-
 22 tion 27 (1) of this 2024 Act and notify the sponsoring jurisdiction of its determination.

23 (5)(a) If the department has determined that a provisionally approved application is in-
 24 complete, the sponsoring jurisdiction may:

25 (A) Consult with the applicant developer and reconsider the provisionally approved ap-
 26 plication after the applicant revises it; or

27 (B) Reject the provisionally approved application.

28 (b) If the department has determined that a provisionally approved application is com-
 29 plete, the approval shall be final.

30 (c) The sponsoring jurisdiction shall notify each applicant and the department of the final
 31 approval or rejection of an application and the amount of the grant award.

32 (d) The rejection of an application and the amount of a grant award may not be appealed,
 33 but a developer may reapply for a grant at any time within the applicable deadlines of the
 34 grant program for the same or another eligible housing project.

35 (6) Upon request by a sponsoring jurisdiction, the department may assist the sponsoring
 36 jurisdiction with, or perform on behalf of the sponsoring jurisdiction, any duty required un-
 37 der this section.

38 **SECTION 27.** (1) Upon request of the sponsoring jurisdiction under section 26 (3)(b) of
 39 this 2024 Act, the assessor of the county in which is located the eligible housing project to
 40 which an application being reviewed under section 26 of this 2024 Act relates shall:

41 (a) Using the last certified assessment roll for the property tax year in which the appli-
 42 cation is received under section 26 of this 2024 Act:

43 (A) Determine the amount of property taxes assessed against all tax accounts that in-
 44 clude the eligible housing project property; and

45 (B) Subtract the amount of fire district taxes from the amount determined under sub-

1 paragraph (A) of this paragraph.

2 (b) For the first property tax year for which the completed eligible housing project
3 property is estimated to be taken into account:

4 (A) Determine the estimated amount of property taxes that will be assessed against all
5 tax accounts that include the eligible housing project property; and

6 (B) Subtract the estimated amount of fire district taxes from the amount determined
7 under subparagraph (A) of this paragraph.

8 (c) Determine the amount of the increment that results from subtracting the amount
9 determined under subsection (1)(a) of this section from the amount determined under sub-
10 section (1)(b) of this section.

11 (2) As soon as practicable after determining amounts under this subsection, the county
12 tax officers shall provide written notice to the sponsoring jurisdiction and the Housing and
13 Community Services Department certifying the amounts.

14 **SECTION 28.** (1)(a) The Housing and Community Services Department shall develop a
15 program to make loans to sponsoring jurisdictions to fund grants awarded under the spon-
16 soring jurisdiction's grant program adopted pursuant to section 25 of this 2024 Act.

17 (b) The loans shall be interest free for the term set by the sponsoring jurisdiction under
18 section 26 (3)(c) of this 2024 Act.

19 (2) For each application approved under section 26 (5)(b) of this 2024 Act, the Housing and
20 Community Services Department shall:

21 (a) Enter into a loan agreement with the sponsoring jurisdiction in the amount of the
22 grant award for the application set under section 26 (3)(d) of this 2024 Act; and

23 (b) Pay to the sponsoring jurisdiction the loan proceeds out of the Housing Project Re-
24 volving Loan Fund established under section 35 of this 2024 Act.

25 (3) In addition to the payment made under subsection (2)(b) of this section, the depart-
26 ment shall pay out of the fund, with respect to each loan:

27 (a) An amount equal to one percent of the loan proceeds to the sponsoring jurisdiction
28 to reimburse the sponsoring jurisdiction for the costs of administering the grant program,
29 other than the costs of tax administration;

30 (b) An amount equal to one percent of the loan proceeds to the sponsoring jurisdiction
31 to pay the county in which the sponsoring jurisdiction is situated to reimburse the county
32 for the costs of the tax administration of the grant program by the county tax officers; and

33 (c) A reimbursement to the department for its actual costs incurred in administering
34 sections 24 to 35 of this 2024 Act.

35 (4) The Housing and Community Services Department may assign any and all loan
36 amounts made under this section to the Department of Revenue for collection as provided
37 in ORS 293.250.

38 (5) The Housing and Community Services Department may:

39 (a) Consult with the Oregon Business Development Department about any of the powers
40 and duties conferred on the Housing and Community Services Department by sections 24 to
41 35 of this 2024 Act; and

42 (b) Adopt any rule it considers necessary or convenient for the administration of sections
43 24 to 35 of this 2024 Act by the Housing and Community Services Department.

44 **SECTION 29.** (1) Upon entering into a loan agreement with the Housing and Community
45 Services Department under section 28 of this 2024 Act, a sponsoring jurisdiction shall offer

1 a grant agreement to each developer whose application was approved under section 26 (5)(b)
 2 of this 2024 Act.

3 (2) The grant agreement shall:

4 (a) Include a grant award in the amount set under section 26 (3)(d) of this 2024 Act; and

5 (b) Contain terms that:

6 (A) Are required under sections 24 to 35 of this 2024 Act or the ordinance or resolution
 7 adopted by the sponsoring jurisdiction pursuant to section 25 of this 2024 Act.

8 (B) Do not conflict with sections 24 to 35 of this 2024 Act or the ordinance or resolution
 9 adopted by the sponsoring jurisdiction pursuant to section 25 of this 2024 Act.

10 (3) Upon entering into a grant agreement with a developer, a sponsoring jurisdiction shall
 11 adopt an ordinance or resolution setting forth the details of the eligible housing project that
 12 is the subject of the agreement, including but not limited to:

13 (a) A description of the eligible housing project;

14 (b) An itemized description of the eligible costs;

15 (c) The amount and terms of the grant award;

16 (d) Written notice that the eligible housing project property is exempt from property
 17 taxation in accordance with section 30 of this 2024 Act; and

18 (e) A statement declaring that the grant has been awarded in response to the housing
 19 needs of communities within the sponsoring jurisdiction.

20 (4) As soon as practicable after the ordinance or resolution required under subsection (3)
 21 of this section becomes effective, the sponsoring jurisdiction shall distribute the loan pro-
 22 ceeds received from the department under section 28 (2) of this 2024 Act to the developer as
 23 the grant moneys awarded under this section.

24 (5) The sponsoring jurisdiction shall forward to the tax officers of the county in which
 25 the eligible housing project is located a copy of the grant agreement, the ordinance or re-
 26 solution and any other material the sponsoring jurisdiction considers necessary for the tax
 27 officers to perform their duties under sections 24 to 35 of this 2024 Act or the ordinance or
 28 resolution.

29 (6) Upon request, the department may assist the sponsoring jurisdiction with, or perform
 30 on behalf of the sponsoring jurisdiction, any duty required under this section.

31 **SECTION 30.** (1) Upon receipt of the copy of a grant agreement and ordinance or resolu-
 32 tion from the sponsoring jurisdiction under section 29 (5) of this 2024 Act, the assessor of
 33 the county in which eligible housing project property is located shall:

34 (a) Exempt the eligible housing project property in accordance with this section;

35 (b) Assess and tax the nonexempt property in the tax account as other similar property
 36 is assessed and taxed; and

37 (c) Submit a written report to the sponsoring jurisdiction setting forth the assessor's
 38 estimate of the amount of:

39 (A) The real market value of the exempt eligible housing project property; and

40 (B) The property taxes on the exempt eligible housing project property that would have
 41 been collected if the property were not exempt.

42 (2)(a) The exemption shall first apply to the property tax year that immediately succeeds
 43 the effective date of the ordinance or resolution adopted by the sponsoring jurisdiction under
 44 section 29 (3) of this 2024 Act.

45 (b) The eligible housing project property shall be disqualified from the exemption on the

1 earliest of:

2 (A) July 1 of the property tax year immediately succeeding the date on which the fee
3 payment obligation under section 32 of this 2024 Act that relates to the eligible housing
4 project is repaid in full;

5 (B) The date on which the annual fee imposed on the fee payer under section 32 of this
6 2024 Act becomes delinquent;

7 (C) The date on which foreclosure proceedings are commenced as provided by law for
8 delinquent nonexempt taxes assessed with respect to the tax account that includes the eli-
9 gible housing project; or

10 (D) The date on which a condition specified in section 33 (1) of this 2024 Act occurs.

11 (c) After the eligible housing project property has been disqualified from the exemption
12 under this subsection, the property shall be assessed and taxed as other similar property is
13 assessed and taxed.

14 (3) For each tax year that the eligible housing project property is exempt from taxation,
15 the assessor shall enter a notation on the assessment roll stating:

16 (a) That the property is exempt under this section; and

17 (b) The presumptive number of property tax years for which the exemption is granted,
18 which shall be the term of the loan agreement relating to the eligible housing project set
19 under section 26 (3)(c) of this 2024 Act.

20 SECTION 31. (1) Repayment of loans made under section 28 of this 2024 Act shall begin,
21 in accordance with section 32 of this 2024 Act, after completion of the eligible housing project
22 funded by the grant to which the loan relates.

23 (2)(a) The sponsoring jurisdiction shall determine the date of completion of an eligible
24 housing project.

25 (b)(A) If an eligible housing project is completed before July 1 of the assessment year,
26 repayment shall begin with the property tax year that begins on July 1 of the assessment
27 year.

28 (B) If an eligible housing project is completed on or after July 1 of the assessment year,
29 repayment shall begin with the property tax year that begins on July 1 of the succeeding
30 assessment year.

31 (c) After determining the date of completion under paragraph (a) of this subsection, the
32 sponsoring jurisdiction shall notify the Housing and Community Services Department and the
33 county tax officers of the determination.

34 (3) A loan shall remain outstanding until repaid in full.

35 SECTION 32. (1) The fee payer for eligible housing project property that has been granted
36 exemption under section 30 of this 2024 Act shall pay an annual fee for the term that shall
37 be the presumptive number of years for which the property is granted exemption under
38 section 30 (3)(b) of this 2024 Act.

39 (2)(a) The amount of the fee for the first property tax year that the loan is outstanding
40 shall be the portion of the increment determined under section 27 (1)(c) of this 2024 Act that
41 is attributable to the eligible housing project property to which the fee relates.

42 (b) For each subsequent property tax year, the amount of the fee shall be 103 percent
43 of the amount of the fee for the preceding property tax year.

44 (3)(a) Not later than July 15 of each property tax year during the term of the fee obli-
45 gation, the sponsoring jurisdiction shall certify to the assessor each fee amount that became

1 due under this section on or after July 16 of the previous property tax year from fee payers
 2 with respect to eligible housing projects located in the sponsoring jurisdiction.

3 (b) The assessor shall place each fee amount on the assessment and tax rolls of the
 4 county and notify:

5 (A) The sponsoring jurisdiction of each fee amount and the aggregate of all fee amounts
 6 imposed with respect to eligible housing project property located in the sponsoring jurisdic-
 7 tion.

8 (B) The Housing and Community Services Department of each fee amount and the ag-
 9 gregate of all fee amounts with respect to all eligible housing project property located in the
 10 county.

11 (4)(a) The assessor shall include on the tax statement of each tax account that includes
 12 exempt eligible housing project property the amount of the fee imposed on the fee payer with
 13 respect to the eligible housing project property.

14 (b) The fee shall be collected and enforced in the same manner as ad valorem property
 15 taxes, including nonexempt taxes, are collected and enforced.

16 (5)(a) For each property tax year in which a fee is payable under this section, the treas-
 17 urer shall:

18 (A) Estimate the amount of fire district taxes that would have been collected on eligible
 19 housing project property if the property were not exempt;

20 (B) Distribute out of the fee moneys the amounts determined under paragraph (a) of this
 21 subsection to the respective fire districts when other ad valorem property taxes are distrib-
 22 uted under ORS 311.395; and

23 (C) Transfer the net fee moneys to the Housing and Community Services Department for
 24 deposit in the Housing Project Revolving Loan Fund established under section 35 of this 2024
 25 Act in repayment of the loans to which the fees relate.

26 (b) Nonexempt taxes shall be distributed in the same manner as other ad valorem prop-
 27 erty taxes are distributed.

28 (6) Any person with an interest in the eligible housing project property on the date on
 29 which any fee amount becomes due shall be jointly and severally liable for payment of the
 30 fee amount.

31 (7) Any loan amounts that have not been repaid when the fee payer has discharged its
 32 obligations in full under this section remain the obligation of the sponsoring jurisdiction that
 33 obtained the loan from the department under section 28 of this 2024 Act.

34 **SECTION 33.** (1)(a) A developer that received a grant award under section 29 of this 2024
 35 Act shall become liable for immediate payment of any outstanding annual fee payments im-
 36 posed under section 32 of this 2024 Act for the entire term of the fee if:

37 (A) The developer has not completed the eligible housing project within three years fol-
 38 lowing the date on which the grant moneys were distributed to the developer;

39 (B) The eligible housing project changes substantially from the project for which the
 40 developer's application was approved such that the project would not have been eligible for
 41 the grant; or

42 (C) The developer has not complied with a requirement specified in the grant agreement.

43 (b) The sponsoring jurisdiction may, in its sole discretion, extend the date on which the
 44 eligible housing project must be completed.

45 (2) If the sponsoring jurisdiction discovers that a developer willfully made a false state-

1 ment or misrepresentation or willfully failed to report a material fact to obtain a grant with
 2 respect to an eligible housing project, the sponsoring jurisdiction may impose on the devel-
 3 oper a penalty not to exceed 20 percent of the amount of the grant so obtained, plus any
 4 applicable interest and fees associated with the costs of collection.

5 (3) Any amounts imposed under subsection (1) or (2) of this section shall be a lien on the
 6 eligible housing project property and the nonexempt property in the tax account.

7 (4) The sponsoring jurisdiction shall provide written notice of any amounts that become
 8 due under subsections (1) and (2) of this section to the county tax officers and the Housing
 9 and Community Services Department.

10 (5)(a) Any and all amounts required to be paid under this section shall be considered to
 11 be liquidated and delinquent, and the Housing and Community Services Department shall
 12 assign such amounts to the Department of Revenue for collection as provided in ORS 293.250.

13 (b) Amounts collected under this subsection shall be deposited, net of any collection
 14 charges, in the Housing Project Revolving Loan Fund established under section 35 of this
 15 2024 Act.

16 **SECTION 34.** (1) Not later than June 30 of each year in which a grant agreement entered
 17 into under section 29 of this 2024 Act is in effect, a developer that is party to the agreement
 18 shall submit a report to the sponsoring jurisdiction in which the eligible housing project is
 19 located that contains:

20 (a) The status of the construction or conversion of the eligible housing project property,
 21 including an estimate of the date of completion;

22 (b) An itemized description of the uses of the grant moneys; and

23 (c) Any information the sponsoring jurisdiction considers important for evaluating the
 24 eligible housing project and the developer's performance under the terms of the grant
 25 agreement.

26 (2) Not later than August 15 of each year, each sponsoring jurisdiction shall submit to
 27 the Housing and Community Services Department a report containing such information re-
 28 lating to eligible housing projects within the sponsoring jurisdiction as the department re-
 29 quires.

30 (3)(a) Not later than November 15 of each year, the department shall submit, in the
 31 manner required under ORS 192.245, a report to the interim committees of the Legislative
 32 Assembly related to housing.

33 (b) The report shall set forth in detail:

34 (A) The information received from sponsoring jurisdictions under subsection (2) of this
 35 section;

36 (B) The status of the repayment of all outstanding loans made under section 28 of this
 37 2024 Act and of the payment of all fees imposed under section 32 of this 2024 Act and all
 38 amounts imposed under section 33 of this 2024 Act; and

39 (C) The cumulative experience of the program developed and implemented under sections
 40 24 to 35 of this 2024 Act.

41 (c) The report may include recommendations for legislation.

42 **SECTION 35.** (1) The Housing Project Revolving Loan Fund is established in the State
 43 Treasury, separate and distinct from the General Fund. Interest earned by the Housing
 44 Project Revolving Loan Fund shall be credited to the fund.

45 (2) Moneys in the fund may be invested as provided by ORS 293.701 to 293.857, and the

1 earnings from the investments shall be credited to the fund.

2 (3) Moneys in the Housing Project Revolving Loan Fund shall consist of:

3 (a) Amounts appropriated or otherwise transferred or credited to the fund by the Legis-
4 lative Assembly;

5 (b) Net fee moneys transferred under section 32 of this 2024 Act;

6 (c) Amounts deposited in the fund under section 33 of this 2024 Act;

7 (d) Interest and other earnings received on moneys in the fund; and

8 (e) Other moneys or proceeds of property from any public or private source that are
9 transferred, donated or otherwise credited to the fund.

10 (4) Moneys in the Housing Project Revolving Loan Fund are continuously appropriated
11 to the Housing and Community Services Department for the following purposes:

12 (a) Making loans to sponsoring jurisdictions under section 28 of this 2024 Act; and

13 (b) Reimbursing the actual costs incurred by the department under sections 24 to 35 of
14 this 2024 Act.

15 (5) Moneys in the Housing Project Revolving Loan Fund at the end of a biennium shall
16 be retained in the fund and used for the purposes set forth in subsection (4) of this section.

17 SECTION 36. The Housing and Community Services Department shall have developed and
18 begun operating the loan program that the department is required to develop under section
19 28 of this 2024 Act, including regional trainings and outreach for jurisdictional partners, no
20 later than June 30, 2025.

21
22 **HOUSING LAND USE ADJUSTMENTS**

23
24 SECTION 37. Sections 38 to 41 of this 2024 Act are added to and made a part of ORS
25 chapter 197A.

26 SECTION 38. Mandatory adjustment to housing development standards. (1) As used in
27 sections 38 to 41 of this 2024 Act:

28 (a) “Adjustment” means a deviation from an existing land use regulation.

29 (b) “Adjustment” does not include:

30 (A) A request to allow a use of property not otherwise permissible under applicable zon-
31 ing requirements;

32 (B) Deviations from land use regulations or requirements related to accessibility,
33 affordability, fire ingress or egress, local tree codes, hazardous or contaminated site clean-up
34 or statewide land use planning goals relating to natural resources, natural hazards, the
35 Willamette River Greenway, estuarine resources, coastal shorelands, beaches and dunes or
36 ocean resources;

37 (C) A complete waiver of land use regulations; or

38 (D) Deviations to requirements of building codes, federal or state water quality require-
39 ments or requirements of any federal, state or local law other than a land use regulation.

40 (2) Except as provided in section 40 of this 2024 Act, a local government shall grant a
41 request for an adjustment in an application to develop housing as provided in this section
42 and section 39 of this 2024 Act. An application qualifies for an adjustment under this section
43 only if the following conditions are met:

44 (a) The application is for a building permit or a quasi-judicial, limited or ministerial land
45 use decision;

1 (b) The development is on lands zoned to allow for residential uses, including mixed-use
2 residential, at densities not less than those required under section 17 (2) of this 2024 Act;

3 (c) The development is within an urban growth boundary, not including lands that have
4 not been annexed by a city;

5 (d) The development is of net new housing units in new construction projects, including
6 single-family or multifamily, mixed-use residential where at least 75 percent of the developed
7 floor area will be used for residential uses, manufactured dwelling parks, accessory dwelling
8 units or middle housing as defined in ORS 197A.420;

9 (e) The application requests not more than 10 distinct adjustments to development stan-
10 dards as provided in this section. A “distinct adjustment” means:

11 (A) An adjustment to one of the development standards listed in subsection (4) of this
12 section; or

13 (B) An adjustment to one of the development standards listed in subsection (5) of this
14 section; and

15 (f) The application states that at least one of the following criteria apply:

16 (A) The adjustments will enable development of housing that is not otherwise feasible due
17 to cost or delay resulting from the unadjusted land use regulations;

18 (B) The adjustments will enable development of housing that reduces the sale or rental
19 prices per residential unit;

20 (C) The adjustments will increase the number of housing units within the application;

21 (D) All of the units in the application are subject to an affordable housing covenant as
22 described in ORS 456.270 to 456.295, making them affordable to moderate income households
23 as defined in ORS 456.270 for a minimum of 30 years;

24 (E) At least 20 percent of the units in the application are subject to an affordable housing
25 covenant as described in ORS 456.270 to 456.295, making them affordable to low income
26 households as defined in ORS 456.270 for a minimum of 60 years;

27 (F) The adjustments will enable the provision of accessibility or visitability features in
28 housing units that are not otherwise feasible due to cost or delay resulting from the unad-
29 justed land use regulations; or

30 (G) All of the units in the application are subject to a zero equity, limited equity, or
31 shared equity ownership model including resident-owned cooperatives and community land
32 trusts making them affordable to moderate income households as described in ORS 456.270
33 to 456.295 for a period of 90 years.

34 (3) In reviewing an adjustment application under this section, a local government may:

35 (a) Use an existing process, or develop a new process, that complies with the require-
36 ments of section 39 of this 2024 Act; or

37 (b) Directly apply the process set forth in section 39 of this 2024 Act.

38 (4) A local government shall grant an adjustment to the following development standards:

39 (a) Side and rear setbacks, for an adjustment of not more than 10 percent.

40 (b) The common area, open space or area that must be landscaped, for a reduction of not
41 more than 25 percent.

42 (c) Parking minimums.

43 (d) Minimum lot sizes, not more than a 10 percent adjustment, and including not more
44 than a 10 percent adjustment to lot widths or depths.

45 (e) Maximum lot sizes, not more than a 10 percent adjustment, including not more than

1 a 10 percent adjustment to lot width or depths and only if the adjustment results in an in-
 2 crease in the number of dwelling units.

3 (f) Building lot coverage requirements for up to a 10 percent adjustment.

4 (g) For manufactured dwelling parks, middle housing as defined in ORS 197A.420, multi-
 5 family housing and mixed-use residential housing:

6 (A) Requirements for bicycle parking that establish:

7 (i) The minimum number of spaces, for a reduction not greater than an adjustment that
 8 will allow for one-half space per residential unit; or

9 (ii) The location of the spaces, provided that lockable, covered bicycle parking spaces are
 10 within or adjacent to the residential development;

11 (B) Building height maximums that:

12 (i) Are in addition to existing applicable height bonuses, if any; and

13 (ii) Are not more than an increase of the greater of:

14 (I) One story; or

15 (II) A 20 percent increase to base zone height with rounding consistent with methodology
 16 outlined in city code, if any;

17 (C) Unit density maximums, not more than an amount necessary to account for other
 18 adjustments under this section; and

19 (D) Prohibitions, for the ground floor of a mixed-use building, against:

20 (i) Residential uses except for one face of the building that faces the street and is within
 21 20 feet of the street; and

22 (ii) Nonresidential active uses that support the residential uses of the building, including
 23 lobbies, day care, passenger loading, community rooms, exercise facilities, offices, activity
 24 spaces or live-work spaces, except for active uses in specifically and clearly defined mixed
 25 use areas or commercial corridors designated by local governments.

26 (5) A local government shall grant an adjustment to design standards that regulate:

27 (a) Facade materials, color or pattern.

28 (b) Facade articulation.

29 (c) Roof forms and materials.

30 (d) Entry and garage door materials.

31 (e) Garage door orientation, unless the building is adjacent to or across from a school
 32 or public park.

33 (f) Window materials, except for bird-safe glazing requirements.

34 (g) Total window area, for up to a 30 percent adjustment.

35 (h) For manufactured dwelling parks, middle housing as defined in ORS 197A.420, multi-
 36 family housing and mixed-use residential:

37 (A) Building orientation requirements, not including transit street orientation require-
 38 ments.

39 (B) Building height transition requirements, not more than a 50 percent adjustment from
 40 the base zone.

41 (C) Requirements for balconies and porches.

42 (D) Requirements for recesses and offsets.

43 **SECTION 39. Approval of allowed housing adjustments.** (1)(a) Within 30 days after re-
 44 ceiving a complete application under section 38 of this 2024 Act, the local government shall
 45 notify the applicant whether the local government believes that the application is deemed

1 complete to make a review under section 38 of this 2024 Act. A local government may provide
 2 this notification concurrently with the application completeness determination described in
 3 ORS 215.427 (3) or 227.178 (3).

4 (b) If a local government notifies the applicant that any proposed adjustment is not ready
 5 for review, the applicant may submit additional evidence for evaluation under this subsection
 6 within 30 days following the notice.

7 (c) The completeness determination under this subsection is not a land use decision.

8 (2) A local government shall make a final decision on an application for an adjustment
 9 under section 38 of this 2024 Act on or before the development application decision and within
 10 any timelines imposed by ORS 197A.470, 215.416 or 227.175.

11 (3)(a) A denial of an application for an adjustment under section 38 of this 2024 Act must
 12 be in a brief written statement that explains the criteria and standards considered relevant
 13 to the decision, states the facts relied on in rendering the decision and explains the justi-
 14 fication for the decision based on the stated criteria, standards and facts.

15 (b) If the denial of an application for an adjustment is made separately from any other
 16 related application, the decision does not require notice under ORS 197.195 or 197.797. “Other
 17 related application” means a land use decision, if any exists, for which the developer has
 18 requested an approval of an adjustment under section 38 of this 2024 Act.

19 (4) A final decision on an application for an adjustment made under this section and
 20 section 38 of this 2024 Act is a limited land use decision. Only the applicant may appeal the
 21 decision.

22 **SECTION 40. Mandatory adjustments exception process.** (1) A local government may ap-
 23 ply to the Housing Accountability and Production Office for an exemption to sections 38 and
 24 39 of this 2024 Act only as provided in this section. After the application is made, sections
 25 38 and 39 of this 2024 Act do not apply to the applicant until the office denies the application
 26 or revokes the exemption.

27 (2) To qualify for an exemption under this section, the local government must demon-
 28 strate that:

29 (a) The local government reviews design and development adjustments for all applications
 30 for the development of housing;

31 (b) All listed development and design adjustments under section 38 (4) and (5) of this 2024
 32 Act are eligible under the local government’s adjustment process; and

33 (c)(A) Within the previous 5 years the city has approved 90 percent of received adjust-
 34 ment requests; or

35 (B) The adjustment process is flexible and accommodates project needs as demonstrated
 36 by testimonials of housing developers who have utilized the adjustment process within the
 37 previous five years.

38 (3) Upon receipt of an application under this section, the office shall allow for public
 39 comment on the application for a period of no less than 45 days. The office shall enter a final
 40 order on the adjustment exemption within 120 days of receiving the application. The approval
 41 of an application may not be appealed.

42 (4) Local governments with an approved or pending exemption under this section shall
 43 clearly and consistently notify applicants, including potential applicants, that are engaged in
 44 housing development:

45 (a) That the local government is employing a local process in lieu of sections 38 and 39

1 of this 2024 Act;

2 (b) Of the development and design standards for which an applicant may request an ad-
 3 justment in a housing development application; and

4 (c) Of the applicable criteria for the adjustment application.

5 (5) In response to a complaint and following an investigation, the office may issue an
 6 order revoking an exemption issued under this section if the office determines that the local
 7 government is:

8 (a) Not approving adjustments as required by the local process or the terms of the ex-
 9 emption; or

10 (b) Engaging in a pattern or practice of violating housing-related statutes or imple-
 11 menting policies that create unreasonable cost or delays to housing production under ORS
 12 197.320 (13)(a).

13 **SECTION 41. Reporting.** (1) A city required to provide a report under ORS 197A.110 shall
 14 include as part of that report information reasonably requested from the Department of
 15 Land Conservation and Development on residential development produced through approvals
 16 of adjustments granted under section 38 of this 2024 Act. The department may not develop
 17 a separate process for collecting this data or otherwise place an undue burden on local gov-
 18 ernments.

19 (2) On or before September 15 of each even-numbered year, the department shall provide
 20 a report to an interim committee of the Legislative Assembly related to housing in the
 21 manner provided in ORS 192.245 on the data collected under subsection (1) of this section.
 22 The committee shall invite the League of Oregon Cities to provide feedback on the report
 23 and the efficacy of section 38 of this 2024 Act.

24 **SECTION 42. Operative date.** Sections 38 to 41 of this 2024 Act become operative on
 25 January 1, 2025.

26 **SECTION 43. Sunset.** Sections 38 to 41 of this 2024 Act are repealed on January 2, 2032.

27
 28 **LIMITED LAND USE DECISIONS**
 29

30 **SECTION 44.** Section 45 of this 2024 Act is added to and made a part of ORS chapter
 31 197A.

32 **SECTION 45. Applicability of limited land use decision to housing development.** (1) Except
 33 as provided in subsection (3) of this section, each local government shall process as a limited
 34 land use decision any application for the development of housing within an urban growth
 35 boundary that requests:

36 (a) Partitions, subdivisions, replats or property line adjustments under ORS 92.010 to
 37 92.192;

38 (b) Site plan review;

39 (c) Extensions, alterations or expansions of nonconforming uses; or

40 (d) Adjustments to land use regulations, as defined in section 38 (1) of this 2024 Act, in-
 41 cluding those with an exemption under section 40 of this 2024 Act and including but not
 42 limited to those listed in section 38 (4) or (5) of this 2024 Act.

43 (2) Notwithstanding ORS 197.195 (1), a local government that has not incorporated limited
 44 land use decisions into its comprehensive plan may directly apply the procedures described
 45 in ORS 197.195 (2) to (5).

1 (3) This section does not apply to:

2 (a) An application already processed as a ministerial use decision under the local
3 government’s acknowledged development standards.

4 (b) Decisions by a local government for which the Housing Accountability and Production
5 Office has approved a hardship exemption or time extension. The office may grant an ex-
6 emption or time extension only if the local government demonstrates that a substantial
7 hardship would result from the increased costs or staff capacity needed to implement pro-
8 cedures as required under this section.

9 SECTION 46. Operative date. Section 45 of this 2024 Act becomes operative on January
10 1, 2025.

11 SECTION 47. Sunset. Section 45 of this 2024 Act is repealed on January 2, 2032.

12
13 **ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES**

14
15 SECTION 48. Sections 49 to 59 of this 2024 Act are added to and made a part of ORS
16 chapter 197A.

17 SECTION 49. Definitions. As used in sections 49 to 59 of this 2024 Act:

18 (1) “Net residential acre” means an acre of residentially designated buildable land, not
19 including rights of way for streets, roads or utilities or areas not designated for development
20 due to natural resource protections or environmental constraints.

21 (2) “Site” means a lot or parcel or contiguous lots or parcels, or both, with or without
22 common ownership.

23 SECTION 50. City addition of sites outside of Metro. (1) Notwithstanding any other pro-
24 vision of ORS chapter 197A, a city outside of Metro may add a site to the city’s urban growth
25 boundary under sections 49 to 59 of this 2024 Act, if:

26 (a) The site is adjacent to the existing urban growth boundary of the city or is separated
27 from the existing urban growth boundary by only a street or road;

28 (b) The site is:

29 (A) Designated as an urban reserve under ORS 197A.230 to 197A.250, including a site
30 whose designation is adopted under ORS 197.652 to 197.658;

31 (B) Designated as nonresource land; or

32 (C) Subject to an acknowledged exception to a statewide land use planning goal relating
33 to farmland or forestland;

34 (c) The city has not previously adopted an urban growth boundary amendment or ex-
35 change under sections 49 to 59 of this 2024 Act;

36 (d) The city has demonstrated a need for the addition under section 52 of this 2024 Act;

37 (e) The city has requested and received an application as required under sections 53 and
38 54 of this 2024 Act;

39 (f) The total acreage of the site:

40 (A) For a city with a population of 25,000 or greater, does not exceed 150 net residential
41 acres; or

42 (B) For a city with a population of less than 25,000, does not exceed 75 net residential
43 acres; and

44 (g)(A) The city has adopted a binding conceptual plan for the site that satisfies the re-
45 quirements of section 55 of this 2024 Act; or

1 (B) The added site does not exceed 15 net residential acres and satisfies the requirements
2 of section 56 of this 2024 Act.

3 (2) A county shall approve an amendment to an urban growth boundary made under this
4 section that complies with sections 49 to 59 of this 2024 Act and shall cooperate with a city
5 to facilitate the coordination of functions under ORS 195.020 to facilitate the city's
6 annexation and the development of the site. The county's decision is not a land use decision.

7 (3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to
8 59 of this 2024 Act is not a land use decision as defined in ORS 197.015.

9 **SECTION 51. Petition for additions of sites to Metro urban growth boundary.** (1) A city
10 within Metro may petition Metro to add a site within the Metro urban growth boundary if
11 the site:

12 (a) Satisfies the requirements of section 50 (1) of this 2024 Act; and

13 (b) Is designated as an urban reserve.

14 (2)(a) Within 120 days of receiving a petition under this section, Metro shall determine
15 whether the site would substantially comply with the applicable provisions of sections 49 to
16 59 of this 2024 Act.

17 (b) If Metro determines that a petition does not substantially comply, Metro shall:

18 (A) Notify the city of deficiencies in the petition, specifying sufficient detail to allow the
19 city to remedy any deficiency in a subsequent resubmittal; and

20 (B) Allow the city to amend its conceptual plan and resubmit it as a petition to Metro
21 under this section.

22 (c) If Metro determines that a petition does comply, notwithstanding any other provision
23 of ORS chapter 197A, Metro shall adopt amendments to its urban growth boundary to include
24 the site in the petition, unless the amendment would result in more than 600 total net resi-
25 dential acres added under this subsection.

26 (3) If the net residential acres included in approved petitions received on or before July
27 1, 2025, total less than 600 net residential acres, Metro shall adopt amendments to its urban
28 growth boundary under subsection (2)(c) of this section:

29 (a) On or before November 1, 2025, for petitions received on or before July 1, 2024; or

30 (b) Within 120 days after the receipt of a petition received after July 1, 2025, in the order
31 in which the petitions are received.

32 (4) If the net residential acres included in approved petitions received on or before July
33 1, 2025, total 600 or more net residential acres, on or before January 1, 2027, Metro shall
34 adopt amendments to its urban growth boundary under subsection (2)(c) of this section to
35 include the sites in those petitions that Metro determines will:

36 (a) Best comply with the provisions of section 55 of this 2024 Act; and

37 (b) Maximize the development of needed housing.

38 (5) Metro may not conduct a hearing to review or select petitions or adopt amendments
39 to its urban growth boundary under this section.

40 **SECTION 52. City demonstration of need.** A city may not add, or petition to add, a site
41 under sections 49 to 59 of this 2024 Act, unless:

42 (1) The city has demonstrated a need for additional land based on the following factors:

43 (a)(A) The city has had no urban growth boundary expansions in the prior 20 years; and

44 (B) The city does not have within its existing urban growth boundary an undeveloped,
45 contiguous tract that is zoned for residential use that is larger than 20 acres; or

1 (b) Within urban growth boundary expansion areas adopted by the city over the previous
 2 20 years, 75 percent of the lands are developed or development-ready lands; and

3 (2) The city has demonstrated a need for affordable housing, based on having a greater
 4 percentage of extremely cost-burdened households than the average for this state based on
 5 data from the United States Department of Housing and Urban Development.

6 **SECTION 53. City solicitation of site applications.** (1) Before a city may select a site for
 7 inclusion within the city’s or Metro’s urban growth boundary under sections 49 to 59 of this
 8 2024 Act, a city must provide public notice that includes:

9 (a) The city’s intention to select a site for inclusion within the city’s urban growth
 10 boundary.

11 (b) Each basis under which the city has determined that it qualifies to include a site
 12 under section 52 of this section.

13 (c) A deadline for submission of applications under this section that is at least 45 days
 14 following the date of the notice;

15 (d) A description of the information, form and format required of an application, includ-
 16 ing the requirements of section 55 (2) of this 2024 Act.

17 (2) A copy of the notice of intent under this section must be provided to:

18 (a) Each county in which the city resides;

19 (b) Each special district providing urban services within the city’s urban growth bound-
 20 ary;

21 (c) The Department of Land Conservation and Development; and

22 (d) Metro, if the city is within Metro.

23 **SECTION 54. City review of site applications.** (1) After the deadline for submission of
 24 applications established under section 55 of this 2024 Act, the city shall:

25 (a) Review applications filed for compliance with sections 49 to 59 of this 2024 Act.

26 (b) For each completed application that complies with sections 49 to 59 of this 2024 Act,
 27 provide notice to the residents of the proposed site area who were not signatories to the
 28 application.

29 (c) Provide opportunities for public participation in selecting a site, including, at least:

30 (A) One public comment period;

31 (B)(i) One meeting of the city’s planning commission at which public testimony is con-
 32 sidered;

33 (ii) One meeting of the city’s council at which public testimony is considered; or

34 (iii) One public open house; and

35 (C) Notice on the city’s website or published in a paper of record at least 14 days before:

36 (i) A meeting under subparagraph (B) of this paragraph; and

37 (ii) The beginning of a comment period under subparagraph (A) of this paragraph.

38 (d) Consult with, request necessary information from and provide the opportunity for
 39 written comment from:

40 (A) The owners of each lot or parcel within the site;

41 (B) If the city does not currently exercise land use jurisdiction over the entire site, the
 42 governing body of each county with land use jurisdiction over the site;

43 (C) Any special district that provides urban services to the site; and

44 (D) Any public or private utility that provides utilities to the site.

45 (2) An application filed under this section must:

1 (a) Be completed for each property owner or group of property owners that are proposing
 2 an urban growth boundary amendment under sections 49 to 59 of this 2024 Act;

3 (b) Be in writing in a form and format as required by the city;

4 (c) Specify the lots or parcels that are the subject of the application;

5 (d) Be signed by all owners of lots or parcels included within the application; and

6 (e) Include each owner’s signed consent to annexation of the properties if the site is
 7 added to the urban growth boundary.

8 (3) If the city has received approval from all property owners of such lands, in writing
 9 in a form and format specified by the city, the governing body of the city may select an ap-
 10 plication and the city shall adopt a conceptual plan as described in section 55 of this 2024
 11 Act for all or a portion of the lands contained within the application.

12 (4) A conceptual plan adopted under subsection (3) of this section must include findings
 13 identifying reasons for inclusion of lands within the conceptual plan and reasons why lands,
 14 if any, submitted as part of an application that was partially approved were not included
 15 within the conceptual plan.

16 **SECTION 55. Conceptual plan for added sites.** (1) As used in this section:

17 (a) “Affordable units” means residential units described in subsection (3)(f)(A) or (4) of
 18 this section.

19 (b) “Market rate units” means residential units other than affordable units.

20 (2) Before adopting an urban growth boundary amendment under section 50 of this 2024
 21 Act or petitioning Metro under section 51 of this 2024 Act, for a site larger than 15 net res-
 22 idential acres, a city shall adopt a binding conceptual plan as an amendment to its compre-
 23 hensive plan.

24 (3) The conceptual plan must:

25 (a) Establish the total net residential acres within the site and must require for those
 26 residential areas:

27 (A) A diversity of housing types and sizes, including middle housing, accessible housing
 28 and other needed housing; and

29 (B) That the development will be on lands zoned for residential or mixed-use residential
 30 uses at densities not less than those required under section 17 (2) of this 2024 Act;

31 (b) Designate within the site:

32 (A) Recreation and open space lands; and

33 (B) Lands for commercial uses, either separate or as a mixed use, that:

34 (i) Primarily serve the immediate surrounding housing;

35 (ii) Provide goods and services at a smaller scale than provided on typical lands zoned for
 36 commercial use; and

37 (iii) Are provided at the minimum amount necessary to support and integrate viable
 38 commercial and residential uses;

39 (c) If the city has a population of 5,000 or greater, include a transportation network for
 40 the site that provides diverse transportation options, including walking, bicycling and transit
 41 use if public transit services are available, as well as sufficient connectivity to existing and
 42 planned transportation network facilities as shown in the local government’s transportation
 43 system plan as defined in Land Conservation and Development Commission rules;

44 (d) Demonstrate that protective measures will be applied to the site consistent with the
 45 statewide land use planning goals for:

- 1 (A) Open spaces, scenic and historic areas or natural resources;
- 2 (B) Areas subject to natural hazards;
- 3 (C) The Willamette River Greenway;
- 4 (D) Estuarine resources;
- 5 (E) Coast shorelands; or
- 6 (F) Beaches and dunes;
- 7 (e) Include a binding agreement among the city, each owner within the site and any other
- 8 necessary public or private utility provider, local government or district, as defined in ORS
- 9 195.060, or combination of local governments and districts that the site will be served with
- 10 all necessary urban services as defined in ORS 195.065, or an equivalent assurance; and
- 11 (f) Include requirements that ensure that:
- 12 (A) At least 30 percent of the residential units are subject to affordability restrictions,
- 13 including but not limited to affordable housing covenants, as described in ORS 456.270 to
- 14 456.295, that require for a period of not less than 60 years that the units be:
- 15 (i) Available for rent, with or without government assistance, by households with an in-
- 16 come of 80 percent or less of the area median income as defined in ORS 456.270; or
- 17 (ii) Available for purchase, with or without government assistance, by households with
- 18 an income of 130 percent or less of the area median income;
- 19 (B) The construction of all affordable units has commenced before the city issues certif-
- 20 icates of occupancy to the last 15 percent of market rate units;
- 21 (C) All common areas and amenities are equally available to residents of affordable units
- 22 and of market rate units; and
- 23 (D) The requirement for affordable housing units is recorded before the building permits
- 24 are issued for any property within the site, and the requirements contain financial penalties
- 25 for noncompliance.
- 26 (4) A city may require greater affordability requirements for residential units than are
- 27 required under subsection (3)(f)(A) of this section, provided that the city significantly and
- 28 proportionally offsets development costs related to:
- 29 (a) Permits or fees;
- 30 (b) System development charges;
- 31 (c) Property taxes; or
- 32 (d) Land acquisition and predevelopment costs.
- 33 **SECTION 56. Alternative for small additions.** (1) A city that intends to add 15 net resi-
- 34 dential acres or less is not required to adopt a conceptual plan under section 55 of this 2024
- 35 Act if the city has entered into enforceable and recordable agreements with each landowner
- 36 of a property within the site to ensure that the site will comply with the affordability re-
- 37 quirements described in section 55 (3)(f) of this 2024 Act.
- 38 (2) This section does not apply to a city within Metro.
- 39 **SECTION 57. Department approval of site additions.** (1) Within 21 days after the adoption
- 40 of an amendment to an urban growth boundary or the adoption or amendment of a concep-
- 41 tual plan under sections 49 to 59 of this 2024 Act, and the approval by a county if required
- 42 under section 50 (2) of this 2024 Act, the conceptual plan or amendment must be submitted
- 43 to the Department of Land Conservation and Development for review. The submission must
- 44 be made by:
- 45 (a) The city, for an amendment under section 50 or 58 of this 2024 Act; or

1 (b) Metro, for an amendment under section 51 of this 2024 Act.

2 (2) Within 60 days after receiving a submittal under subsection (1) of this section, the
3 department shall:

4 (a) Review the submittal for compliance with the provisions of sections 49 to 59 of this
5 2024 Act.

6 (b)(A) If the submittal substantially complies with the provisions of sections 49 to 59 of
7 this 2024 Act, issue an order approving the submittal; or

8 (B) If the submittal does not substantially comply with the provisions of sections 49 to
9 59 of this 2024 Act, issue an order remanding the submittal to the city or to Metro with a
10 specific determination of deficiencies in the submittal and with sufficient detail to identify a
11 specific remedy for any deficiency in a subsequent resubmittal.

12 (3) If a conceptual plan is remanded to Metro under subsection (2)(b) of this section:

13 (a) The department shall notify the city; and

14 (b) The city may amend its conceptual plan and resubmit a petition to Metro under sec-
15 tion 51 of this 2024 Act.

16 (4) Judicial review of the department's order:

17 (a) Must be as a review of orders other than a contested case under ORS 183.484; and

18 (b) May be initiated only by the city or an owner of a proposed site.

19 (5) Following the approval of a submittal under this section, a local government must
20 include the added lands in any future inventory of buildable lands or determination of hous-
21 ing capacity under ORS 197A.270, 197A.280, 197A.335 or 197A.350.

22 **SECTION 58. Alternative urban growth boundary land exchange.** (1) In lieu of amending
23 its urban growth boundary under any other process provided by sections 49 to 59 of this 2024
24 Act, a city outside of Metro may amend its urban growth boundary to add a site to the urban
25 growth boundary and to remove one or more tracts of land from the urban growth boundary
26 as provided in this section.

27 (2) The acreage of the added site and removed lands must be roughly equivalent.

28 (3) The removed lands must have been zoned for residential uses. Notwithstanding any
29 other provision of ORS chapter 197 or 197A or any land use regulation, for lands removed
30 from an urban growth boundary under this section the city or county may, without further
31 process, consider the removed lands as:

32 (a) Zoned or designated for rural uses;

33 (b) Designated as lands subject to an exception under ORS 197.732 to goals for agriculture
34 or forest; or

35 (c) Designated as urban reserve, as defined in ORS 197A.230.

36 (4) The added site must be zoned for residential uses at the same or greater density than
37 the removed lands.

38 (5)(a) Except as provided in paragraph (b) of this subsection, land may be removed from
39 an urban growth boundary under this section without landowner consent.

40 (b) Land may not be removed from an urban growth boundary under this section if the
41 landowner enters into a recorded agreement with the city agreeing to consent to annexation
42 of the land and to develop the land within 20 years.

43 (6) Review of a city's exchange of lands made under this section may only be made by the
44 county as provided in section 50 (2) of this 2024 Act and by the Department of Land Conser-
45 vation and Development, subject to judicial review, as provided in section 57 of this 2024 Act.

1 (7) Sections 50 (1), 52, 53, 54, 55 and 56 of this 2024 Act do not apply to a site addition
2 made under this section.

3 **SECTION 59. Reporting on added sites.** A city for which an amendment was made to an
4 urban growth boundary and approved under sections 49 to 59 of this 2024 Act shall submit a
5 report describing the status of development within the included area to the Department of
6 Land Conservation and Development every two years until:

7 (1) January 2, 2033; or

8 (2) The city determines that development consistent with the acknowledged conceptual
9 plan is deemed complete.

10 **SECTION 60. Sunset.** Sections 49 to 59 of this 2024 Act are repealed on January 2, 2033.

11
12 **APPROPRIATIONS**

13
14 **SECTION 61. Appropriation for Housing Accountability and Production Office.** In addition
15 to and not in lieu of any other appropriation, there is appropriated to the Department of
16 Land Conservation and Development, for deposit into the Housing Accountability and Pro-
17 duction Office Fund under section 4 of this 2024 Act, for the biennium ending June 30, 2025,
18 out of the General Fund, the following amounts:

19 (1) \$___ to operate the Housing Accountability and Production Office under sections 1 to
20 5 of this 2024 Act.

21 (2) \$10,000,000 for the office to provide technical assistance, including grants, under sec-
22 tion 1 (1) of this 2024 Act.

23 **SECTION 62. Appropriation to Oregon Business Development Department.** In addition to
24 and not in lieu of any other appropriation, there is appropriated to the Oregon Business
25 Development Department, for the biennium ending June 30, 2025, out of the General Fund,
26 the following amounts:

27 (1) \$200,000,000 for deposit into the Housing Infrastructure Project Account under section
28 18 of this 2024 Act.

29 (2) \$10,000,000 for deposit into the Brownfields Redevelopment Fund to provide financial
30 assistance under section 20 of this 2024 Act.

31 (3) \$5,000,000 for deposit into the Housing Infrastructure Support Fund under section 14
32 of this 2024 Act.

33 **SECTION 63. Appropriation to Housing and Community Services Department.** In addition
34 to and not in lieu of any other appropriation, there is appropriated to the Housing and
35 Community Services Department, for the biennium ending June 30, 2025, out of the General
36 Fund, the following amounts:

37 (1) \$200,000,000 for deposit into the Housing Project Revolving Loan Fund under section
38 35 of this 2024 Act.

39 (2) \$40,000,000 for deposit into the Housing and Community Services Department Fund
40 to provide financial assistance under section 22 of this 2024 Act.

41 (3) \$20,000,000 for deposit into the Housing and Community Services Department Fund
42 to provide financial assistance under section 23 of this 2024 Act.

43
44 **CONFORMING AMENDMENTS**

1 **SECTION 64.** ORS 197.335, as amended by section 17, chapter 13, Oregon Laws 2023, is
2 amended to read:

3 197.335. (1) *[An order issued under ORS 197.328 and the copy of the order mailed]* **The Land**
4 **Conservation and Development Commission shall mail a copy of an enforcement order** to the
5 local government, state agency or special district. **An order** must set forth:

6 (a) The nature of the noncompliance, including, but not limited to, the contents of the compre-
7 hensive plan or land use regulation, if any, of a local government that do not comply with the goals
8 or the contents of a plan, program or regulation affecting land use adopted by a state agency or
9 special district that do not comply with the goals. In the case of a pattern or practice of decision-
10 making, the order must specify the decision-making that constitutes the pattern or practice, includ-
11 ing specific provisions the *[Land Conservation and Development]* commission believes are being
12 misapplied.

13 (b) The specific lands, if any, within a local government for which the existing plan or land use
14 regulation, if any, does not comply with the goals.

15 (c) The corrective action decided upon by the commission, including the specific requirements,
16 with which the local government, state agency or special district must comply. In the case of a
17 pattern or practice of decision-making, the commission may require revisions to the comprehensive
18 plan, land use regulations or local procedures which the commission believes are necessary to cor-
19 rect the pattern or practice. Notwithstanding the provisions of this section, except as provided in
20 subsection (3)(c) of this section, an enforcement order does not affect:

21 (A) Land use applications filed with a local government prior to the date of adoption of the
22 enforcement order unless specifically identified by the order;

23 (B) Land use approvals issued by a local government prior to the date of adoption of the
24 enforcement order; or

25 (C) The time limit for exercising land use approvals issued by a local government prior to the
26 date of adoption of the enforcement order.

27 (2) Judicial review of a final order of the commission is governed by the provisions of ORS
28 chapter 183 applicable to contested cases except as otherwise stated in this section. The
29 commission's final order must include a clear statement of findings which set forth the basis for the
30 order. Where a petition to review the order has been filed in the Court of Appeals, the commission
31 shall transmit to the court the entire administrative record of the proceeding under review.
32 Notwithstanding ORS 183.482 (3) relating to a stay of enforcement of an agency order, an appellate
33 court, before it may stay an order of the commission, shall give due consideration to the public in-
34 terest in the continued enforcement of the commission's order and may consider testimony or affi-
35 davits thereon. Upon review, an appellate court may affirm, reverse, modify or remand the order.
36 The court shall reverse, modify or remand the order only if it finds:

37 (a) The order to be unlawful in substance or procedure, but an error in procedure is not cause
38 for reversal, modification or remand unless the court finds that substantial rights of any party were
39 prejudiced thereby;

40 (b) The order to be unconstitutional;

41 (c) The order is invalid because it exceeds the statutory authority of the agency; or

42 (d) The order is not supported by substantial evidence in the whole record.

43 (3)(a) If the commission finds that in the interim period during which a local government, state
44 agency or special district would be bringing itself into compliance with the commission's order *[un-*
45 *der ORS 197.320 or subsection (2) of this section]* it would be contrary to the public interest in the

1 conservation or sound development of land to allow the continuation of some or all categories of
 2 land use decisions or limited land use decisions, it shall, as part of its order, limit, prohibit or re-
 3 quire the approval by the local government of applications for subdivisions, partitions, building
 4 permits, limited land use decisions or land use decisions until the plan, land use regulation or sub-
 5 sequent land use decisions and limited land use decisions are brought into compliance. The com-
 6 mission may issue an order that requires review of local decisions by a hearings officer or the
 7 Department of Land Conservation and Development before the local decision becomes final.

8 (b) Any requirement under this subsection may be imposed only if the commission finds that the
 9 activity, if continued, aggravates the goal, comprehensive plan or land use regulation violation and
 10 that the requirement is necessary to correct the violation.

11 (c) The limitations on enforcement orders under subsection (1)(c)(B) of this section do not affect
 12 the commission's authority to limit, prohibit or require application of specified criteria to subsequent
 13 land use decisions involving land use approvals issued by a local government prior to the date of
 14 adoption of the enforcement order.

15 (4) As part of its order [*under ORS 197.320 or subsection (2) of this section*], the commission may
 16 withhold grant funds from the local government to which the order is directed. As part of an order
 17 issued under this section, the commission may notify the officer responsible for disbursing state-
 18 shared revenues to withhold that portion of state-shared revenues to which the local government is
 19 entitled under ORS 221.770, 323.455, 366.762 and 366.800 and ORS chapter 471 which represents the
 20 amount of state planning grant moneys previously provided the local government by the commission.
 21 The officer responsible for disbursing state-shared revenues shall withhold state-shared revenues as
 22 outlined in this section and shall release funds to the local government or department when notified
 23 to so do by the commission or its designee. The commission may retain a portion of the withheld
 24 revenues to cover costs of providing services incurred under the order, including use of a hearings
 25 officer or staff resources to monitor land use decisions and limited land use decisions or conduct
 26 hearings. The remainder of the funds withheld under this provision shall be released to the local
 27 government upon completion of requirements of the [*commission*] **enforcement** order.

28 (5)(a) As part of its order under this section, the commission may notify the officer responsible
 29 for disbursing funds from any grant or loan made by a state agency to withhold such funds from a
 30 special district to which the order is directed. The officer responsible for disbursing funds shall
 31 withhold funds as outlined in this section and shall release funds to the special district or depart-
 32 ment when notified to do so by the commission.

33 (b) The commission may retain a portion of the funds withheld to cover costs of providing ser-
 34 vices incurred under the order, including use of a hearings officer or staff resources to monitor land
 35 use decisions and limited land use decisions or conduct hearings. The remainder of the funds with-
 36 held under this provision shall be released to the special district upon completion of the require-
 37 ments of the commission order.

38 (6) As part of its order under this section, upon finding a city failed to comply with ORS 197.320
 39 (13), the commission may, consistent with the principles in ORS 197A.130 (1), require the city to:

40 (a) Comply with the housing acceleration agreement under ORS 197A.130 (6).

41 (b) Take specific actions that are part of the city's housing production strategy under ORS
 42 197A.100.

43 (c) Impose appropriate models that have been developed by department, including model ordi-
 44 nances, procedures, actions or anti-displacement measures.

45 (d) Reduce maximum timelines for review of needed housing or specific types of housing or

1 affordability levels, *[including]* through ministerial approval or any other expedited existing approval
 2 process.

3 (e) Take specific actions to waive or amend local ordinances.

4 (f) Forfeit grant funds under subsection (4) of this section.

5 (7) The commission may institute actions or proceedings for legal or equitable remedies in the
 6 Circuit Court for Marion County or in the circuit court for the county to which the *[commission's]*
 7 order is directed or within which all or a portion of the applicable city is located to enforce com-
 8 pliance with the provisions of any order issued under this section or to restrain violations thereof.
 9 Such actions or proceedings may be instituted without the necessity of prior agency notice, hearing
 10 *[and]* **or** order on an alleged violation.

11 **(8) As used in this section, “enforcement order” or “order” means an order issued under**
 12 **ORS 197.320 or section 3 of this 2024 Act as may be modified on appeal under subsection (2)**
 13 **of this section.**

14 **SECTION 65.** ORS 183.471 is amended to read:

15 183.471. (1) When an agency issues a final order in a contested case, the agency shall maintain
 16 the final order in a digital format that:

17 (a) Identifies the final order by the date it was issued;

18 (b) Is suitable for indexing and searching; and

19 (c) Preserves the textual attributes of the document, including the manner in which the docu-
 20 ment is paginated and any boldfaced, italicized or underlined writing in the document.

21 (2) The Oregon State Bar may request that an agency provide the Oregon State Bar, or its
 22 designee, with electronic copies of final orders issued by the agency in contested cases. The request
 23 must be in writing. No later than 30 days after receiving the request, the agency, subject to ORS
 24 192.338, 192.345 and 192.355, shall provide the Oregon State Bar, or its designee, with an electronic
 25 copy of all final orders identified in the request.

26 (3) Notwithstanding ORS 192.324, an agency may not charge a fee for the first two requests
 27 submitted under this section in a calendar year. For any subsequent request, an agency may impose
 28 a fee in accordance with ORS 192.324 to reimburse the agency for the actual costs of complying with
 29 the request.

30 (4) For purposes of this section, a final order entered in a contested case by an administrative
 31 law judge under ORS 183.625 (3) is a final order issued by the agency that authorized the adminis-
 32 trative law judge to conduct the hearing.

33 (5) This section does not apply to final orders by default issued under ORS 183.417 (3) or to final
 34 orders issued in contested cases by:

35 (a) The Department of Revenue;

36 (b) The State Board of Parole and Post-Prison Supervision;

37 (c) The Department of Corrections;

38 (d) The Employment Relations Board;

39 (e) The Public Utility Commission of Oregon;

40 (f) The Oregon Health Authority;

41 (g) The Land Conservation and Development Commission, **except for enforcement orders un-**
 42 **der section 3 of this 2024 Act;**

43 (h) The Land Use Board of Appeals;

44 (i) The Division of Child Support of the Department of Justice;

45 (j) The Department of Transportation, if the final order relates to the suspension, revocation or

1 cancellation of identification cards, vehicle registrations, vehicle titles or driving privileges or to the
 2 assessment of taxes or stipulated settlements in the regulation of vehicle related businesses;

3 (k) The Employment Department or the Employment Appeals Board, if the final order relates to
 4 benefits as defined in ORS 657.010;

5 (L) The Employment Department, if the final order relates to an assessment of unemployment
 6 tax for which a hearing was not held;

7 (m) The Employment Department, if the final order relates to:

8 (A) Benefits, as defined in ORS 657B.010;

9 (B) Employer and employee contributions under ORS 657B.150 for which a hearing was not held;

10 (C) Employer-offered benefit plans approved under ORS 657B.210 or terminated under ORS
 11 657B.220; or

12 (D) Employer assistance grants under ORS 657B.200; or

13 (n) The Department of Human Services, if the final order was not related to licensing or certi-
 14 fication.

15 **SECTION 66.** ORS 455.770 is amended to read:

16 455.770. (1) In addition to any other authority and power granted to the Director of the De-
 17 partment of Consumer and Business Services under ORS 446.003 to 446.200, 446.225 to 446.285,
 18 446.395 to 446.420, 479.510 to 479.945, 479.995 and 480.510 to 480.670 and this chapter and ORS
 19 chapters 447, 460 and 693 **and sections 1 to 5 of this 2024 Act**, with respect to municipalities,
 20 building officials and inspectors, if the director has reason to believe that there is a failure to en-
 21 force or a violation of any provision of the state building code or ORS 446.003 to 446.200, 446.225
 22 to 446.285, 446.395 to 446.420, 479.510 to 479.945, 479.995 or 480.510 to 480.670 or this chapter or
 23 ORS chapter 447, 460 or 693 or any rule adopted under those statutes, the director may:

24 (a) Examine building code activities of the municipality;

25 (b) Take sworn testimony; and

26 (c) With the authorization of the Office of the Attorney General, subpoena persons and records
 27 to obtain testimony on official actions that were taken or omitted or to obtain documents otherwise
 28 subject to public inspection under ORS 192.311 to 192.478.

29 (2) The investigative authority authorized in subsection (1) of this section covers the violation
 30 or omission by a municipality related to enforcement of codes or administrative rules, certification
 31 of inspectors or financial transactions dealing with permit fees and surcharges under any of the
 32 following circumstances when:

33 (a) The duties are clearly established by law, rule or agreement;

34 (b) The duty involves procedures for which the means and methods are clearly established by
 35 law, rule or agreement; or

36 (c) The duty is described by clear performance standards.

37 (3) Prior to starting an investigation under subsection (1) of this section, the director shall notify
 38 the municipality in writing setting forth the allegation and the rules or statutes pertaining to the
 39 allegation and give the municipality 30 days to respond to the allegation. If the municipality does
 40 not satisfy the director's concerns, the director may then commence an investigation.

41 (4) If the Department of Consumer and Business Services or the director directs corrective
 42 action[, *the following shall be done*]:

43 (a) The corrective action [*shall*] **must** be in writing and served on the building official and the
 44 chief executive officers of all municipalities affected;

45 (b) The corrective action [*shall*] **must** identify the facts and law relied upon for the required

1 action; and

2 (c) A reasonable time [*shall*] **must** be provided to the municipality for compliance.

3 (5) The director may revoke any authority of the municipality to administer any part of the state
4 building code or ORS 446.003 to 446.200, 446.225 to 446.285, 446.395 to 446.420, 479.510 to 479.945,
5 479.995 or 480.510 to 480.670 or this chapter or ORS chapter 447, 460 or 693 or any rule adopted
6 under those statutes if the director determines after a hearing conducted under ORS 183.413 to
7 183.497 that:

8 (a) All of the requirements of this section and ORS 455.775 and 455.895 were met; and

9 (b) The municipality did not comply with the corrective action required.

10

11

CAPTIONS

12

13 **SECTION 67. The unit and section captions used in this 2024 Act are provided only for**
14 **the convenience of the reader and do not become part of the statutory law of this state or**
15 **express any legislative intent in the enactment of this 2024 Act.**

16

17

EFFECTIVE DATE

18

19 **SECTION 68. This 2024 Act takes effect on the 91st day after the date on which the 2024**
20 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

21
