

B-Engrossed
Senate Bill 1537

Ordered by the Senate February 29
Including Senate Amendments dated February 16 and February 29

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for Office of the Governor)

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

Digest: The Act establishes a housing office to support and enforce housing laws; lets home builders use updated local rules; awards lawyer fees for more housing appeals; assists with infrastructure for housing; 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 DLCDC, BO and OHCS for this Act. (Flesch Readability Score: 62.4).

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 on appeal of the approval of a residential development proposal to include local governments and *[all]* **affordable housing or housing within urban growth boundaries**.

Creates the Housing Infrastructure Support Fund to allow the Oregon Business Development Department to provide capacity and support to local governments in developing infrastructure to support residential development.

Requires the Department of Land Conservation and Development to *[biennially]* report to the Legislative Assembly **before 2025** on proposed infrastructure projects that may support residential 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 as a limited land use decision. 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.

Develops alternative processes to amend urban growth boundaries to include up to 100 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.

1

A BILL FOR AN ACT

2

Relating to housing; creating new provisions; amending ORS 183.471, 197.015, 197.195, 197.335,

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.

1 197.843, 215.427, 227.178 and 455.770; and prescribing an effective date.

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

3
4 **HOUSING ACCOUNTABILITY AND PRODUCTION OFFICE**

5
6 **SECTION 1. Housing Accountability and Production Office.** (1) The Department of Land
7 Conservation and Development and the Department of Consumer and Business Services shall
8 enter into an interagency agreement to establish and administer the Housing Accountability
9 and Production Office.

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

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

13 (A) Comply with housing laws;

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

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

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

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

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

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

24 (d) Establish best practices related to model codes, typical drawings and specifications
25 as described in ORS 455.062, procedures and practices by which local governments may
26 comply with housing laws.

27 (e) Provide optional mediation of active disputes relating to housing laws between a local
28 government and applicants for land use and building permits for residential development,
29 including mediation under ORS 197.860.

30 (f) Coordinate agencies that are involved in the housing development process, including,
31 but not limited to, the Department of Land Conservation and Development, Department of
32 Consumer and Business Services, Housing and Community Services Department and Oregon
33 Business Development Department, to enable the agencies to support local governments and
34 applicants for land use and building permits for residential development by identifying state
35 agency technical and financial resources that can address identified housing development and
36 feasibility barriers.

37 (g) Establish policy and funding priorities for state agency resources and programs for
38 the purpose of addressing barriers to housing production, including, but not limited to,
39 making recommendations for moneys needed for the purposes of section 35 of this 2024 Act.

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

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

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

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

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

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

5 (a) "Housing law" means ORS chapter 197A and ORS 92.010 to 92.192, 92.830 to 92.845,
6 197.360 to 197.380, 197.475 to 197.493, 197.505 to 197.540, 197.660 to 197.670, 197.748, 215.402 to
7 215.438, 227.160 to 227.186, 455.148, 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170,
8 455.175, 455.180, 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220, 455.465 and
9 455.467 and administrative rules implementing those laws, to the extent that the law or rule
10 imposes a mandatory duty on a local government or its officers, employees or agents and the
11 application of the law or rule applies to residential development or pertains to a permit for
12 a residential use or a division of land for residential purposes.

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

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

22 (2)(a) Except as provided in paragraph (c) of this subsection, the office shall investigate
23 suspected violations of housing laws or violations credibly alleged under subsection (1) of this
24 section.

25 (b) The office shall develop consistent procedures to evaluate and determine the credi-
26 bility of alleged violations of housing laws.

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

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

33 (B) Providing technical assistance to the local government unrelated to the resolution
34 of the specific complaint; or

35 (C) Mediation at the request of the local government and complainant, including medi-
36 ation under ORS 197.860.

37 (3)(a) If the office has a reasonable basis to conclude that a violation was or is being
38 committed, the office shall deliver written warning notice to the local government specifying
39 the violation and any authority under this section that the office intends to invoke if the
40 violation continues or is not remedied. The notice must include an invitation to address or
41 remedy the suspected violation through mediation, the execution of a compliance agreement
42 to voluntarily remedy the situation, the adoption of suitable model codes developed by the
43 office under section 1 (3)(b) of this 2024 Act or other remedies suitable to the specific vio-
44 lation.

45 (b) The office shall prioritize technical assistance funding to local governments that

1 agree to comply with housing laws under this subsection.

2 (c) A determination by the office is not a legislative, judicial or quasi-judicial decision.

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

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

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

9 (c) Notwithstanding ORS 197.090 (2)(b) to (e), participate in and seek review of a matter
10 under ORS 197.090 (2)(a) that pertains to housing laws without the notice or consent of the
11 commission. No less than once every two years, the office shall report to the commission
12 on the matters in which the office participated under this paragraph.

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

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

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

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

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

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

27 (8) Nothing in this section:

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

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

30 (c) Tolls or extends:

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

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

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

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

42 (3) The office shall make a request for an enforcement order under this section by de-
43 livering a notice to the local government that states the grounds for initiation and summa-
44 rizes the procedures for the enforcement order proceeding along with a copy of the notice
45 to the Land Conservation and Development Commission. A decision of the office to initiate

1 an enforcement order is not subject to appeal.

2 (4) After receiving notice of an enforcement order request under subsection (3) of this
3 section, the local government shall deliver a notice to an affected applicant, if any, in sub-
4 stantially the following form:

5 _____
6
7 **NOTICE: The Housing Accountability and Production Office has found good cause for an**
8 **enforcement proceeding against _____ (name of local government). An**
9 **enforcement order may be adopted that could limit, prohibit or require the application of**
10 **specified criteria to any action authorized by this decision but not applied for until after the**
11 **adoption of the enforcement order. Future applications for building permits or time exten-**
12 **sions may be affected.**
13 _____

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

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

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

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

23 (7)(a) The hearings officer shall prepare a proposed enforcement order or order of dis-
24 missal, including recommended findings and conclusions of law.

25 (b) A proposed enforcement order may require the local government to take any neces-
26 sary action to comply with housing laws that is suitable to address the basis for the proposed
27 enforcement order, including requiring the adoption or application of suitable models that
28 have been developed by the office under section 1 (3)(b) of this 2024 Act.

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

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

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

37 (A) Its next regularly scheduled meeting; or

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

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

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

1 tion.

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

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

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

9 (4) Moneys in the fund are continuously appropriated to the Department of Land Con-
10 servation and Development to administer the fund, to operate the Housing Accountability
11 and Production Office and to implement sections 1 to 5 of this 2024 Act.

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

14 (1) Contract with one or more organizations possessing relevant expertise to produce a
15 report identifying improvements in the local building plan review approval, design review
16 approval, land use, zoning and permitting processes, including but not limited to plan review
17 approval timelines, process efficiency, local best practices and other ways to accelerate and
18 improve the efficiency of the development process for construction, with a focus on in-
19 creasing housing production.

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

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

29 (4) Provide the reports under subsections (1) to (3) of this section to one or more ap-
30 propriate interim committees of the Legislative Assembly in the manner provided in ORS
31 192.245.

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

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

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

37 (3) The Department of Land Conservation and Development and Department of Consumer
38 and Business Services may take any action before the operative date specified in subsection
39 (1) of this section that is necessary for the departments or the Housing Accountability and
40 Production Office to exercise, on and after the operative date, all of the duties, functions and
41 powers conferred by sections 1 to 5, 35, 39 and 46 of this 2024 Act.

42
43 **OPTING IN TO AMENDED HOUSING REGULATIONS**

44
45 **SECTION 8.** ORS 215.427 is amended to read:

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

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

14 (a) All of the missing information;

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

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

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

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

24 (B) **For an application relating to development of housing, upon the request of the ap-
 25 plicant, those standards and criteria that are operative at the time of the request.**

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

28 (A) **For the purposes of this section, any applicable timelines for completeness review and
 29 final decisions restart as if a new application were submitted on the date of the request;**

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

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

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

36 (C) **A county may deny a request under paragraph (a)(B) of this subsection if:**

37 (i) **The county has issued a public notice of the application; or**

38 (ii) **A request under paragraph (a)(B) of this subsection was previously made; and**

39 (D) **The county may not require that the applicant:**

40 (i) **Pay a fee, except to cover additional costs incurred by the county to accommodate the
 41 request;**

42 (ii) **Submit a new application or duplicative information, unless information resubmittal
 43 is required because the request affects or changes information in other locations in the ap-
 44 plication or additional narrative is required to understand the request in context; or**

45 (iii) **Repeat redundant processes or hearings that are inapplicable to the change in stan-**

1 **ards or criteria.**

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

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

10 (a) All of the missing information;

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

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

14 (5) The period set in subsection (1) of this section or the 100-day period set in ORS 197A.470
15 may be extended for a specified period of time at the written request of the applicant. The total of
16 all extensions, except as provided in subsection (10) of this section for mediation, may not exceed
17 215 days.

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

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

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

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

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

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

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

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

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

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

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

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

14 (a) All of the missing information;

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

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

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

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

24 (B) **For an application relating to development of housing, upon the request of the ap-
25 plicant, those standards and criteria that are operative at the time of the request.**

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

28 (A) **For the purposes of this section, any applicable timelines for completeness review and
29 final decisions restart as if a new application were submitted on the date of the request;**

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

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

34 (ii) **The applicant makes a submission under subsection (2) of this section in response to
35 a city's request;**

36 (C) **A city may deny a request under paragraph (a)(B) of this subsection if:**

37 (i) **The city has issued a public notice of the application; or**

38 (ii) **A request under paragraph (a)(B) of this subsection was previously made; and**

39 (D) **The city may not require that the applicant:**

40 (i) **Pay a fee, except to cover additional costs incurred by the city to accommodate the
41 request;**

42 (ii) **Submit a new application or duplicative information, unless information resubmittal
43 is required because the request affects or changes information in other locations in the ap-
44 plication or additional narrative is required to understand the request in context; or**

45 (iii) **Repeat redundant processes or hearings that are inapplicable to the change in stan-**

1 **ards or criteria.**

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

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

10 (a) All of the missing information;

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

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

14 (5) The 120-day period set in subsection (1) of this section or the 100-day period set in ORS
15 197A.470 may be extended for a specified period of time at the written request of the applicant. The
16 total of all extensions, except as provided in subsection (11) of this section for mediation, may not
17 exceed 245 days.

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

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

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

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

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

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

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

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

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

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

45 (b) Within seven calendar days of receiving a request for a refund, the city or its designee shall

1 determine the amount of any refund owed. Payment, or notice that no payment is due, shall be made
2 to the applicant within 30 calendar days of receiving the request. Any amount due and not paid
3 within 30 calendar days of receipt of the request shall be subject to interest charges at the rate of
4 one percent per month, or a portion thereof.

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

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

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

19
20 **ATTORNEY FEES FOR NEEDED HOUSING CHALLENGES**

21
22 **SECTION 10.** ORS 197.843 is amended to read:

23 197.843. (1) The Land Use Board of Appeals shall award attorney fees to:

24 (a) An applicant whose application is only for the development of affordable housing[, *as defined*
25 *in ORS 197A.445, or publicly supported housing, as defined in ORS 456.250*], if the board [*affirms a*
26 *quasi-judicial land use decision approving the application or*] reverses a quasi-judicial land use deci-
27 sion denying the application[.];

28 (b) **An applicant whose application is only for the development of housing and was ap-**
29 **proved by the local government, if the board affirms the decision; and**

30 (c) **The local government that approved a quasi-judicial land use decision described in**
31 **paragraph (b) of this subsection.**

32 (2) **For housing other than affordable housing, the attorney fees specified in subsection**
33 **(1)(b) and (c) of this section apply only within urban growth boundaries.**

34 [(2)] (3) A party who was awarded attorney fees under this section or ORS 197.850 shall repay
35 the fees plus any interest from the time of the judgment if the property upon which the fees are
36 based is developed for a use other than [*affordable*] **the proposed** housing.

37 [(3)] (4) As used in this section:

38 [(a) "*Applicant*" includes:]

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

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

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

43 [(D) *A religious nonprofit corporation;*]

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

1 ment process with local governments, tribal nations, the development community, housing
2 advocates, conservation groups, property owners, community partners and other interested
3 parties to inform the list of key considerations and metrics.

4 **NOTE:** Sections 17 through 23 were deleted by amendment. Subsequent sections were not re-
5 numbered.

6
7 **HOUSING PROJECT REVOLVING LOANS**

8
9 **SECTION 24.** As used in sections 24 to 35 of this 2024 Act:

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

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

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

16 (a) Infrastructure costs, including, but not limited to, system development charges;

17 (b) Predevelopment costs;

18 (c) Construction costs; and

19 (d) Land write-downs.

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

22 (a) Affordable to households with low income or moderate income as those terms are
23 defined in ORS 458.610;

24 (b) If for-sale property, a single-family dwelling, middle housing as defined in ORS
25 197A.420 or a multifamily dwelling that is affordable as described in paragraph (a) of this
26 subsection continuously from initial sale for a period, to be established by the Housing and
27 Community Services Department and the sponsoring jurisdiction, of not less than the term
28 of the loan related to the for-sale property; or

29 (c) If rental property:

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

31 (ii) A multifamily dwelling;

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

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

34 (B) Rented at a monthly rate that is affordable to households with an annual income not
35 greater than 120 percent of the area median income, such affordability to be maintained for
36 a period, to be established by the department and the sponsoring jurisdiction, of not less than
37 the term of the loan related to the rental property.

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

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

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

45 (8) “Nonexempt property” means property other than eligible housing project property

1 in the tax account that includes eligible housing project property.

2 (9) "Nonexempt taxes" means the ad valorem property taxes assessed on nonexempt
3 property.

4 (10) "Sponsoring jurisdiction" means:

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

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

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

10 **SECTION 25.** (1)(a) A sponsoring jurisdiction may adopt by ordinance or resolution a
11 program under which the sponsoring jurisdiction awards grants to developers for eligible
12 costs.

13 (b) Before adopting the program, the sponsoring jurisdiction shall consult with the gov-
14 erning body of any city or county with territory inside the boundaries of the sponsoring ju-
15 risdiction.

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

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

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

21 (3) A grant award:

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

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

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

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

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

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

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

36 (B) A detailed explanation of the affordability of the eligible housing project;

37 (C) An itemized description of the eligible costs for which the grant is sought;

38 (D) The proposed schedule for completion of the eligible housing project;

39 (E) A project pro forma demonstrating that the project would not be economically feasi-
40 ble but for receipt of the grant moneys; and

41 (F) Any other information, documentation or attestation that the sponsoring jurisdiction
42 considers necessary or convenient for the application review process.

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

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

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

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

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

9 (B) The sponsoring jurisdiction may consult with a developer about the developer's ap-
10 plication, and the developer, after the consultation, may amend the application on or before
11 a deadline set by the sponsoring jurisdiction.

12 (3) The sponsoring jurisdiction shall:

13 (a) Review each application;

14 (b) Request that the county tax officers provide to the sponsoring jurisdiction the
15 amounts determined under section 27 of this 2024 Act;

16 (c) Set the term of the loan that will fund the grant award for a period not to exceed the
17 greater of:

18 (A) Ten years following July 1 of the first property tax year for which the completed el-
19 igible housing project property is estimated to be taken into account; or

20 (B) If agreed upon by the sponsoring jurisdiction and the department, the period required
21 for the loan principal and fees to be repaid in full;

22 (d) Set the amount of the grant that may be awarded to the developer under section 29
23 (2) of this 2024 Act by multiplying the increment determined under section 27 (1)(c) of this
24 2024 Act by the term of the loan; and

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

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

28 (C) Reject the application.

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

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

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

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

39 (B) Reject the provisionally approved application.

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

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

44 (d) The rejection of an application and the amount of a grant award may not be appealed,
45 but a developer may reapply for a grant at any time within the applicable deadlines of the

1 grant program for the same or another eligible housing project.

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

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

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

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

12 (B) Subtract the amount of operating taxes as defined in ORS 310.055 and local option
13 taxes as defined in ORS 310.202 levied by fire districts from the amount determined under
14 subparagraph (A) of this paragraph.

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

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

19 (B) Subtract the estimated amount of operating taxes and local option taxes levied by fire
20 districts from the amount determined under subparagraph (A) of this paragraph.

21 (c) Determine the amount of the increment that results from subtracting the amount
22 determined under subsection (1)(a) of this section from the amount determined under sub-
23 section (1)(b) of this section.

24 (2) As soon as practicable after determining amounts under this section, the county tax
25 officers shall provide written notice to the sponsoring jurisdiction of the amounts.

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

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

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

33 (a) Enter into a loan agreement with the sponsoring jurisdiction for a payment in an
34 amount equal to the total of:

35 (A) Loan proceeds in an amount equal to the grant award for the application set under
36 section 26 (3)(d) of this 2024 Act; and

37 (B) The administrative costs set forth in subsection (3) of this section; and

38 (b) Pay to the sponsoring jurisdiction the total amount set forth in paragraph (a) of this
39 subsection out of the Housing Project Revolving Loan Fund established under section 35 of
40 this 2024 Act.

41 (3) The administrative costs referred to in subsection (2)(a)(B) of this section are:

42 (a) An amount not greater than five percent of the loan proceeds to reimburse the
43 sponsoring jurisdiction for the costs of administering the grant program, other than the
44 costs of tax administration; and

45 (b) An amount equal to one percent of the loan proceeds to be transferred to the county

1 in which the sponsoring jurisdiction is situated to reimburse the county for the costs of the
2 tax administration of the grant program by the county tax officers.

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

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

7 (a) Consult with the Oregon Business Development Department about any of the powers
8 and duties conferred on the Housing and Community Services Department by sections 24 to
9 35 of this 2024 Act; and

10 (b) Adopt any rule it considers necessary or convenient for the administration of sections
11 24 to 35 of this 2024 Act by the Housing and Community Services Department.

12 **SECTION 29.** (1) Upon entering into a loan agreement with the Housing and Community
13 Services Department under section 28 of this 2024 Act, a sponsoring jurisdiction shall offer
14 a grant agreement to each developer whose application was approved under section 26 (5)(b)
15 of this 2024 Act.

16 (2) The grant agreement shall:

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

18 (b) Contain terms that:

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

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

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

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

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

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

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

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

33 (4) Unless otherwise specified in the grant agreement, as soon as practicable after the
34 ordinance or resolution required under subsection (3) of this section becomes effective, the
35 sponsoring jurisdiction shall distribute the loan proceeds received from the department un-
36 der section 28 (2)(a)(A) of this 2024 Act to the developer as the grant moneys awarded under
37 this section.

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

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

45 **SECTION 30.** (1) Upon receipt of the copy of a grant agreement and ordinance or resol-

1 **ution from the sponsoring jurisdiction under section 29 (5) of this 2024 Act, the assessor of**
2 **the county in which eligible housing project property is located shall:**

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

4 **(b) Assess and tax the nonexempt property in the tax account as other similar property**
5 **is assessed and taxed; and**

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

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

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

11 **(2)(a) The exemption shall first apply to the first property tax year that begins after**
12 **completion of the eligible housing project to which the grant relates.**

13 **(b) The eligible housing project property shall be disqualified from the exemption on the**
14 **earliest of:**

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

18 **(B) The date on which the annual fee imposed on the fee payer under section 32 of this**
19 **2024 Act becomes delinquent;**

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

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

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

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

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

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

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

36 **(2)(a) The sponsoring jurisdiction shall determine the date of completion of an eligible**
37 **housing project.**

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

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

44 **(c) After determining the date of completion under paragraph (a) of this subsection, the**
45 **sponsoring jurisdiction shall notify the Housing and Community Services Department and the**

1 county tax officers of the determination.

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

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

7 (2)(a) The amount of the fee for the first property tax year in which repayment of the
8 loan is due under section 31 (1) of this 2024 Act shall equal the total of:

9 (A) The portion of the increment determined under section 27 (1)(c) of this 2024 Act that
10 is attributable to the eligible housing project property to which the fee relates; and

11 (B) The administrative costs described in section 28 (3) of this 2024 Act divided by the
12 term of the grant agreement entered into under section 29 of this 2024 Act.

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

15 (3)(a) Not later than July 15 of each property tax year during the term of the fee obli-
16 gation, the sponsoring jurisdiction shall certify to the assessor each fee amount that became
17 due under this section on or after July 16 of the previous property tax year from fee payers
18 with respect to eligible housing projects located in the sponsoring jurisdiction.

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

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

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

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

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

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

34 (A) Estimate the amount of operating taxes as defined in ORS 310.055 and local option
35 taxes as defined in ORS 310.202 levied by fire districts that would have been collected on el-
36 igible housing project property if the property were not exempt;

37 (B) Distribute out of the fee moneys the amounts determined under subparagraph (A)
38 of this paragraph to the respective fire districts when other ad valorem property taxes are
39 distributed under ORS 311.395; and

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

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

45 (6) Any person with an interest in the eligible housing project property on the date on

1 which any fee amount becomes due shall be jointly and severally liable for payment of the
2 fee amount.

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

6 (8) Any fee amounts collected in excess of the loan amount shall be distributed in the
7 same manner as other ad valorem property taxes are distributed.

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

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

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

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

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

19 (2) If the sponsoring jurisdiction discovers that a developer willfully made a false state-
20 ment or misrepresentation or willfully failed to report a material fact to obtain a grant with
21 respect to an eligible housing project, the sponsoring jurisdiction may impose on the devel-
22 oper a penalty not to exceed 20 percent of the amount of the grant so obtained, plus any
23 applicable interest and fees associated with the costs of collection.

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

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

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

32 (b) Amounts collected under this subsection shall be deposited, net of any collection
33 charges, in the Housing Project Revolving Loan Fund established under section 35 of this
34 2024 Act.

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

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

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

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

45 (2) Not later than August 15 of each year, each sponsoring jurisdiction shall submit to

1 the Housing and Community Services Department a report containing such information re-
2 lating to eligible housing projects within the sponsoring jurisdiction as the department re-
3 quires.

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

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

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

10 (B) The status of the repayment of all outstanding loans made under section 28 of this
11 2024 Act and of the payment of all fees imposed under section 32 of this 2024 Act and all
12 amounts imposed under section 33 of this 2024 Act; and

13 (C) The cumulative experience of the program developed and implemented under sections
14 24 to 35 of this 2024 Act.

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

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

19 (2) Moneys in the fund may be invested as provided by ORS 293.701 to 293.857, and the
20 earnings from the investments shall be credited to the fund.

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

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

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

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

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

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

29 (4) Moneys in the Housing Project Revolving Loan Fund are continuously appropriated
30 to the Housing and Community Services Department for the purpose of paying amounts de-
31 termined under section 28 of this 2024 Act.

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

34 **SECTION 36.** (1) The Housing and Community Services Department shall have developed
35 and begun operating the loan program that the department is required to develop under
36 section 28 of this 2024 Act, including regional trainings and outreach for jurisdictional part-
37 ners, no later than June 30, 2025.

38 (2) In the first two years in which the loan program is operating, the department may
39 not expend an amount in excess of two-thirds of the moneys appropriated to the department
40 for the purpose under section 62 of this 2024 Act.

41
42 **HOUSING LAND USE ADJUSTMENTS**
43

44 **SECTION 37.** Sections 38 to 41 of this 2024 Act are added to and made a part of ORS
45 chapter 197A.

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

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

4 (b) “Adjustment” does not include:

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

7 (B) Deviations from land use regulations or requirements related to accessibility,
8 affordability, fire ingress or egress, safety, local tree codes, hazardous or contaminated site
9 clean-up, wildlife protection, or statewide land use planning goals relating to natural re-
10 sources, natural hazards, the Willamette River Greenway, estuarine resources, coastal
11 shorelands, beaches and dunes or ocean resources;

12 (C) A complete waiver of land use regulations or any changes beyond the explicitly re-
13 quested and allowed adjustments; or

14 (D) Deviations to requirements related to the implementation of fire or building codes,
15 federal or state air, water quality or surface, ground or stormwater requirements, or re-
16 quirements of any federal, state or local law other than a land use regulation.

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

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

23 (b) The development is on lands zoned to allow for residential uses, including mixed-use
24 residential;

25 (c) The residential development is for densities not less than those required under section
26 55 (3)(a)(C) of this 2024 Act;

27 (d) The development is within an urban growth boundary, not including lands that have
28 not been annexed by a city;

29 (e) The development is of net new housing units in new construction projects, including:

30 (A) Single-family or multifamily;

31 (B) Mixed-use residential where at least 75 percent of the developed floor area will be
32 used for residential uses;

33 (C) Manufactured dwelling parks;

34 (D) Accessory dwelling units; or

35 (E) Middle housing as defined in ORS 197A.420;

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

38 (A) An adjustment to one of the development standards listed in subsection (4) of this
39 section where each discrete adjustment to a listed development standard that includes mul-
40 tiple component standards must be counted as an individual adjustment; or

41 (B) An adjustment to one of the development standards listed in subsection (5) of this
42 section where each discrete adjustment to a listed development standard that includes mul-
43 tiple component standards must be counted as an individual adjustment; and

44 (g) The application states how at least one of the following criteria apply:

45 (A) The adjustments will enable development of housing that is not otherwise feasible due

1 to cost or delay resulting from the unadjusted land use regulations;

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

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

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

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

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

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

18 (3) A decision on an application for an adjustment made under this section is a limited
19 land use decision. Only the applicant may appeal the decision. No notice of the decision is
20 required if the application is denied, other than notice to the applicant. In implementing this
21 subsection, a local government may:

22 (a) Use an existing process, or develop and apply a new process, that complies with the
23 requirements of this subsection; or

24 (b) Directly apply the process set forth in this subsection.

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

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

27 (b) For an individual development project, the common area, open space or area that
28 must be landscaped on the same lot or parcel as the proposed housing, for a reduction of not
29 more than 25 percent.

30 (c) Parking minimums.

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

33 (e) Maximum lot sizes, not more than a 10 percent adjustment, including not more than
34 a 10 percent adjustment to lot width or depths and only if the adjustment results in:

35 (A) More dwelling units than would be allowed without the adjustment; and

36 (B) No reduction in density below the minimum applicable density.

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

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

40 (A) Requirements for bicycle parking that establish:

41 (i) The minimum number of spaces for use by the residents of the project, provided the
42 application includes at least one-half space per residential unit; or

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

45 (B) For uses other than cottage clusters, as defined in ORS 197A.420 (1)(c)(D), building

1 height maximums that:

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

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

4 (I) One story; or

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

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

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

10 (i) Residential uses except for one face of the building that faces the street and is within
11 20 feet of the street; and

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

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

17 (a) Facade materials, color or pattern.

18 (b) Facade articulation.

19 (c) Roof forms and materials.

20 (d) Entry and garage door materials.

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

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

24 (g) Total window area, for up to a 30 percent adjustment, provided the application in-
25 cludes at least 12 percent of the total facade as window area.

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

28 (A) Building orientation requirements, not including transit street orientation require-
29 ments.

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

32 (C) Requirements for balconies and porches.

33 (D) Requirements for recesses and offsets.

34 **SECTION 39. Mandatory adjustments exemption process.** (1) A local government may
35 apply to the Housing Accountability and Production Office for an exemption to section 38 of
36 this 2024 Act only as provided in this section. After the application is made, section 38 of this
37 2024 Act does not apply to the applicant until the office denies the application or revokes the
38 exemption.

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

41 (a) The local government reviews requested design and development adjustments for all
42 applications for the development of housing that are under the jurisdiction of that local
43 government;

44 (b) All listed development and design adjustments under section 38 (4) and (5) of this 2024
45 Act are eligible for an adjustment under the local government's process; and

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

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

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

10 (4) In approving an exemption, the office may establish conditions of approval requiring
11 that the city demonstrate that it continues to meet the criteria under subsection (2) of this
12 section.

13 (5) Local governments with an approved or pending exemption under this section shall
14 clearly and consistently notify applicants, including prospective applicants seeking to request
15 an adjustment, that are engaged in housing development:

16 (a) That the local government is employing a local process in lieu of section 38 of this
17 2024 Act;

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

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

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

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

26 (b) Engaging in a pattern or practice of violating housing-related statutes or imple-
27 menting policies that create unreasonable cost or delays to housing production under ORS
28 197.320 (13)(a); or

29 (c) Failing to comply with conditions of approval adopted under subsection (4) of this
30 section.

31 **SECTION 40. Temporary exemption authority.** Before January 1, 2025, notwithstanding
32 section 39 of this 2024 Act:

33 (1) Cities may deliver applications for exemption under section 39 of this 2024 Act to the
34 Department of Land Conservation and Development; and

35 (2) The Department of Land Conservation and Development may perform any action that
36 the Housing Accountability and Production Office may take under section 39 of this 2024 Act.
37 Decisions and actions of the department under this section are binding on the office.

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

44 (2) On or before September 15 of each even-numbered year, the department shall provide
45 a report to an interim committee of the Legislative Assembly related to housing in the

1 manner provided in ORS 192.245 on the data collected under subsection (1) of this section.
2 The committee shall invite the League of Oregon Cities to provide feedback on the report
3 and the efficacy of section 38 of this 2024 Act.

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

6 **SECTION 43. Sunset.** Sections 38 to 41 of this 2024 Act are repealed on January 2, 2032.
7

8 LIMITED LAND USE DECISIONS

9
10 **SECTION 44.** ORS 197.015 is amended to read:

11 197.015. As used in ORS chapters 195, 196, 197 and 197A, unless the context requires otherwise:

12 (1) "Acknowledgment" means a commission order that certifies that a comprehensive plan and
13 land use regulations, land use regulation or plan or regulation amendment complies with the goals
14 or certifies that Metro land use planning goals and objectives, Metro regional framework plan,
15 amendments to Metro planning goals and objectives or amendments to the Metro regional frame-
16 work plan comply with the goals.

17 (2) "Board" means the Land Use Board of Appeals.

18 (3) "Carport" means a stationary structure consisting of a roof with its supports and not more
19 than one wall, or storage cabinet substituting for a wall, and used for sheltering a motor vehicle.

20 (4) "Commission" means the Land Conservation and Development Commission.

21 (5) "Comprehensive plan" means a generalized, coordinated land use map and policy statement
22 of the governing body of a local government that interrelates all functional and natural systems and
23 activities relating to the use of lands, including but not limited to sewer and water systems, trans-
24 portation systems, educational facilities, recreational facilities, and natural resources and air and
25 water quality management programs. "Comprehensive" means all-inclusive, both in terms of the
26 geographic area covered and functional and natural activities and systems occurring in the area
27 covered by the plan. "General nature" means a summary of policies and proposals in broad catego-
28 ries and does not necessarily indicate specific locations of any area, activity or use. A plan is "co-
29 ordinated" when the needs of all levels of governments, semipublic and private agencies and the
30 citizens of Oregon have been considered and accommodated as much as possible. "Land" includes
31 water, both surface and subsurface, and the air.

32 (6) "Department" means the Department of Land Conservation and Development.

33 (7) "Director" means the Director of the Department of Land Conservation and Development.

34 (8) "Goals" means the mandatory statewide land use planning standards adopted by the com-
35 mission pursuant to ORS chapters 195, 196, 197 and 197A.

36 (9) "Guidelines" means suggested approaches designed to aid cities and counties in preparation,
37 adoption and implementation of comprehensive plans in compliance with goals and to aid state
38 agencies and special districts in the preparation, adoption and implementation of plans, programs
39 and regulations in compliance with goals. Guidelines are advisory and do not limit state agencies,
40 cities, counties and special districts to a single approach.

41 (10) "Land use decision":

42 (a) Includes:

43 (A) A final decision or determination made by a local government or special district that con-
44 cerns the adoption, amendment or application of:

45 (i) The goals;

- 1 (ii) A comprehensive plan provision;
- 2 (iii) A land use regulation; or
- 3 (iv) A new land use regulation;
- 4 (B) A final decision or determination of a state agency other than the commission with respect
- 5 to which the agency is required to apply the goals; or
- 6 (C) A decision of a county planning commission made under ORS 433.763;
- 7 (b) Does not include a decision of a local government:
- 8 (A) That is made under land use standards that do not require interpretation or the exercise
- 9 of policy or legal judgment;
- 10 (B) That approves or denies a building permit issued under clear and objective land use stan-
- 11 dards;
- 12 (C) That is a limited land use decision;
- 13 (D) That determines final engineering design, construction, operation, maintenance, repair or
- 14 preservation of a transportation facility that is otherwise authorized by and consistent with the
- 15 comprehensive plan and land use regulations;
- 16 (E) That is an expedited land division as described in ORS 197.360;
- 17 (F) That approves, pursuant to ORS 480.450 (7), the siting, installation, maintenance or removal
- 18 of a liquefied petroleum gas container or receptacle regulated exclusively by the State Fire Marshal
- 19 under ORS 480.410 to 480.460;
- 20 (G) That approves or denies approval of a final subdivision or partition plat or that determines
- 21 whether a final subdivision or partition plat substantially conforms to the tentative subdivision or
- 22 partition plan; or
- 23 (H) That a proposed state agency action subject to ORS 197.180 (1) is compatible with the ac-
- 24 knowledged comprehensive plan and land use regulations implementing the plan, if:
- 25 (i) The local government has already made a land use decision authorizing a use or activity that
- 26 encompasses the proposed state agency action;
- 27 (ii) The use or activity that would be authorized, funded or undertaken by the proposed state
- 28 agency action is allowed without review under the acknowledged comprehensive plan and land use
- 29 regulations implementing the plan; or
- 30 (iii) The use or activity that would be authorized, funded or undertaken by the proposed state
- 31 agency action requires a future land use review under the acknowledged comprehensive plan and
- 32 land use regulations implementing the plan;
- 33 (c) Does not include a decision by a school district to close a school;
- 34 (d) Does not include, except as provided in ORS 215.213 (13)(c) or 215.283 (6)(c), authorization
- 35 of an outdoor mass gathering as defined in ORS 433.735, or other gathering of fewer than 3,000
- 36 persons that is not anticipated to continue for more than 120 hours in any three-month period; and
- 37 (e) Does not include:
- 38 (A) A writ of mandamus issued by a circuit court in accordance with ORS 215.429 or 227.179;
- 39 (B) Any local decision or action taken on an application subject to ORS 215.427 or 227.178 after
- 40 a petition for a writ of mandamus has been filed under ORS 215.429 or 227.179; or
- 41 (C) A state agency action subject to ORS 197.180 (1), if:
- 42 (i) The local government with land use jurisdiction over a use or activity that would be au-
- 43 thorized, funded or undertaken by the state agency as a result of the state agency action has already
- 44 made a land use decision approving the use or activity; or
- 45 (ii) A use or activity that would be authorized, funded or undertaken by the state agency as a

1 result of the state agency action is allowed without review under the acknowledged comprehensive
2 plan and land use regulations implementing the plan.

3 (11) "Land use regulation" means any local government zoning ordinance, land division ordi-
4 nance adopted under ORS 92.044 or 92.046 or similar general ordinance establishing standards for
5 implementing a comprehensive plan.

6 (12)(a) "Limited land use decision"[:]

7 [(a)] means a final decision or determination made by a local government pertaining to a site
8 within an urban growth boundary that concerns:

9 (A) The approval or denial of a tentative subdivision or partition plan, as described in ORS
10 92.040 (1).

11 (B) The approval or denial of an application based on discretionary standards designed to reg-
12 ulate the physical characteristics of a use permitted outright, including but not limited to site re-
13 view and design review.

14 (C) **The approval or denial of an application for a replat.**

15 (D) **The approval or denial of an application for a property line adjustment.**

16 (E) **The approval or denial of an application for an extension, alteration or expansion of**
17 **a nonconforming use.**

18 (b) "**Limited land use decision**" does not mean a final decision made by a local government
19 pertaining to a site within an urban growth boundary that concerns approval or denial of a final
20 subdivision or partition plat or that determines whether a final subdivision or partition plat sub-
21 stantially conforms to the tentative subdivision or partition plan.

22 (13) "Local government" means any city, county or Metro or an association of local govern-
23 ments performing land use planning functions under ORS 195.025.

24 (14) "Metro" means a metropolitan service district organized under ORS chapter 268.

25 (15) "Metro planning goals and objectives" means the land use goals and objectives that Metro
26 may adopt under ORS 268.380 (1)(a). The goals and objectives do not constitute a comprehensive
27 plan.

28 (16) "Metro regional framework plan" means the regional framework plan required by the 1992
29 Metro Charter or its separate components. Neither the regional framework plan nor its individual
30 components constitute a comprehensive plan.

31 (17) "New land use regulation" means a land use regulation other than an amendment to an
32 acknowledged land use regulation adopted by a local government that already has a comprehensive
33 plan and land regulations acknowledged under ORS 197.251.

34 (18) "Person" means any individual, partnership, corporation, association, governmental subdi-
35 vision or agency or public or private organization of any kind. The Land Conservation and Devel-
36 opment Commission or its designee is considered a person for purposes of appeal under ORS
37 chapters 195, 197 and 197A.

38 (19) "Special district" means any unit of local government, other than a city, county, Metro or
39 an association of local governments performing land use planning functions under ORS 195.025, au-
40 thorized and regulated by statute and includes but is not limited to water control districts, domestic
41 water associations and water cooperatives, irrigation districts, port districts, regional air quality
42 control authorities, fire districts, school districts, hospital districts, mass transit districts and sani-
43 tary districts.

44 (20) "Urban growth boundary" means an acknowledged urban growth boundary contained in a
45 city or county comprehensive plan or adopted by Metro under ORS 268.390 (3).

1 (21) "Urban unincorporated community" means an area designated in a county's acknowledged
2 comprehensive plan as an urban unincorporated community after December 5, 1994.

3 (22) "Voluntary association of local governments" means a regional planning agency in this
4 state officially designated by the Governor pursuant to the federal Office of Management and Budget
5 Circular A-95 as a regional clearinghouse.

6 (23) "Wetlands" means those areas that are inundated or saturated by surface or ground water
7 at a frequency and duration that are sufficient to support, and that under normal circumstances do
8 support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

9 **SECTION 45.** ORS 197.195 is amended to read:

10 197.195. (1) A limited land use decision shall be consistent with applicable provisions of city or
11 county comprehensive plans and land use regulations. Such a decision may include conditions au-
12 thorized by law. Within two years of September 29, 1991, cities and counties shall incorporate all
13 comprehensive plan standards applicable to limited land use decisions into their land use regu-
14 lations. A decision to incorporate all, some, or none of the applicable comprehensive plan standards
15 into land use regulations shall be undertaken as a post-acknowledgment amendment under ORS
16 197.610 to 197.625. If a city or county does not incorporate its comprehensive plan provisions into
17 its land use regulations, the comprehensive plan provisions may not be used as a basis for a decision
18 by the city or county or on appeal from that decision.

19 (2) A limited land use decision is not subject to the requirements of ORS 197.797.

20 (3) A limited land use decision is subject to the requirements of paragraphs (a) to (c) of this
21 subsection.

22 (a) In making a limited land use decision, the local government shall follow the applicable pro-
23 cedures contained within its acknowledged comprehensive plan and land use regulations and other
24 applicable legal requirements.

25 (b) For limited land use decisions, the local government shall provide written notice to owners
26 of property within 100 feet of the entire contiguous site for which the application is made. The list
27 shall be compiled from the most recent property tax assessment roll. For purposes of review, this
28 requirement shall be deemed met when the local government can provide an affidavit or other cer-
29 tification that such notice was given. Notice shall also be provided to any neighborhood or commu-
30 nity organization recognized by the governing body and whose boundaries include the site.

31 (c) The notice and procedures used by local government shall:

32 (A) Provide a 14-day period for submission of written comments prior to the decision;

33 (B) State that issues which may provide the basis for an appeal to the Land Use Board of Ap-
34 peals shall be raised in writing prior to the expiration of the comment period. Issues shall be raised
35 with sufficient specificity to enable the decision maker to respond to the issue;

36 (C) List, by commonly used citation, the applicable criteria for the decision;

37 (D) Set forth the street address or other easily understood geographical reference to the subject
38 property;

39 (E) State the place, date and time that comments are due;

40 (F) State that copies of all evidence relied upon by the applicant are available for review, and
41 that copies can be obtained at cost;

42 (G) Include the name and phone number of a local government contact person;

43 (H) Provide notice of the decision to the applicant and any person who submits comments under
44 subparagraph (A) of this paragraph. The notice of decision must include an explanation of appeal
45 rights; and

1 (I) Briefly summarize the local decision making process for the limited land use decision being
2 made.

3 (4) Approval or denial of a limited land use decision shall be based upon and accompanied by
4 a brief statement that explains the criteria and standards considered relevant to the decision, states
5 the facts relied upon in rendering the decision and explains the justification for the decision based
6 on the criteria, standards and facts set forth.

7 (5) A local government may provide for a hearing before the local government on appeal of a
8 limited land use decision under this section. The hearing may be limited to the record developed
9 pursuant to the initial hearing under subsection (3) of this section or may allow for the introduction
10 of additional testimony or evidence. A hearing on appeal that allows the introduction of additional
11 testimony or evidence shall comply with the requirements of ORS 197.797. Written notice of the
12 decision rendered on appeal shall be given to all parties who appeared, either orally or in writing,
13 before the hearing. The notice of decision shall include an explanation of the rights of each party
14 to appeal the decision.

15 (6) **A city shall apply the procedures in this section, and only the procedures in this**
16 **section, to a limited land use decision, even if the city has not incorporated limited land use**
17 **decisions into land use regulations, as required by ORS 197.646 (3), except that a limited land**
18 **use decision that is made under land use standards that do not require interpretation or the**
19 **exercise of policy or legal judgment may be made by city staff using a ministerial process.**

20 **SECTION 45a. Section 46 of this 2024 Act is added to and made a part of ORS chapter**
21 **197.**

22 **SECTION 46. Applicability of limited land use decision to housing development. (1) The**
23 **Housing Accountability and Production Office may approve a hardship exemption or time**
24 **extension to ORS 197.195 (6), during which time ORS 197.195 (6) does not apply to decisions**
25 **by a local government.**

26 (2) **The office may grant an exemption or time extension only if the local government**
27 **demonstrates that a substantial hardship would result from the increased costs or staff ca-**
28 **capacity needed to implement procedures as required under ORS 197.195 (6).**

29 (3) **The office shall review exemption or time extension requests under the deadlines**
30 **provided in section 39 (3) of this 2024 Act.**

31 **SECTION 47. Sunset. Section 46 of this 2024 Act is repealed on January 2, 2032.**

32 **SECTION 47a. Operative date. Section 46 of this 2024 Act and the amendments to ORS**
33 **197.015 and 197.195 by sections 44 and 45 of this 2024 Act become operative on January 1, 2025.**

34
35 **ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES**

36
37 **SECTION 48. Sections 49 to 59 of this 2024 Act are added to and made a part of ORS**
38 **chapter 197A.**

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

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

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

45 **SECTION 50. City addition of sites outside of Metro. (1) Notwithstanding any other pro-**

1 vision of ORS chapter 197A, a city outside of Metro may add a site to the city's urban growth
2 boundary under sections 49 to 59 of this 2024 Act, if:

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

5 (b) The site is:

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

8 (B) Designated as nonresource land; or

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

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

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

14 (e) The city has requested and received an application as required under sections 53 and
15 54 of this 2024 Act;

16 (f) The total acreage of the site:

17 (A) For a city with a population of 25,000 or greater, does not exceed 100 net residential
18 acres; or

19 (B) For a city with a population of less than 25,000, does not exceed 50 net residential
20 acres; and

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

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

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

29 (3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to
30 59 of this 2024 Act is not a land use decision as defined in ORS 197.015.

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

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

35 (b) Is designated as an urban reserve.

36 (2)(a) Within 120 days of receiving a petition under this section, Metro shall determine
37 whether the site would substantially comply with the applicable provisions of sections 49 to
38 59 of this 2024 Act.

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

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

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

44 (c) If Metro determines that a petition does comply, notwithstanding any other provision
45 of ORS chapter 197A, Metro shall adopt amendments to its urban growth boundary to include

1 the site in the petition, unless the amendment would result in more than 300 total net resi-
2 dential acres added under this subsection.

3 (3) If the net residential acres included in petitions that Metro determines are in com-
4 pliance on or before July 1, 2025, total less than 300 net residential acres, Metro shall adopt
5 amendments to its urban growth boundary under subsection (2)(c) of this section:

6 (a) On or before November 1, 2025, for all petitions deemed compliant on or before July
7 1, 2025; or

8 (b) Within 120 days after a petition is deemed compliant after July 1, 2025, in the order
9 in which the petitions are received.

10 (4) If the net residential acres included in petitions that Metro determines are in com-
11 pliance on or before July 1, 2025, total 300 or more net residential acres, on or before January
12 1, 2027, Metro shall adopt amendments to its urban growth boundary under subsection (2)(c)
13 of this section to include the sites in those petitions that Metro determines will:

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

15 (b) Maximize the development of needed housing.

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

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

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

21 (a)(A) In the previous 20 years there have been no urban growth boundary expansions for
22 residential use adopted by a city or by Metro in a location adjacent to the city; and

23 (B) The city does not have within the existing urban growth boundary an undeveloped,
24 contiguous tract that is zoned for residential use that is larger than 20 net residential acres;
25 or

26 (b) Within urban growth boundary expansion areas for residential use adopted by the city
27 over the previous 20 years, or by Metro in locations adjacent to the city, 75 percent of the
28 lands either:

29 (A) Are developed; or

30 (B) Have an acknowledged comprehensive plan with land use designations in preparation
31 for annexation and have a public facilities plan and associated financing plan.

32 (2) The city has demonstrated a need for affordable housing, based on:

33 (a) Having a greater percentage of severely cost-burdened households than the average
34 for this state based on the Comprehensive Housing Affordability Strategy data from the
35 United States Department of Housing and Urban Development; or

36 (b) At least 25 percent of the renter households in the city being severely rent burdened
37 as indicated under the most recent housing equity indicator data under ORS 456.602 (2)(g).

38 **SECTION 53. City solicitation of site applications.** (1) Before a city may select a site for
39 inclusion within the city's or Metro's urban growth boundary under sections 49 to 59 of this
40 2024 Act, a city must provide public notice that includes:

41 (a) The city's intention to select a site for inclusion within the city's urban growth
42 boundary.

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

45 (c) A deadline for submission of applications under this section that is at least 45 days

1 following the date of the notice.

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

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

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

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

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

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

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

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

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

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

17 (A) One public comment period;

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

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

21 (iii) One public open house; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (4) A conceptual plan adopted under subsection (3) of this section must include findings
45 identifying reasons for inclusion of lands within the conceptual plan and reasons why lands,

1 if any, submitted as part of an application that was partially approved were not included
2 within the conceptual plan.

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

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

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

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

11 (3) The conceptual plan must:

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

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

16 (B) That the development will be on lands zoned for residential or mixed-use residential
17 uses; and

18 (C) The development will be built at net residential densities not less than:

19 (i) Seventeen dwelling units per net residential acre if sited within the Metro urban
20 growth boundary;

21 (ii) Ten units per net residential acre if sited in a city with a population of 30,000 or
22 greater;

23 (iii) Six units per net residential acre if sited in a city with a population of 2,500 or
24 greater and less than 30,000; or

25 (iv) Five units per net residential acre if sited in a city with a population less than 2,500;

26 (b) Designate within the site:

27 (A) Recreation and open space lands; and

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

29 (i) Primarily serve the immediate surrounding housing;

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

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

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

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

41 (A) Open spaces, scenic and historic areas or natural resources;

42 (B) Air, water and land resources quality;

43 (C) Areas subject to natural hazards;

44 (D) The Willamette River Greenway;

45 (E) Estuarine resources;

1 (F) Coast shorelands; or

2 (G) Beaches and dunes;

3 (e) Include a binding agreement among the city, each owner within the site and any other
4 necessary public or private utility provider, local government or district, as defined in ORS
5 195.060, or combination of local governments and districts that the site will be served with
6 all necessary urban services as defined in ORS 195.065, or an equivalent assurance; and

7 (f) Include requirements that ensure that:

8 (A) At least 30 percent of the residential units are subject to affordability restrictions,
9 including but not limited to affordable housing covenants, as described in ORS 456.270 to
10 456.295, that require for a period of not less than 60 years that the units be:

11 (i) Available for rent, with or without government assistance, by households with an in-
12 come of 80 percent or less of the area median income as defined in ORS 456.270; or

13 (ii) Available for purchase, with or without government assistance, by households with
14 an income of 130 percent or less of the area median income;

15 (B) The construction of all affordable units has commenced before the city issues certif-
16 icates of occupancy to the last 15 percent of market rate units;

17 (C) All common areas and amenities are equally available to residents of affordable units
18 and of market rate units and properties designated for affordable units are dispersed
19 throughout the site; and

20 (D) The requirement for affordable housing units is recorded before the building permits
21 are issued for any property within the site, and the requirements contain financial penalties
22 for noncompliance.

23 (4) A city may require greater affordability requirements for residential units than are
24 required under subsection (3)(f)(A) of this section, provided that the city significantly and
25 proportionally offsets development costs related to:

26 (a) Permits or fees;

27 (b) System development charges;

28 (c) Property taxes; or

29 (d) Land acquisition and predevelopment costs.

30 SECTION 56. Alternative for small additions. (1) A city that intends to add 15 net resi-
31 dential acres or less is not required to adopt a conceptual plan under section 55 of this 2024
32 Act if the city has entered into:

33 (a) Enforceable and recordable agreements with each landowner of a property within the
34 site to ensure that the site will comply with the affordability requirements described in sec-
35 tion 55 (3)(f) of this 2024 Act; and

36 (b) A binding agreement with each owner within the site and any other necessary public
37 or private utility provider, local government or district, as defined in ORS 195.060, or com-
38 bination of local governments and districts to ensure that the site will be served with all
39 necessary urban services as defined in ORS 195.065.

40 (2) This section does not apply to a city within Metro.

41 SECTION 57. Department approval of site additions. (1) Within 21 days after the adoption
42 of an amendment to an urban growth boundary or the adoption or amendment of a concep-
43 tual plan under sections 49 to 59 of this 2024 Act, and the approval by a county if required
44 under section 50 (2) of this 2024 Act, the conceptual plan or amendment must be submitted
45 to the Department of Land Conservation and Development for review. The submission must

1 be made by:

2 (a) The city, for an amendment under section 50 or 58 of this 2024 Act; or

3 (b) Metro, for an amendment under section 51 or 58 of this 2024 Act.

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

6 (a) Review the submittal for compliance with the provisions of sections 49 to 59 of this
7 2024 Act.

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

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

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

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

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

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

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

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

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

24 **SECTION 58. Alternative urban growth boundary land exchange.** (1) In lieu of amending
25 its urban growth boundary under any other process provided by sections 49 to 59 of this 2024
26 Act, Metro or a city outside of Metro may amend its urban growth boundary to add one or
27 more sites described in section 51 (1)(a) and (b) of this 2024 Act to the urban growth bound-
28 ary and to remove one or more tracts of land from the urban growth boundary as provided
29 in this section.

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

31 (3) The removed lands must have been zoned for residential uses.

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

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

36 (b) A landowner may not appeal the removal of the landowner's land from an urban
37 growth boundary under this section unless the landowner agrees to enter into a recorded
38 agreement with Metro or the city in which the landowner would consent to annexation and
39 development of the land within 20 years if the land remains in the urban growth boundary.

40 (6) Review of an exchange of lands made under this section may only be made by:

41 (a) For cities outside of Metro, the county as provided in section 50 (2) of this 2024 Act
42 and by the Department of Land Conservation and Development, subject to judicial review,
43 as provided in section 57 of this 2024 Act; or

44 (b) For Metro, the Department of Land Conservation and Development, subject to judicial
45 review, as provided in section 57 of this 2024 Act.

1 (7) Sections 50 (1)(d) to (g), 52, 53, 54, 55 and 56 of this 2024 Act do not apply to a site
2 addition 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 and expenditure limitation to Department of Land Conser-**
15 **vation and Development.** (1) In addition to and not in lieu of any other appropriation, there
16 is appropriated to the Department of Land Conservation and Development, for the biennium
17 ending June 30, 2025, out of the General Fund, the amount of \$5,629,017, for deposit into the
18 Housing Accountability and Production Office Fund, established under section 4 of this 2024
19 Act, to take any action to implement sections 1 to 5, 16, 38 to 41, 46 and 49 to 59 of this 2024
20 Act and the amendments to ORS 183.471, 197.015, 197.195, 197.335, 215.427 and 227.178 by
21 sections 8, 9, 44, 45, 64 and 65 of this 2024 Act.

22 (2) In addition to and not in lieu of any other appropriation, there is appropriated to the
23 Department of Land Conservation and Development, for the biennium ending June 30, 2025,
24 out of the General Fund, the amount of \$5,000,000, for deposit into the Housing Account-
25 ability and Production Office Fund, established under section 4 of this 2024 Act, for the
26 Housing Accountability and Production Office, established under section 1 of this 2024 Act,
27 to provide technical assistance, including grants, under section 1 (2) of this 2024 Act and to
28 provide required studies under section 5 of this 2024 Act.

29 (3) Notwithstanding any other law limiting expenditures, the amount of \$10,629,017 is es-
30 tablished for the biennium ending June 30, 2025, as the maximum amount for payment of
31 expenses by the Department of Land Conservation and Development from the Housing Ac-
32 countability and Production Office Fund established under section 4 of this 2024 Act.

33 **SECTION 62. Appropriation and expenditure limitation to Housing and Community Ser-**
34 **VICES Department.** (1) In addition to and not in lieu of any other appropriation, there is ap-
35 propriated to the Housing and Community Services Department, for the biennium ending
36 June 30, 2025, out of the General Fund, the amount of \$75,000,000, for deposit into the
37 Housing Project Revolving Loan Fund established under section 35 of this 2024 Act.

38 (2) Notwithstanding any other provision of law, the General Fund appropriation made to
39 the Housing and Community Services Department by section 1, chapter 390, Oregon Laws
40 2023, for the biennium ending June 30, 2025, is increased by \$878,071 for administrative ex-
41 penses related to the Housing Project Revolving Loan Fund established under section 35 of
42 this 2024 Act.

43 (3) Notwithstanding any other law limiting expenditures, the amount of \$24,750,000 is es-
44 tablished for the biennium ending June 30, 2025, as the maximum amount for payment of
45 expenses by the Housing and Community Services Department from the Housing Project

1 **Revolving Loan Fund established under section 35 of this 2024 Act.**

2 **SECTION 63. Appropriation and expenditure limitation to Oregon Business Development**
3 **Department.** (1) **In addition to and not in lieu of any other appropriation, there is appropri-**
4 **ated to the Oregon Business Development Department, for the biennium ending June 30,**
5 **2025, out of the General Fund, the amount of \$3,000,000, for deposit into the Housing**
6 **Infrastructure Support Fund established under section 14 of this 2024 Act.**

7 (2) **Notwithstanding any other law limiting expenditures, the amount of \$3,000,000 is es-**
8 **tablished for the biennium ending June 30, 2025, as the maximum amount for payment of**
9 **expenses by the Oregon Business Development Department from the Housing Infrastructure**
10 **Support Fund established under section 14 of this 2024 Act.**

11 **SECTION 63a. Expenditure limitation to Department of Consumer and Business Services.**
12 **Notwithstanding any other law limiting expenditures, the limitation on expenditures estab-**
13 **lished by section 1 (6), chapter 354, Oregon Laws 2023, for the biennium ending June 30, 2025,**
14 **as the maximum limit for payment of expenses from fees, moneys or other revenues, in-**
15 **cluding Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or**
16 **received by the Department of Consumer and Business Services, for Building Codes Division,**
17 **is increased by \$296,944, to support operations of the Housing Accountability and Production**
18 **Office established under section 1 of this 2024 Act.**

19
20 **CONFORMING AMENDMENTS**

21
22 **SECTION 64.** ORS 197.335, as amended by section 17, chapter 13, Oregon Laws 2023, is
23 amended to read:

24 197.335. (1) [*An order issued under ORS 197.328 and the copy of the order mailed*] **The Land**
25 **Conservation and Development Commission shall mail a copy of an enforcement order** to the
26 local government, state agency or special district. **An order** must set forth:

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

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

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

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

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

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

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

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

16 (b) The order to be unconstitutional;

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

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

19 (3)(a) If the commission finds that in the interim period during which a local government, state
20 agency or special district would be bringing itself into compliance with the commission's order [*un-*
21 *der ORS 197.320 or subsection (2) of this section*] it would be contrary to the public interest in the
22 conservation or sound development of land to allow the continuation of some or all categories of
23 land use decisions or limited land use decisions, it shall, as part of its order, limit, prohibit or re-
24 quire the approval by the local government of applications for subdivisions, partitions, building
25 permits, limited land use decisions or land use decisions until the plan, land use regulation or sub-
26 sequent land use decisions and limited land use decisions are brought into compliance. The com-
27 mission may issue an order that requires review of local decisions by a hearings officer or the
28 Department of Land Conservation and Development before the local decision becomes final.

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

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

36 (4) As part of its order [*under ORS 197.320 or subsection (2) of this section*], the commission may
37 withhold grant funds from the local government to which the order is directed. As part of an order
38 issued under this section, the commission may notify the officer responsible for disbursing state-
39 shared revenues to withhold that portion of state-shared revenues to which the local government is
40 entitled under ORS 221.770, 323.455, 366.762 and 366.800 and ORS chapter 471 which represents the
41 amount of state planning grant moneys previously provided the local government by the commission.
42 The officer responsible for disbursing state-shared revenues shall withhold state-shared revenues as
43 outlined in this section and shall release funds to the local government or department when notified
44 to so do by the commission or its designee. The commission may retain a portion of the withheld
45 revenues to cover costs of providing services incurred under the order, including use of a hearings

1 officer or staff resources to monitor land use decisions and limited land use decisions or conduct
2 hearings. The remainder of the funds withheld under this provision shall be released to the local
3 government upon completion of requirements of the [*commission*] **enforcement** order.

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

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

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

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

17 (b) Take specific actions that are part of the city's housing production strategy under ORS
18 197A.100.

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

21 (d) Reduce maximum timelines for review of needed housing or specific types of housing or
22 affordability levels, [*including*] through ministerial approval or any other expedited existing approval
23 process.

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

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

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

32 **(8) As used in this section, "enforcement order" or "order" means an order issued under**
33 **ORS 197.320 or section 3 of this 2024 Act as may be modified on appeal under subsection (2)**
34 **of this section.**

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

36 183.471. (1) When an agency issues a final order in a contested case, the agency shall maintain
37 the final order in a digital format that:

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

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

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

42 (2) The Oregon State Bar may request that an agency provide the Oregon State Bar, or its
43 designee, with electronic copies of final orders issued by the agency in contested cases. The request
44 must be in writing. No later than 30 days after receiving the request, the agency, subject to ORS
45 192.338, 192.345 and 192.355, shall provide the Oregon State Bar, or its designee, with an electronic

1 copy of all final orders identified in the request.

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

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

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

11 (a) The Department of Revenue;

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

13 (c) The Department of Corrections;

14 (d) The Employment Relations Board;

15 (e) The Public Utility Commission of Oregon;

16 (f) The Oregon Health Authority;

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

19 (h) The Land Use Board of Appeals;

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

21 (j) The Department of Transportation, if the final order relates to the suspension, revocation or
22 cancellation of identification cards, vehicle registrations, vehicle titles or driving privileges or to the
23 assessment of taxes or stipulated settlements in the regulation of vehicle related businesses;

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

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

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

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

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

31 (C) Employer-offered benefit plans approved under ORS 657B.210 or terminated under ORS
32 657B.220; or

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

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

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

37 455.770. (1) In addition to any other authority and power granted to the Director of the De-
38 partment of Consumer and Business Services under ORS 446.003 to 446.200, 446.225 to 446.285,
39 446.395 to 446.420, 479.510 to 479.945, 479.995 and 480.510 to 480.670 and this chapter and ORS
40 chapters 447, 460 and 693 **and sections 1 to 5 of this 2024 Act**, with respect to municipalities,
41 building officials and inspectors, if the director has reason to believe that there is a failure to en-
42 force or a violation of any provision of the state building code or ORS 446.003 to 446.200, 446.225
43 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
44 ORS chapter 447, 460 or 693 or any rule adopted under those statutes, the director may:

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

1 (b) Take sworn testimony; and

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

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

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

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

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

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

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

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

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

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

24 (5) The director may revoke any authority of the municipality to administer any part of the state
25 building code or ORS 446.003 to 446.200, 446.225 to 446.285, 446.395 to 446.420, 479.510 to 479.945,
26 479.995 or 480.510 to 480.670 or this chapter or ORS chapter 447, 460 or 693 or any rule adopted
27 under those statutes if the director determines after a hearing conducted under ORS 183.413 to
28 183.497 that:

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

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

31
32 **CAPTIONS**

33
34 **SECTION 67. The unit and section captions used in this 2024 Act are provided only for**
35 **the convenience of the reader and do not become part of the statutory law of this state or**
36 **express any legislative intent in the enactment of this 2024 Act.**

37
38 **EFFECTIVE DATE**

39
40 **SECTION 68. This 2024 Act takes effect on the 91st day after the date on which the 2024**
41 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**