

Requested by Senator WAGNER (at the request of Governor Tina Kotek)

**PROPOSED AMENDMENTS TO
SENATE BILL 1537**

1 Delete pages 2 through 33 of the printed bill.

2 On page 34, delete lines 1 through 32 and insert:

3 **“SECTION 1. Housing Accountability and Production Office. (1) The**
4 **Department of Land Conservation and Development and the Depart-**
5 **ment of Consumer and Business Services shall enter into an intera-**
6 **gency agreement to establish and administer the Housing**
7 **Accountability and Production Office.**

8 **“(2) The Housing Accountability and Production Office shall:**

9 **“(a) Provide technical assistance, including assistance through**
10 **grants, to local governments to:**

11 **“(A) Comply with housing laws;**

12 **“(B) Reduce permitting and land use barriers to housing production;**
13 **and**

14 **“(C) Support reliable and effective implementation of local proce-**
15 **dures and standards relating to the approval of residential develop-**
16 **ment projects.**

17 **“(b) Serve as a resource, which includes providing responses to re-**
18 **quests for technical assistance 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**
21 **development who are experiencing permitting and land use barriers**

1 related to housing production.

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

4 “(d) Establish best practices related to model codes, typical
5 drawings and specifications as described in ORS 455.062, procedures
6 and practices by which local governments may comply with housing
7 laws.

8 “(e) Provide optional mediation of active disputes relating to hous-
9 ing laws between a local government and applicants for land use and
10 building permits for residential development, including mediation un-
11 der ORS 197.860.

12 “(f) Coordinate agencies that are involved in the housing develop-
13 ment process, including, but not limited to, the Department of Land
14 Conservation and Development, Department of Consumer and Busi-
15 ness Services, Housing and Community Services Department and
16 Oregon Business Development Department, to enable the agencies to
17 support local governments and applicants for land use and building
18 permits for residential development by identifying state agency tech-
19 nical and financial resources that can address identified housing de-
20 velopment and feasibility barriers.

21 “(g) Establish policy and funding priorities for state agency re-
22 sources and programs for the purpose of addressing barriers to hous-
23 ing production, including, but not limited to, making
24 recommendations for moneys needed for the purposes of sections 16,
25 17, 19, 22, 23 and 35 of this 2024 Act.

26 “(3) The Land Conservation and Development Commission and the
27 Department of Consumer and Business Services shall coordinate in
28 adopting, amending or repealing rules for:

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

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

3 “(c) Establishing standards by which complaints are investigated
4 and pursued.

5 “(4) The office shall prioritize assisting local governments in vol-
6 untarily undertaking changes to come into compliance with housing
7 laws.

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

9 “(a) ‘Housing law’ means ORS chapter 197A and ORS 92.010 to
10 92.192, 92.830 to 92.845, 197.360 to 197.380, 197.475 to 197.493, 197.505 to
11 197.540, 197.660 to 197.670, 197.748, 215.402 to 215.438, 227.160 to 227.186,
12 455.148, 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170, 455.175,
13 455.180, 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220,
14 455.465 and 455.467 and administrative rules implementing those laws,
15 to the extent that the law or rule imposes a mandatory duty on a local
16 government or its officers, employees or agents and the application
17 of the law or rule applies to residential development or pertains to a
18 permit for a residential use or a division of land for residential pur-
19 poses.

20 “(b) ‘Residential’ includes mixed-use residential development.

21 “SECTION 2. Office responses to violations of housing laws. (1) The
22 Housing Accountability and Production Office shall establish a form
23 or format through which the office receives allegations of local
24 governments’ violations of housing laws that impact housing pro-
25 duction. For complaints that relate to a specific development project,
26 the office may receive complaints only from the project applicant. For
27 complaints not related to a specific development project, the office
28 may receive complaints from any person within the local government’s
29 jurisdiction or the Department of Land Conservation and Development
30 or the Department of Consumer and Business Services.

1 **“(2)(a) Except as provided in paragraph (b) of this subsection, the**
2 **office shall investigate suspected violations of housing laws or vio-**
3 **lations credibly alleged under subsection (1) of this section.**

4 **“(b) The office shall develop consistent procedures to evaluate and**
5 **determine the credibility of alleged violations of housing laws.**

6 **“(c) If a complainant has filed a notice of appeal with the Land Use**
7 **Board of Appeals or has initiated private litigation regarding any as-**
8 **pect of the application decision that was alleged to have been the**
9 **subject of the housing law violation, the office may not further par-**
10 **ticipate in the specific complaint or its appeal, except for:**

11 **“(A) Providing agency briefs, including briefs under ORS 197.830 (8),**
12 **to the board or the court;**

13 **“(B) Providing technical assistance to the local government unre-**
14 **lated to the resolution of the specific complaint; or**

15 **“(C) Mediation at the request of the local government and**
16 **complainant, including mediation under ORS 197.860.**

17 **“(3)(a) If the office has a reasonable basis to conclude that a vio-**
18 **lation was or is being committed, the office shall deliver written**
19 **warning notice to the local government specifying the violation and**
20 **any authority under this section that the office intends to invoke if**
21 **the violation continues or is not remedied. The notice must include**
22 **an invitation to address or remedy the suspected violation through**
23 **mediation, the execution of a compliance agreement to voluntarily**
24 **remedy the situation, the adoption of suitable model codes developed**
25 **by the office under section 1 (3)(b) of this 2024 Act or other remedies**
26 **suitable to the specific violation.**

27 **“(b) The office shall prioritize technical assistance funding to local**
28 **governments that agree to comply with housing laws under this sub-**
29 **section.**

30 **“(c) A determination by the office is not a legislative, judicial or**

1 **quasi-judicial decision.**

2 **“(4) No earlier than 60 days after a warning notice is delivered un-**
3 **der subsection (3) of this section, the office may:**

4 **“(a) Initiate a request for an enforcement order of the Land Con-**
5 **servation and Development Commission by delivering a notice of re-**
6 **quest under section 3 (3) of this 2024 Act.**

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

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

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

20 **“(5) The office may not, in the name of the office, exercise the au-**
21 **thority of the Department of Land Conservation and Development**
22 **under ORS 197A.130.**

23 **“(6) The office shall send notice to each complainant under sub-**
24 **section (1) of this section at the time that the office:**

25 **“(a) Takes any action under subsection (3) or (4) of this section; or**

26 **“(b) Has determined that it will not take further actions or make**
27 **further investigations.**

28 **“(7) The actions authorized of the office under this section are in**
29 **addition to and may be exercised in conjunction with any other in-**
30 **vestigative or enforcement authority that may be exercised by the**

1 Department of Land Conservation and Development, the Land Con-
2 servation and Development Commission or the Department of Con-
3 sumer and Business Services.

4 “(8) Nothing in this section:

5 “(a) Amends the jurisdiction of the Land Use Board of Appeals or
6 of a circuit court;

7 “(b) Creates a new cause of action; or

8 “(c) Tolls or extends:

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

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

11 **“SECTION 3. Office enforcement orders. (1) The Housing Account-**
12 **ability and Production Office may request an enforcement order under**
13 **section 2 (4)(a) of this 2024 Act requiring that a local government take**
14 **action necessary to bring its comprehensive plan, land use regulation,**
15 **limited land use decisions or other land use decisions or actions into**
16 **compliance with a housing law, except for a housing law that pertains**
17 **to the state building code or the administration of the code.**

18 “(2) Except as otherwise provided in this section, a request for an
19 enforcement order by the office is subject to the applicable provisions
20 of ORS 197.335 and ORS chapter 183 and is not subject to ORS 197.319,
21 197.324 or 197.328.

22 “(3) The office shall make a request for an enforcement order under
23 this section by delivering a notice to the local government that states
24 the grounds for initiation and summarizes the procedures for the
25 enforcement order proceeding along with a copy of the notice to the
26 Land Conservation and Development Commission. A decision of the
27 office to initiate an enforcement order is not subject to appeal.

28 “(4) After receiving notice of an enforcement order request under
29 subsection (3) of this section, the local government shall deliver a no-
30 tice to an affected applicant, if any, in substantially the following

1 **form:**

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

10 “ _____
11 **“(5) Within 14 days after receipt by the commission of the notice**
12 **under subsection (3) of this section, the Director of the Department**
13 **of Land Conservation and Development shall assign the enforcement**
14 **order proceedings to a hearings officer who is:**

15 **“(a) An administrative law judge assigned under ORS 183.635; or**
16 **“(b) A hearings officer randomly selected from a pool of officers**
17 **appointed by the commission to review proceedings initiated under**
18 **this section.**

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

22 **“(7)(a) The hearings officer shall prepare a proposed enforcement**
23 **order or order of dismissal, including recommended findings and con-**
24 **clusions of law.**

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

1 “(c) The hearings officer must issue and serve the proposed
2 enforcement order on the office and all parties to the hearing within
3 30 days of the date the record closed.

4 “(8)(a) The proposed enforcement order becomes a final order of the
5 commission 14 days after service on the office and all parties to the
6 hearing, unless the office or a party to the hearing appeals the pro-
7 posed enforcement order to the commission prior to the proposed
8 enforcement order becoming final.

9 “(b) If the proposed enforcement order is appealed, the commission
10 shall consider the matter at:

11 “(A) Its next regularly scheduled meeting; or

12 “(B) If the appeal is made 45 or fewer days prior to the next regu-
13 larly scheduled meeting, at the following regularly scheduled meeting
14 or a special meeting held earlier.

15 “(9) The commission shall affirm, affirm with modifications or re-
16 verse the proposed enforcement order. The commission shall issue a
17 final order no later than 30 days after the meeting at which it con-
18 sidered the matter.

19 “(10) The commission may adopt rules administering this section,
20 including rules related to standing, preserving issues for commission
21 review or other provisions concerning the commission’s scope and
22 standard for review of proposed enforcement orders under this section.

23 “SECTION 4. Housing Accountability and Production Office Fund.

24 “(1) The Housing Accountability and Production Office Fund is estab-
25 lished in the State Treasury, separate and distinct from the General
26 Fund.

27 “(2) The Housing Accountability and Production Office Fund con-
28 sists of moneys appropriated, allocated, deposited or transferred to the
29 fund by the Legislative Assembly or otherwise.

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

1 “(4) Moneys in the fund are continuously appropriated to the De-
2 partment of Land Conservation and Development to administer the
3 fund, to operate the Housing Accountability and Production Office and
4 to implement sections 1 to 5 of this 2024 Act.

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

7 “(1) Contract with one or more organizations possessing relevant
8 expertise to produce a report identifying improvements in the local
9 building plan review approval, design review approval, land use, zoning
10 and permitting processes, including but not limited to plan review
11 approval timelines, process efficiency, local best practices and other
12 ways to accelerate and improve the efficiency of the development
13 process for construction, with a focus on increasing housing pro-
14 duction.

15 “(2) Produce a report based on a study by the office of state and
16 local timelines and standards related to public works and building
17 permit application review and develop recommendations for changes
18 to reduce complexity, delay or costs that inhibit housing production,
19 including an evaluation of their effect on the feasibility of varying
20 housing types and affordability levels.

21 “(3) Produce a report summarizing state agency plans, policies and
22 programs related to reducing or eliminating regulatory barriers to the
23 production of housing. The report must also include recommendations
24 on how state agencies may prioritize resources and programs to in-
25 crease housing production.

26 “(4) Provide the reports under subsections (1) to (3) of this section
27 to one or more appropriate interim committees of the Legislative As-
28 sembly in the manner provided in ORS 192.245.

29 “SECTION 6. Sunset. Section 5 of this 2024 Act is repealed on Jan-
30 uary 2, 2027.

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

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

5 **“(3) The Department of Land Conservation and Development and**
6 **Department of Consumer and Business Services may take any action**
7 **before the operative date specified in subsection (1) of this section that**
8 **is necessary for the departments or the Housing Accountability and**
9 **Production Office to exercise, on and after the operative date, all of**
10 **the duties, functions and powers conferred by sections 1 to 5, 16, 17,**
11 **19, 22, 23, 35, 40 and 45 of this 2024 Act.**

12
13 **“OPTING IN TO AMENDED HOUSING REGULATIONS**

14
15 **“SECTION 8. ORS 215.427 is amended to read:**

16 “215.427. (1) Except as provided in subsections (3), (5) and (10) of this
17 section, for land within an urban growth boundary and applications for
18 mineral aggregate extraction, the governing body of a county or its designee
19 shall take final action on an application for a permit, limited land use deci-
20 sion or zone change, including resolution of all appeals under ORS 215.422,
21 within 120 days after the application is deemed complete. The governing body
22 of a county or its designee shall take final action on all other applications
23 for a permit, limited land use decision or zone change, including resolution
24 of all appeals under ORS 215.422, within 150 days after the application is
25 deemed complete, except as provided in subsections (3), (5) and (10) of this
26 section.

27 “(2) If an application for a permit, limited land use decision or zone
28 change is incomplete, the governing body or its designee shall notify the
29 applicant in writing of exactly what information is missing within 30 days
30 of receipt of the application and allow the applicant to submit the missing

1 information. The application shall be deemed complete for the purpose of
2 subsection (1) of this section and ORS 197A.470 upon receipt by the govern-
3 ing body or its designee of:

4 “(a) All of the missing information;

5 “(b) Some of the missing information and written notice from the appli-
6 cant that no other information will be provided; or

7 “(c) Written notice from the applicant that none of the missing informa-
8 tion will be provided.

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

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

17 “(B) **For an application relating to development of housing, upon**
18 **the request of the applicant, those standards and criteria that are op-**
19 **erative at the time of the request.**

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

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

25 “(B) **For the purposes of this section and ORS 197A.470 the appli-**
26 **cation is not deemed complete until:**

27 “(i) **The county determines that additional information is not re-**
28 **quired under subsection (2) of this section; or**

29 “(ii) **The applicant makes a submission under subsection (2) of this**
30 **section in response to a county’s request;**

1 “(C) A county may deny a request under paragraph (a)(B) of this
2 subsection if:

3 “(i) The county has issued a public notice of the application; or

4 “(ii) A request under paragraph (a)(B) of this subsection was pre-
5 viously made; and

6 “(D) The county may not require that the applicant:

7 “(i) Pay a fee, except to cover additional costs incurred by the
8 county to accommodate the request;

9 “(ii) Submit a new application or duplicative information, unless
10 information resubmittal is required because the request affects or
11 changes information in other locations in the application or additional
12 narrative is required to understand the request in context; or

13 “(iii) Repeat redundant processes or hearings that are inapplicable
14 to the change in standards or criteria.

15 “[(b) If the application is for industrial or traded sector development of a
16 site identified under section 12, chapter 800, Oregon Laws 2003, and proposes
17 an amendment to the comprehensive plan, approval or denial of the application
18 must be based upon the standards and criteria that were applicable at the time
19 the application was first submitted, provided the application complies with
20 paragraph (a) of this subsection.]

21 “(4) On the 181st day after first being submitted, the application is void
22 if the applicant has been notified of the missing information as required
23 under subsection (2) of this section and has not submitted:

24 “(a) All of the missing information;

25 “(b) Some of the missing information and written notice that no other
26 information will be provided; or

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

28 “(5) The period set in subsection (1) of this section or the 100-day period
29 set in ORS 197A.470 may be extended for a specified period of time at the
30 written request of the applicant. The total of all extensions, except as pro-

1 vided in subsection (10) of this section for mediation, may not exceed 215
2 days.

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

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

6 “(b) Unless the parties have agreed to mediation as described in sub-
7 section (10) of this section or ORS 197.319 (2)(b).

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

11 “(a) A decision of the county making a change to an acknowledged com-
12 prehensive plan or a land use regulation that is submitted to the Director
13 of the Department of Land Conservation and Development under ORS
14 197.610; or

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

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

30 “(9) A county may not compel an applicant to waive the period set in

1 subsection (1) of this section or to waive the provisions of subsection (8) of
2 this section or ORS 197A.470 or 215.429 as a condition for taking any action
3 on an application for a permit, limited land use decision or zone change ex-
4 cept when such applications are filed concurrently and considered jointly
5 with a plan amendment.

6 “(10) The periods set forth in subsections (1) and (5) of this section and
7 ORS 197A.470 may be extended by up to 90 additional days, if the applicant
8 and the county agree that a dispute concerning the application will be me-
9 diated.

10 **“SECTION 9.** ORS 227.178 is amended to read:

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

16 “(2) If an application for a permit, limited land use decision or zone
17 change is incomplete, the governing body or its designee shall notify the
18 applicant in writing of exactly what information is missing within 30 days
19 of receipt of the application and allow the applicant to submit the missing
20 information. The application shall be deemed complete for the purpose of
21 subsection (1) of this section or ORS 197A.470 upon receipt by the governing
22 body or its designee of:

23 “(a) All of the missing information;

24 “(b) Some of the missing information and written notice from the appli-
25 cant that no other information will be provided; or

26 “(c) Written notice from the applicant that none of the missing informa-
27 tion will be provided.

28 “(3)(a) If the application was complete when first submitted or the appli-
29 cant submits the requested additional information within 180 days of the date
30 the application was first submitted [*and the city has a comprehensive plan*

1 *and land use regulations acknowledged under ORS 197.251*], approval or de-
2 nial of the application [*shall*] **must** be based:

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

5 **“(B) For an application relating to development of housing, upon**
6 **the request of the applicant, those standards and criteria that are op-**
7 **erative at the time of the request.**

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

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

13 **“(B) For the purposes of this section and ORS 197A.470 the appli-**
14 **cation is not deemed complete until:**

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

17 **“(ii) The applicant makes a submission under subsection (2) of this**
18 **section in response to a city’s request;**

19 **“(C) A city may deny a request under paragraph (a)(B) of this sub-**
20 **section if:**

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

22 **“(ii) A request under paragraph (a)(B) of this subsection was pre-**
23 **viously made; and**

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

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

27 **“(ii) Submit a new application or duplicative information, unless**
28 **information resubmittal is required because the request affects or**
29 **changes information in other locations in the application or additional**
30 **narrative is required to understand the request in context; or**

1 **“(iii) Repeat redundant processes or hearings that are inapplicable**
2 **to the change in standards or criteria.**

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

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

12 “(a) All of the missing information;

13 “(b) Some of the missing information and written notice that no other
14 information will be provided; or

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

16 “(5) The 120-day period set in subsection (1) of this section or the 100-day
17 period set in ORS 197A.470 may be extended for a specified period of time
18 at the written request of the applicant. The total of all extensions, except
19 as provided in subsection (11) of this section for mediation, may not exceed
20 245 days.

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

22 “(a) Only to decisions wholly within the authority and control of the
23 governing body of the city; and

24 “(b) Unless the parties have agreed to mediation as described in sub-
25 section (11) of this section or ORS 197.319 (2)(b).

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

29 “(a) A decision of the city making a change to an acknowledged compre-
30 hensive plan or a land use regulation that is submitted to the Director of the

1 Department of Land Conservation and Development under ORS 197.610; or

2 “(b) A decision of a city involving an application for the development of
3 residential structures within an urban growth boundary, where the city has
4 tentatively approved the application and extends these periods by no more
5 than seven days in order to assure the sufficiency of its final order.

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

18 “(9)(a) To obtain a refund under subsection (8) of this section, the appli-
19 cant may either:

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

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

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

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

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

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

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
24 to:

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

30 **“(b) An applicant whose application is only for the development of**

1 **housing and was approved by the local government, if the board af-**
2 **firms the decision; and**

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

5 **“(2) A party who was awarded attorney fees under this section or ORS**
6 **197.850 shall repay the fees plus any interest from the time of the judgment**
7 **if the property upon which the fees are based is developed for a use other**
8 **than [affordable] the proposed housing.**

9 **“(3) As used in this section:**

10 **“[(a) ‘Applicant’ includes:]**

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

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

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

15 **“[(D) A religious nonprofit corporation;]**

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

18 **“[(F) A local government that approved the application of an applicant de-**
19 **scribed in this paragraph.]**

20 **“(a) ‘Affordable housing’ means affordable housing, as defined in**
21 **ORS 197A.445, or publicly supported housing, as defined in ORS 456.250.**

22 **“(b) ‘Attorney fees’ includes prelitigation legal expenses, including pre-**
23 **paring and processing the application and supporting the application in**
24 **local land use hearings or proceedings.**

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

28 **“(2) The amendments to ORS 197.843 by section 10 of this 2024 Act**
29 **apply to decisions for which a notice of intent to appeal under ORS**
30 **197.830 is filed on or after January 1, 2025.**

1 **“FINANCIAL ASSISTANCE SUPPORTING HOUSING PRODUCTION**

2
3 **“SECTION 12. Sections 13 and 14 of this 2024 Act are added to and**
4 **made a part of ORS chapter 285A.**

5 **“SECTION 13. Capacity and support for infrastructure planning.**
6 **The Oregon Business Development Department shall provide capacity**
7 **and support for infrastructure planning to municipalities to enable**
8 **them to plan and finance infrastructure for water, sewers and sanita-**
9 **tion, stormwater and transportation consistent with opportunities to**
10 **produce housing units at densities defined in section 17 (2) of this 2024**
11 **Act. ‘Capacity and support’ includes assistance with local financing**
12 **opportunities, state and federal grant navigation, writing, review and**
13 **administration, resource sharing, regional collaboration support and**
14 **technical support, including engineering and design assistance and**
15 **other capacity or support as the department may designate by rule.**

16 **“SECTION 14. Housing Infrastructure Support Fund. (1) The Hous-**
17 **ing Infrastructure Support Fund is established in the State Treasury,**
18 **separate and distinct from the General Fund.**

19 **“(2) The Housing Infrastructure Support Fund consists of moneys**
20 **appropriated, allocated, deposited or transferred to the fund by the**
21 **Legislative Assembly or otherwise.**

22 **“(3) Interest earned by the fund shall be credited to the fund.**

23 **“(4) Moneys in the fund are continuously appropriated to the**
24 **Oregon Business Development Department to administer the fund and**
25 **to implement section 13 of this 2024 Act.**

26 **“SECTION 15. Sunset. (1) Sections 13 and 14 of this 2024 Act are**
27 **repealed on January 2, 2030.**

28 **“(2) Any unobligated moneys in the Housing Infrastructure Support**
29 **Fund on January 2, 2030, must be transferred to the General Fund for**
30 **general governmental purposes.**

1 **“SECTION 15a. Sections 16 to 18 of this 2024 Act are added to and**
2 **made a part of ORS 285B.410 to 285B.482.**

3 **“SECTION 16. Water infrastructure funding. (1) The Oregon**
4 **Infrastructure Finance Authority may provide financial assistance, in**
5 **the form of grants or loans, to a city, a county or a tribal council of**
6 **a federally recognized Indian tribe in this state for a sanitary or**
7 **drinking water infrastructure project that will primarily support resi-**
8 **dential housing. To be eligible for financial assistance under this sec-**
9 **tion, the applicant must demonstrate that the project will support**
10 **infrastructure capacity building as necessary to accelerate:**

11 **“(a) Additional housing production, including, but not limited to,**
12 **the engineering design, design-build or construction of water storage,**
13 **pump stations, gravity-fed mains or force mains; or**

14 **“(b) The improvement of existing sanitary and drinking water sys-**
15 **tems and facilities, if failure to address deficiencies would prevent**
16 **residential housing development opportunities.**

17 **“(2) For projects related to construction, not including engineering**
18 **and design aspects, the department may develop rules to ensure the**
19 **projects have demonstrated a readiness to proceed, including, but not**
20 **limited to, rules requiring that at the time of application the project**
21 **will have:**

22 **“(a) Completed 90 percent of final engineering design, if applicable**
23 **to the project; or**

24 **“(b) Advertised invitation to bid for construction, if applicable to**
25 **the project.**

26 **“(3) Engineering and design costs related to a project that are in-**
27 **curring after application may be reimbursed under this section.**

28 **“(4) In administering this program, the authority may prioritize**
29 **funding applications for projects that will:**

30 **“(a) Support the greatest housing production per capita;**

1 **“(b) Address drinking water quality or quantity deficiencies or ca-**
2 **capacity constraints that must be addressed in order to support housing**
3 **production opportunities; or**

4 **“(c) Support the remedy of wastewater capacity deficiencies**
5 **through system expansion or through improved system efficiency,**
6 **such as projects addressing severe inflow and infiltration issues.**

7 **“(5) In administering the programs under this section and section**
8 **17 of this 2024 Act, the authority shall use at least:**

9 **“(a) Twenty-five percent of the funds to support cities or Indian**
10 **tribes with populations of less than 30,000; and**

11 **“(b) Twenty-five percent of the funds to support cities or Indian**
12 **tribes with populations of 30,000 or greater and less than 100,000.**

13 **“(6) The Housing Accountability and Production Office shall provide**
14 **assistance in developing requirements and prioritizing funding under**
15 **this section and section 17 of this 2024 Act. In administering these**
16 **programs, the authority shall coordinate with:**

17 **“(a) The office;**

18 **“(b) The Oregon Business Development Department with respect to**
19 **its administration of the housing site cleanup and mitigation program**
20 **under section 19 of this 2024 Act; and**

21 **“(c) The Housing and Community Services Department with respect**
22 **to its administration of the programs under sections 22 and 23 of this**
23 **2024 Act and the Housing Project Revolving Loan Fund under section**
24 **35 of this 2024 Act.**

25 **“(7) The Oregon Business Development Department may adopt rules**
26 **to implement this section and section 17 of this 2024 Act.**

27 **“SECTION 17. Other utility infrastructure financing. (1) The**
28 **Oregon Infrastructure Finance Authority may provide financial as-**
29 **sistance, in the form of grants or loans, to a city or a tribal council**
30 **of a federally recognized Indian tribe in this state for a project that**

1 will primarily support the development of planned housing as de-
2 scribed in subsection (2) of this section. A project under this section
3 may include:

4 “(a) The development or improvement of transportation, water,
5 wastewater and stormwater infrastructure; or

6 “(b) Site development, including the development of privately
7 owned sites, necessary for improvement of transportation, water,
8 wastewater and stormwater infrastructure.

9 “(2)(a) To be eligible for financial assistance under this section the
10 proposed housing development must have a minimum density of:

11 “(A) Seventeen dwelling units per net residential acre if sited within
12 the Metro urban growth boundary;

13 “(B) Ten units per net residential acre if sited in a city with a
14 population of 25,000 or greater;

15 “(C) Six units per net residential acre if sited in a city with a pop-
16 ulation of 2,500 and greater and less than 25,000; or

17 “(D) Five units per net residential acre if sited in a city with pop-
18 ulation less than 2,500.

19 “(b) As used in this subsection, ‘net residential acre’ means an acre
20 of residentially designated buildable land, not including rights of way
21 for streets, roads or utilities or areas not designated for development
22 due to natural resource protections or environmental constraints.

23 “(3) To be eligible for a grant under this section the housing to be
24 developed must be subject to an affordable housing covenant, as de-
25 fined in ORS 456.270, under which:

26 “(a) The grantee shall serve as or designate the covenant holder;
27 and

28 “(b) The housing will be made affordable to households with very
29 low, low or moderate income as defined in ORS 458.610:

30 “(A) For a period of no less than 30 years from the date the housing

1 is first available for occupancy as rental housing; or

2 “(B) For a length of time to be established by rule from the date
3 the housing is first sold as owner-occupied housing.

4 “(4) A county, a county service district organized under ORS chap-
5 ter 451, a housing authority as defined in ORS 456.005, a district as
6 defined in ORS 198.010 or a housing developer may partner with a
7 willing applicant to apply for and receive funding and to carry out
8 projects under this section. Intergovernmental agreements may be
9 used to enumerate applicants’ and partners’ responsibilities, including
10 financial responsibilities and appropriate allocations of funds awarded
11 and responsibility for loan repayment or grant performance.

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

15 “SECTION 18. Housing Infrastructure Project Fund. (1) The Hous-
16 ing Infrastructure Project Fund is established in the State Treasury,
17 separate and distinct from the General Fund.

18 “(2) The Oregon Business Development Department may accept
19 grants, donations, contributions or gifts from any source for deposit
20 in the Housing Infrastructure Project Fund.

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

22 “(4) Moneys in the fund are continuously appropriated to the de-
23 partment to administer the fund and to implement sections 16 and 17
24 of this 2024 Act.

25 “SECTION 18a. Sections 19 and 20 of this 2024 Act are added to and
26 made a part of ORS chapter 285A.

27 “SECTION 19. Site mitigation and readiness. (1)(a) The Oregon
28 Business Development Department may provide financial assistance,
29 in the form of grants or loans, to a city or a tribal council of a feder-
30 ally recognized Indian tribe, to provide site cleanup and mitigation of

1 publicly or privately owned properties zoned for residential or mixed-
2 use development in order to allow for a specific housing development
3 project for households with very low, low or moderate income.

4 “(b) As used in this subsection, ‘cleanup and mitigation’ includes
5 remediation of brownfields, as defined in ORS 285A.185, abatement of
6 public nuisances, including abatement as described in ORS 105.550 to
7 105.600 or grading of land.

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

9 “(a) The land to be purchased must be for housing development that
10 requires density not less than that described in section 17 (2) of this
11 2024 Act; and

12 “(b) The housing to be developed on that land must be subject to
13 an affordable housing covenant as described in section 17 (3) of this
14 2024 Act, with the affordability period described in section 17 (3)(b)(B)
15 of this 2024 Act established by the department by rule.

16 “(3) A housing authority as defined in ORS 456.005 or a housing
17 developer may partner with a willing applicant to apply for and receive
18 funding and to carry out projects under this section. Intergovern-
19 mental agreements may be used to enumerate applicants’ and
20 partners’ responsibilities, including financial responsibilities and ap-
21 propriate allocations of funds awarded and responsibility for loan re-
22 payment or grant performance.

23 “(4) In administering this program, the department shall prioritize
24 funding the applications of cities and Indian tribes with the greatest
25 need for housing affordability or production.

26 “(5) In administering this program, the department shall use no less
27 than:

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

30 “(b) Twenty-five percent of the funds to support cities or Indian

1 tribes with populations of 25,000 or greater and less than 100,000.

2 “(6) The Housing Accountability and Production Office shall provide
3 assistance in developing requirements and prioritizing funding under
4 this section. In administering this program, the department shall co-
5 ordinate with:

6 “(a) The office;

7 “(b) The Oregon Infrastructure Finance Authority with respect to
8 its administration of the housing infrastructure financing programs
9 under sections 16 and 17 of this 2024 Act; and

10 “(c) The Housing and Community Services Department with respect
11 to its administration of the programs under sections 22 and 23 of this
12 2024 Act and the Housing Project Revolving Loan Fund under section
13 35 of this 2024 Act.

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

16 “SECTION 20. Housing Site Readiness Fund. (1) The Housing Site
17 Readiness Fund is established in the State Treasury, separate and
18 distinct from the General Fund.

19 “(2) The Oregon Business Development Department may accept
20 grants, donations, contributions or gifts from any source for deposit
21 in the Housing Site Readiness Fund.

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

23 “(4) Moneys in the fund are continuously appropriated to the de-
24 partment to administer the fund and to implement section 19 of this
25 2024 Act.

26 “SECTION 21. Sections 22 and 23 of this 2024 Act and ORS 456.502
27 are added to and made a part of ORS chapter 458.

28 “SECTION 22. Site acquisition. (1) The Housing and Community
29 Services Department may provide financial assistance, in the form of
30 grants or loans, to cities or federally recognized Indian tribes to pur-

1 chase land to allow for a specific development project of housing for
2 households with very low, low or moderate income.

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

4 “(a) The applicant must agree to develop a housing development on
5 the purchased land at a density not less than that described in section
6 17 (2) of this 2024 Act; and

7 “(b) The housing to be developed on that land must be subject to
8 an affordable housing covenant as described in section 17 (3) of this
9 2024 Act, with the affordability period described in section 17 (3)(b)(B)
10 of this 2024 Act established by the department by rule.

11 “(3) An applicant may partner with a housing authority or devel-
12 oper to apply for and receive funding under this section.

13 “(4) In administering this program, the department shall prioritize
14 funding the applications of cities and Indian tribes with the greatest
15 need for housing affordability or production.

16 “(5) In administering this program, the department shall use no less
17 than:

18 “(a) Twenty-five percent of the moneys to support cities or Indian
19 tribes with populations of less than 30,000; and

20 “(b) Twenty-five percent of the moneys to support cities or Indian
21 tribes with populations of 30,000 or greater and less than 100,000.

22 “(6) The Housing Accountability and Production Office shall provide
23 assistance in developing requirements and prioritizing funding under
24 this section. In administering these programs, the department shall
25 coordinate with:

26 “(a) The office;

27 “(b) The Oregon Infrastructure Finance Authority with respect to
28 its administration of the housing infrastructure financing programs
29 under sections 16 and 17 of this 2024 Act; and

30 “(c) The Oregon Business Development Department with respect to

1 its administration of the housing site cleanup and mitigation program
2 under section 19 of this 2024 Act.

3 **“SECTION 23. Electrification incentives. (1) The Housing and Com-**
4 **munity Services Department may provide grants for specific housing**
5 **development projects to develop dwelling units for very low, low or**
6 **moderate income that will use only electricity for the energy needs**
7 **of the dwelling units.**

8 **“(2) To be eligible for funding under this section:**

9 **“(a) The development must have a minimum density as described**
10 **in section 17 (2) of this 2024 Act; and**

11 **“(b) The housing to be developed on that land must be subject to**
12 **an affordable housing covenant as described in section 17 (3)(b)(B) of**
13 **this 2024 Act.**

14 **“(3) The Housing Accountability and Production Office shall provide**
15 **assistance in developing requirements and prioritizing funding under**
16 **this section and section 22 of this 2024 Act. In administering these**
17 **programs, the department shall coordinate with:**

18 **“(a) The office;**

19 **“(b) The Oregon Infrastructure Finance Authority with respect to**
20 **its administration of the housing infrastructure financing programs**
21 **under sections 16 and 17 of this 2024 Act; and**

22 **“(c) The Oregon Business Development Department with respect to**
23 **its administration of the housing site cleanup and mitigation program**
24 **under section 19 of this 2024 Act.**

25

26

“HOUSING PROJECT REVOLVING LOANS

27

28 **“SECTION 24. As used in sections 24 to 35 of this 2024 Act:**

29 **“(1) ‘Assessor,’ ‘tax collector’ and ‘treasurer’ mean the individual**
30 **filling that county office so named or any county officer performing**

1 the functions of the office under another name.

2 “(2) ‘County tax officers’ and ‘tax officers’ mean the assessor, tax
3 collector and treasurer of a county.

4 “(3) ‘Eligible costs’ means the following costs associated with an
5 eligible housing project:

6 “(a) Infrastructure costs, including, but not limited to, system de-
7 velopment charges;

8 “(b) Predevelopment costs;

9 “(c) Construction costs; and

10 “(d) Land write-downs.

11 “(4) ‘Eligible housing project’ means a project to construct housing,
12 or to convert a building from a nonresidential use to housing, that is:

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

15 “(b) If for-sale property, a single-family dwelling, middle housing
16 as defined in ORS 197A.420 or a multifamily dwelling that is affordable
17 as described in paragraph (a) of this subsection continuously from in-
18 itial sale for a period, to be established by the Housing and Community
19 Services Department and the sponsoring jurisdiction, of not less than
20 the term of the loan related to the for-sale property; or

21 “(c) If rental property:

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

23 “(ii) A multifamily dwelling;

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

25 “(iv) Any other form of affordable housing or moderate income
26 housing; and

27 “(B) Rented at a monthly rate that is affordable to households with
28 an annual income not greater than 120 percent of the area median
29 income, such affordability to be maintained for a period, to be estab-
30 lished by the department and the sponsoring jurisdiction, of not less

1 than the term of the loan related to the rental property.

2 “(5) ‘Eligible housing project property’ means the taxable real and
3 personal property constituting the improvements of an eligible housing
4 project.

5 “(6) ‘Fee payer’ means, for any property tax year, the person re-
6 sponsible for paying ad valorem property taxes on eligible housing
7 project property to which a grant awarded under section 29 of this 2024
8 Act relates.

9 “(7) ‘Fire district taxes’ means property taxes levied by fire districts
10 within whose territory all or a portion of eligible housing project
11 property is located.

12 “(8) ‘Nonexempt property’ means property other than eligible
13 housing project property in the tax account that includes eligible
14 housing project property.

15 “(9) ‘Nonexempt taxes’ means the ad valorem property taxes as-
16 sessed on nonexempt property.

17 “(10) ‘Sponsoring jurisdiction’ means:

18 “(a)(A) A city with respect to eligible housing projects located
19 within the city boundaries; or

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

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

24 “SECTION 25. (1)(a) A sponsoring jurisdiction may adopt by ordi-
25 nance or resolution a program under which the sponsoring jurisdiction
26 awards grants to developers for eligible costs.

27 “(b) Before adopting the program, the sponsoring jurisdiction shall
28 consult with the governing body of any city or county with territory
29 inside the boundaries of the sponsoring jurisdiction.

30 “(2) The ordinance or resolution shall set forth:

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

3 “(b) Any eligibility requirements to be imposed on projects and de-
4 velopers in addition to those required under sections 24 to 35 of this
5 2024 Act.

6 “(3) A grant award:

7 “(a) Shall be in the amount determined under section 26 (3) of this
8 2024 Act; and

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

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

16 “(5) A sponsoring jurisdiction may amend an ordinance or resol-
17 ution adopted pursuant to this section at any time. The amendments
18 shall apply only to applications submitted under section 26 of this 2024
19 Act on or after the effective date of the ordinance or resolution.

20 “SECTION 26. (1)(a) A sponsoring jurisdiction that adopts a grant
21 program pursuant to section 25 of this 2024 Act shall prescribe an ap-
22 plication process, including forms and deadlines, by which a developer
23 may apply for a grant with respect to an eligible housing project.

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

25 “(A) A description of the eligible housing project;

26 “(B) A detailed explanation of the affordability of the eligible
27 housing project;

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

30 “(D) The proposed schedule for completion of the eligible housing

1 **project;**

2 **“(E) A project pro forma demonstrating that the project would not**
3 **be economically feasible but for receipt of the grant moneys; and**

4 **“(F) Any other information, documentation or attestation that the**
5 **sponsoring jurisdiction considers necessary or convenient for the ap-**
6 **plication review process.**

7 **“(c)(A) The project pro forma under paragraph (b)(E) of this sub-**
8 **section shall be on a form provided to the sponsoring jurisdiction by**
9 **the Housing and Community Services Department and made available**
10 **to grant applicants.**

11 **“(B) The department may enter into an agreement with a third**
12 **party to develop the project pro forma template.**

13 **“(2)(a) The review of an application under this section shall be**
14 **completed within 90 days following the receipt of the application by the**
15 **sponsoring jurisdiction.**

16 **“(b) Notwithstanding paragraph (a) of this subsection:**

17 **“(A) The sponsoring jurisdiction may in its sole discretion extend**
18 **the review process beyond 90 days if the volume of applications would**
19 **make timely completion of the review process unlikely.**

20 **“(B) The sponsoring jurisdiction may consult with a developer about**
21 **the developer’s application, and the developer, after the consultation,**
22 **may amend the application on or before a deadline set by the spon-**
23 **soring jurisdiction.**

24 **“(3) The sponsoring jurisdiction shall:**

25 **“(a) Review each application;**

26 **“(b) Request that the county tax officers provide to the sponsoring**
27 **jurisdiction the determinations made under section 27 of this 2024 Act;**

28 **“(c) Set the term of the loan that will fund the grant award for a**
29 **period not to exceed the greater of:**

30 **“(A) Ten years following July 1 of the first property tax year for**

1 which the completed eligible housing project property is estimated to
2 be taken into account; or

3 “(B) If agreed upon by the sponsoring jurisdiction and the depart-
4 ment, the period required for the loan principal and fees to be repaid
5 in full;

6 “(d) Set the amount of the grant that may be awarded to the de-
7 veloper under section 29 (2) of this 2024 Act by multiplying the incre-
8 ment determined under section 27 (1)(c) of this 2024 Act by the term
9 of the loan; and

10 “(e)(A) Provisionally approve the application as submitted;

11 “(B) Provisionally approve the application on terms other than
12 those requested in the application; or

13 “(C) Reject the application.

14 “(4)(a) The sponsoring jurisdiction shall forward provisionally ap-
15 proved applications to the Housing and Community Services Depart-
16 ment.

17 “(b) The department shall review the provisionally approved appli-
18 cations for completeness, including, but not limited to, the complete-
19 ness of the project pro forma submitted with the application under
20 subsection (1)(b)(E) of this section and the amounts computed under
21 section 27 (1) of this 2024 Act and notify the sponsoring jurisdiction
22 of its determination.

23 “(5)(a) If the department has determined that a provisionally ap-
24 proved application is incomplete, the sponsoring jurisdiction may:

25 “(A) Consult with the applicant developer and reconsider the pro-
26 visionally approved application after the applicant revises it; or

27 “(B) Reject the provisionally approved application.

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

30 “(c) The sponsoring jurisdiction shall notify each applicant and the

1 department of the final approval or rejection of an application and the
2 amount of the grant award.

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

7 “(6) Upon request by a sponsoring jurisdiction, the department may
8 assist the sponsoring jurisdiction with, or perform on behalf of the
9 sponsoring jurisdiction, any duty required under this section.

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

14 “(a) Using the last certified assessment roll for the property tax
15 year in which the application is received under section 26 of this 2024
16 Act:

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

19 “(B) Subtract the amount of operating taxes as defined in ORS
20 310.055 and local option taxes as defined in ORS 310.202 levied by fire
21 districts from the amount determined under subparagraph (A) of this
22 paragraph.

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

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

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

1 “(c) Determine the amount of the increment that results from
2 subtracting the amount determined under subsection (1)(a) of this
3 section from the amount determined under subsection (1)(b) of this
4 section.

5 “(2) As soon as practicable after determining amounts under this
6 subsection, the county tax officers shall provide written notice to the
7 sponsoring jurisdiction certifying the amounts.

8 “SECTION 28. (1)(a) The Housing and Community Services Depart-
9 ment shall develop a program to make loans to sponsoring jurisdic-
10 tions to fund grants awarded under the sponsoring jurisdiction’s grant
11 program adopted pursuant to section 25 of this 2024 Act.

12 “(b) The loans shall be interest free for the term set by the spon-
13 soring jurisdiction under section 26 (3)(c) of this 2024 Act.

14 “(2) For each application approved under section 26 (5)(b) of this
15 2024 Act, the Housing and Community Services Department shall:

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

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

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

22 “(b) Pay to the sponsoring jurisdiction the total amount set forth
23 in paragraph (a) of this subsection out of the Housing Project Re-
24 volving Loan Fund established under section 35 of this 2024 Act.

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

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

30 “(b) An amount equal to one percent of the loan proceeds to be

1 transferred to the county in which the sponsoring jurisdiction is situ-
2 ated to reimburse the county for the costs of the tax administration
3 of the grant program by the county tax officers.

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

7 “(5) The Housing and Community Services Department may:

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

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

15 “SECTION 29. (1) Upon entering into a loan agreement with the
16 Housing and Community Services Department under section 28 of this
17 2024 Act, a sponsoring jurisdiction shall offer a grant agreement to
18 each developer whose application was approved under section 26 (5)(b)
19 of this 2024 Act.

20 “(2) The grant agreement shall:

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

23 “(b) Contain terms that:

24 “(A) Are required under sections 24 to 35 of this 2024 Act or the
25 ordinance or resolution adopted by the sponsoring jurisdiction pursu-
26 ant to section 25 of this 2024 Act.

27 “(B) Do not conflict with sections 24 to 35 of this 2024 Act or the
28 ordinance or resolution adopted by the sponsoring jurisdiction pursu-
29 ant to section 25 of this 2024 Act.

30 “(3) Upon entering into a grant agreement with a developer, a

1 sponsoring jurisdiction shall adopt an ordinance or resolution setting
2 forth the details of the eligible housing project that is the subject of
3 the agreement, including but not limited to:

4 “(a) A description of the eligible housing project;

5 “(b) An itemized description of the eligible costs;

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

7 “(d) Written notice that the eligible housing project property is ex-
8 empt from property taxation in accordance with section 30 of this 2024
9 Act; and

10 “(e) A statement declaring that the grant has been awarded in re-
11 sponse to the housing needs of communities within the sponsoring
12 jurisdiction.

13 “(4) Unless otherwise specified in the grant agreement, as soon as
14 practicable after the ordinance or resolution required under subsection
15 (3) of this section becomes effective, the sponsoring jurisdiction shall
16 distribute the loan proceeds received from the department under sec-
17 tion 28 (2)(a)(A) of this 2024 Act to the developer as the grant moneys
18 awarded under this section.

19 “(5) The sponsoring jurisdiction shall forward to the tax officers of
20 the county in which the eligible housing project is located a copy of
21 the grant agreement, the ordinance or resolution and any other ma-
22 terial the sponsoring jurisdiction considers necessary for the tax offi-
23 cers to perform their duties under sections 24 to 35 of this 2024 Act or
24 the ordinance or resolution.

25 “(6) Upon request, the department may assist the sponsoring juris-
26 diction with, or perform on behalf of the sponsoring jurisdiction, any
27 duty required under this section.

28 **“SECTION 30. (1) Upon receipt of the copy of a grant agreement and**
29 **ordinance or resolution from the sponsoring jurisdiction under section**
30 **29 (5) of this 2024 Act, the assessor of the county in which eligible**

1 **housing project property is located shall:**

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

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

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

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

10 **“(B) The property taxes on the exempt eligible housing project**
11 **property that would have been collected if the property were not ex-**
12 **empt.**

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

16 **“(b) The eligible housing project property shall be disqualified from**
17 **the exemption on the earliest of:**

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

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

23 **“(C) The date on which foreclosure proceedings are commenced as**
24 **provided by law for delinquent nonexempt taxes assessed with respect**
25 **to the tax account that includes the eligible housing project; or**

26 **“(D) The date on which a condition specified in section 33 (1) of this**
27 **2024 Act occurs.**

28 **“(c) After the eligible housing project property has been disqualified**
29 **from the exemption under this subsection, the property shall be as-**
30 **essed and taxed as other similar property is assessed and taxed.**

1 **“(3) For each tax year that the eligible housing project property is**
2 **exempt from taxation, the assessor shall enter a notation on the as-**
3 **essment roll stating:**

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

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

9 **“SECTION 31. (1) Repayment of loans made under section 28 of this**
10 **2024 Act shall begin, in accordance with section 32 of this 2024 Act,**
11 **after completion of the eligible housing project funded by the grant to**
12 **which the loan relates.**

13 **“(2)(a) The sponsoring jurisdiction shall determine the date of**
14 **completion of an eligible housing project.**

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

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

21 **“(c) After determining the date of completion under paragraph (a)**
22 **of this subsection, the sponsoring jurisdiction shall notify the Housing**
23 **and Community Services Department and the county tax officers of**
24 **the determination.**

25 **“(3) A loan shall remain outstanding until repaid in full.**

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

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

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

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

10 “(b) For each subsequent property tax year, the amount of the fee
11 shall be 103 percent of the amount of the fee for the preceding property
12 tax year.

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

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

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

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

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

1 **“(b) The fee shall be collected and enforced in the same manner as**
2 **ad valorem property taxes, including nonexempt taxes, are collected**
3 **and enforced.**

4 **“(5)(a) For each property tax year in which a fee is payable under**
5 **this section, the treasurer shall:**

6 **“(A) Estimate the amount of operating taxes as defined in ORS**
7 **310.055 and local option taxes as defined in ORS 310.202 levied by fire**
8 **districts that would have been collected on eligible housing project**
9 **property if the property were not exempt;**

10 **“(B) Distribute out of the fee moneys the amounts determined un-**
11 **der subparagraph (A) of this paragraph to the respective fire districts**
12 **when other ad valorem property taxes are distributed under ORS**
13 **311.395; and**

14 **“(C) Transfer the net fee moneys to the Housing and Community**
15 **Services Department for deposit in the Housing Project Revolving**
16 **Loan Fund established under section 35 of this 2024 Act in repayment**
17 **of the loans to which the fees relate.**

18 **“(b) Nonexempt taxes shall be distributed in the same manner as**
19 **other ad valorem property taxes are distributed.**

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

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

27 **“(8) Any fee amounts collected in excess of the loan amount shall**
28 **be distributed in the same manner as other ad valorem property taxes**
29 **are distributed.**

30 **“SECTION 33. (1)(a) A developer that received a grant award under**

1 section 29 of this 2024 Act shall become liable for immediate payment
2 of any outstanding annual fee payments imposed under section 32 of
3 this 2024 Act for the entire term of the fee if:

4 “(A) The developer has not completed the eligible housing project
5 within three years following the date on which the grant moneys were
6 distributed to the developer;

7 “(B) The eligible housing project changes substantially from the
8 project for which the developer’s application was approved such that
9 the project would not have been eligible for the grant; or

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

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

14 “(2) If the sponsoring jurisdiction discovers that a developer
15 willfully made a false statement or misrepresentation or willfully
16 failed to report a material fact to obtain a grant with respect to an
17 eligible housing project, the sponsoring jurisdiction may impose on the
18 developer a penalty not to exceed 20 percent of the amount of the
19 grant so obtained, plus any applicable interest and fees associated with
20 the costs of collection.

21 “(3) Any amounts imposed under subsection (1) or (2) of this section
22 shall be a lien on the eligible housing project property and the non-
23 exempt property in the tax account.

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

28 “(5)(a) Any and all amounts required to be paid under this section
29 shall be considered to be liquidated and delinquent, and the Housing
30 and Community Services Department shall assign such amounts to the

1 Department of Revenue for collection as provided in ORS 293.250.

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

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

10 **“(a) The status of the construction or conversion of the eligible
11 housing project property, including an estimate of the date of com-
12 pletion;**

13 **“(b) An itemized description of the uses of the grant moneys; and**

14 **“(c) Any information the sponsoring jurisdiction considers impor-
15 tant for evaluating the eligible housing project and the developer’s
16 performance under the terms of the grant agreement.**

17 **“(2) Not later than August 15 of each year, each sponsoring juris-
18 diction shall submit to the Housing and Community Services Depart-
19 ment a report containing such information relating to eligible housing
20 projects within the sponsoring jurisdiction as the department requires.**

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

24 **“(b) The report shall set forth in detail:**

25 **“(A) The information received from sponsoring jurisdictions under
26 subsection (2) of this section;**

27 **“(B) The status of the repayment of all outstanding loans made
28 under section 28 of this 2024 Act and of the payment of all fees imposed
29 under section 32 of this 2024 Act and all amounts imposed under sec-
30 tion 33 of this 2024 Act; and**

1 “(C) The cumulative experience of the program developed and im-
2 plemented under sections 24 to 35 of this 2024 Act.

3 “(c) The report may include recommendations for legislation.

4 “SECTION 35. (1) The Housing Project Revolving Loan Fund is es-
5 tablished in the State Treasury, separate and distinct from the General
6 Fund. Interest earned by the Housing Project Revolving Loan Fund
7 shall be credited to the fund.

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

11 “(3) Moneys in the Housing Project Revolving Loan Fund shall
12 consist of:

13 “(a) Amounts appropriated or otherwise transferred or credited to
14 the fund by the Legislative Assembly;

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

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

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

18 and

19 “(e) Other moneys or proceeds of property from any public or pri-
20 vate source that are transferred, donated or otherwise credited to the
21 fund.

22 “(4) Moneys in the Housing Project Revolving Loan Fund are con-
23 tinuously appropriated to the Housing and Community Services De-
24 partment for the purpose of paying amounts determined under section
25 28 of this 2024 Act.

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

29 “SECTION 36. (1) The Housing and Community Services Depart-
30 ment shall have developed and begun operating the loan program that

1 the department is required to develop under section 28 of this 2024 Act,
2 including regional trainings and outreach for jurisdictional partners,
3 no later than June 30, 2025.

4 “(2) In the first two years in which the loan program is operating,
5 the department may not expend an amount in excess of two-thirds of
6 the moneys appropriated to the department for the purpose under
7 section 63 (1) of this 2024 Act.

8

9 “HOUSING LAND USE ADJUSTMENTS

10

11 “SECTION 37. Sections 38 to 41 of this 2024 Act are added to and
12 made a part of ORS chapter 197A.

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

15 “(a) ‘Adjustment’ means a deviation from an existing land use
16 regulation.

17 “(b) ‘Adjustment’ does not include:

18 “(A) A request to allow a use of property not otherwise permissible
19 under applicable zoning requirements;

20 “(B) Deviations from land use regulations or requirements related
21 to accessibility, affordability, fire ingress or egress, safety, local tree
22 codes, hazardous or contaminated site clean-up, wildlife protection,
23 or statewide land use planning goals relating to natural resources,
24 natural hazards, the Willamette River Greenway, estuarine resources,
25 coastal shorelands, beaches and dunes or ocean resources;

26 “(C) A complete waiver of land use regulations or any changes be-
27 yond the explicitly requested and allowed adjustments; or

28 “(D) Deviations to requirements related to the implementation of
29 fire or building codes, federal or state air, water quality or surface,
30 ground or stormwater requirements, or requirements of any federal,

1 state or local law other than a land use regulation.

2 “(2) Except as provided in section 40 of this 2024 Act, a local gov-
3 ernment shall grant a request for an adjustment in an application to
4 develop housing as provided in this section and section 39 of this 2024
5 Act. An application qualifies for an adjustment under this section only
6 if the following conditions are met:

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

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

11 “(c) The residential development is for densities not less than those
12 required under section 17 (2) of this 2024 Act;

13 “(d) The development is within an urban growth boundary, not in-
14 cluding lands that have not been annexed by a city;

15 “(e) The development is of net new housing units in new con-
16 struction projects, including:

17 “(A) Single-family or multifamily;

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

20 “(C) Manufactured dwelling parks;

21 “(D) Accessory dwelling units; or

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

23 “(f) The application requests not more than 10 distinct adjustments
24 to development standards as provided in this section. A ‘distinct ad-
25 justment’ means:

26 “(A) An adjustment to one of the development standards listed in
27 subsection (4) of this section where each discrete adjustment to a
28 listed development standard that includes multiple component stan-
29 dards must be counted as an individual adjustment; or

30 “(B) An adjustment to one of the development standards listed in

1 subsection (5) of this section where each discrete adjustment to a
2 listed development standard that includes multiple component stan-
3 dards must be counted as an individual adjustment; and

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

6 “(A) The adjustments will enable development of housing that is
7 not otherwise feasible due to cost or delay resulting from the unad-
8 justed land use regulations;

9 “(B) The adjustments will enable development of housing that re-
10 duces the sale or rental prices per residential unit;

11 “(C) The adjustments will increase the number of housing units
12 within the application;

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

17 “(E) At least 20 percent of the units in the application are subject
18 to an affordable housing covenant as described in ORS 456.270 to
19 456.295, making them affordable to low income households as defined
20 in ORS 456.270 for a minimum of 60 years;

21 “(F) The adjustments will enable the provision of accessibility or
22 visitability features in housing units that are not otherwise feasible
23 due to cost or delay resulting from the unadjusted land use regu-
24 lations; or

25 “(G) All of the units in the application are subject to a zero equity,
26 limited equity, or shared equity ownership model including resident-
27 owned cooperatives and community land trusts making them afforda-
28 ble to moderate income households as described in ORS 456.270 to
29 456.295 for a period of 90 years.

30 “(3) In reviewing an adjustment application under this section, a

1 **local government may:**

2 **“(a) Use an existing process, or develop and apply a new process,**
3 **that complies with the requirements of section 39 of this 2024 Act; or**

4 **“(b) Directly apply the process set forth in section 39 of this 2024**
5 **Act.**

6 **“(4) A local government shall grant an adjustment to the following**
7 **development standards:**

8 **“(a) Side or rear setbacks, for an adjustment of not more than 10**
9 **percent.**

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

13 **“(c) Parking minimums.**

14 **“(d) Minimum lot sizes, not more than a 10 percent adjustment, and**
15 **including not more than a 10 percent adjustment to lot widths or**
16 **depths.**

17 **“(e) Maximum lot sizes, not more than a 10 percent adjustment,**
18 **including not more than a 10 percent adjustment to lot width or depths**
19 **and only if the adjustment results in:**

20 **“(A) More dwelling units than would be allowed without the ad-**
21 **justment; and**

22 **“(B) No reduction in density below the minimum applicable density.**

23 **“(f) Building lot coverage requirements for up to a 10 percent ad-**
24 **justment.**

25 **“(g) For manufactured dwelling parks, middle housing as defined in**
26 **ORS 197A.420, multifamily housing and mixed-use residential housing:**

27 **“(A) Requirements for bicycle parking that establish:**

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

1 “(ii) The location of the spaces, provided that lockable, covered bi-
2 cycle parking spaces are within or adjacent to the residential devel-
3 opment;

4 “(B) For uses other than cottage clusters, as defined in ORS
5 197A.420 (1)(c)(D), building height maximums that:

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

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

9 “(I) One story; or

10 “(II) A 20 percent increase to base zone height with rounding con-
11 sistent with methodology outlined in city code, if any;

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

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

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

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

23 “(5) A local government shall grant an adjustment to design stan-
24 dards that regulate:

25 “(a) Facade materials, color or pattern.

26 “(b) Facade articulation.

27 “(c) Roof forms and materials.

28 “(d) Entry and garage door materials.

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

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

2 “(g) Total window area, for up to a 30 percent adjustment, provided
3 the application includes at least 12 percent of the total facade as win-
4 dow area.

5 “(h) For manufactured dwelling parks, middle housing as defined
6 in ORS 197A.420, multifamily housing and mixed-use residential:

7 “(A) Building orientation requirements, not including transit street
8 orientation requirements.

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

11 “(C) Requirements for balconies and porches.

12 “(D) Requirements for recesses and offsets.

13 “SECTION 39. Approval of allowed housing adjustments. (1)(a)
14 Within 30 days after receiving a complete application under section 38
15 of this 2024 Act, the local government shall notify the applicant
16 whether the local government believes that the application is deemed
17 complete to make a review under section 38 of this 2024 Act. A local
18 government may provide this notification concurrently with the ap-
19 plication completeness determination described in ORS 215.427 (3) or
20 227.178 (3).

21 “(b) If a local government notifies the applicant that any adjust-
22 ment proposal is not complete, the applicant may submit additional
23 evidence for evaluation under this subsection within 30 days following
24 the notice.

25 “(2) A local government shall make a final decision on an applica-
26 tion for an adjustment under section 38 of this 2024 Act on or before
27 any development application decision or building permit issuance and
28 within any timelines imposed by ORS 197A.470, 215.416 or 227.175.

29 “(3)(a) A denial of an application for an adjustment under section
30 38 of this 2024 Act must be in a brief written statement that explains

1 the criteria and standards considered relevant to the decision, states
2 the facts relied on in rendering the decision and explains the justi-
3 fication for the decision based on the stated criteria, standards and
4 facts.

5 “(b) If the denial of an application for an adjustment is made sep-
6 arately from any other related application, the decision does not re-
7 quire notice under ORS 197.195 or 197.797. ‘Other related application’
8 means a land use decision, if any exists, for which the developer has
9 requested an approval of an adjustment under section 38 of this 2024
10 Act.

11 “(4) A final decision on an application for an adjustment made un-
12 der this section and section 38 of this 2024 Act is a limited land use
13 decision. Only the applicant may appeal the decision.

14 “SECTION 40. Mandatory adjustments exemption process. (1) A lo-
15 cal government may apply to the Housing Accountability and Pro-
16 duction Office for an exemption to sections 38 and 39 of this 2024 Act
17 only as provided in this section. After the application is made, sections
18 38 and 39 of this 2024 Act do not apply to the applicant until the office
19 denies the application or revokes the exemption.

20 “(2) To qualify for an exemption under this section, the local gov-
21 ernment must demonstrate that:

22 “(a) The local government reviews requested design and develop-
23 ment adjustments for all applications for the development of housing
24 that are under the jurisdiction of that local government;

25 “(b) All listed development and design adjustments under section
26 38 (4) and (5) of this 2024 Act are eligible for an adjustment under the
27 local government’s process; and

28 “(c)(A) Within the previous 5 years the city has approved 90 percent
29 of received adjustment requests; or

30 “(B) The adjustment process is flexible and accommodates project

1 needs as demonstrated by testimonials of housing developers who have
2 utilized the adjustment process within the previous five years.

3 “(3) Upon receipt of an application under this section, the office
4 shall allow for public comment on the application for a period of no
5 less than 45 days. The office shall enter a final order on the adjust-
6 ment exemption within 120 days of receiving the application. The ap-
7 proval of an application may not be appealed.

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

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

15 “(a) That the local government is employing a local process in lieu
16 of sections 38 and 39 of this 2024 Act;

17 “(b) Of the development and design standards for which an appli-
18 cant may request an adjustment in a housing development application;
19 and

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

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

24 “(a) Not approving adjustments as required by the local process or
25 the terms of the exemption;

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

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

1 **“SECTION 40a. Temporary exemption authority. Before January 1,**
2 **2025, notwithstanding section 40 of this 2024 Act:**

3 **“(1) Cities may deliver applications for exemption under section 40**
4 **of this 2024 Act to the Department of Land Conservation and Devel-**
5 **opment; and**

6 **“(2) The Department of Land Conservation and Development may**
7 **perform any action that the Housing Accountability and Production**
8 **Office may take under section 40 of this 2024 Act. Decisions and**
9 **actions of the department under this section are binding on the office.**

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

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

23 **“SECTION 42. Operative date. Sections 38 to 41 of this 2024 Act be-**
24 **come operative on January 1, 2025.**

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

27
28 **“LIMITED LAND USE DECISIONS**

29
30 **“SECTION 44. Section 45 of this 2024 Act is added to and made a**

1 part of ORS chapter 197A.

2 **“SECTION 45. Applicability of limited land use decision to housing**
3 **development.** (1) Except as provided in subsection (3) of this section,
4 each local government shall process as a limited land use decision or
5 ministerial decision any application for the development of housing
6 within an urban growth boundary that requests:

7 **“(a) Partitions, subdivisions, replats or property line adjustments**
8 **under ORS 92.010 to 92.192;**

9 **“(b) Review of land use applications regulating the siting or design**
10 **of a use that is permitted outright;**

11 **“(c) Extensions, alterations or expansions of nonconforming uses;**
12 **or**

13 **“(d) Adjustments to land use regulations, as defined in section 38**
14 **(1) of this 2024 Act, including those with an exemption under section**
15 **40 of this 2024 Act and including but not limited to those listed in**
16 **section 38 (4) or (5) of this 2024 Act.**

17 **“(2) Notwithstanding ORS 197.195 (1), a local government that has**
18 **not incorporated limited land use decisions into its land use regu-**
19 **lations may directly apply the procedures described in ORS 197.195 (2)**
20 **to (5).**

21 **“(3) This section does not apply to:**

22 **“(a) An application already processed as a ministerial use decision**
23 **under the local government’s acknowledged development standards.**

24 **“(b) Decisions by a local government for which the Housing Ac-**
25 **countability and Production Office has approved a hardship exemption**
26 **or time extension. The office may grant an exemption or time exten-**
27 **sion only if the local government demonstrates that a substantial**
28 **hardship would result from the increased costs or staff capacity needed**
29 **to implement procedures as required under this section. The office**
30 **shall review exemption or time extension requests under the deadlines**

1 provided in section 40 (3) of this 2024 Act.

2 “(4) This section does not apply to lands that are not within a city
3 or Metro urban unincorporated land.

4 “SECTION 46. Operative date. Section 45 of this 2024 Act becomes
5 operative on January 1, 2025.

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

8

9 “ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES

10

11 “SECTION 48. Sections 49 to 59 of this 2024 Act are added to and
12 made a part of ORS chapter 197A.

13 “SECTION 49. Definitions. As used in sections 49 to 59 of this 2024
14 Act:

15 “(1) ‘Net residential acre’ has the meaning given that term in sec-
16 tion 17 (2) of this 2024 Act.

17 “(2) ‘Site’ means a lot or parcel or contiguous lots or parcels, or
18 both, with or without common ownership.

19 “SECTION 50. City addition of sites outside of Metro. (1) Notwith-
20 standing any other provision of ORS chapter 197A, a city outside of
21 Metro may add a site to the city’s urban growth boundary under
22 sections 49 to 59 of this 2024 Act, if:

23 “(a) The site is adjacent to the existing urban growth boundary of
24 the city or is separated from the existing urban growth boundary by
25 only a street or road;

26 “(b) The site is:

27 “(A) Designated as an urban reserve under ORS 197A.230 to
28 197A.250, including a site whose designation is adopted under ORS
29 197.652 to 197.658;

30 “(B) Designated as nonresource land; or

1 “(C) Subject to an acknowledged exception to a statewide land use
2 planning goal relating to farmland or forestland;

3 “(c) The city has not previously adopted an urban growth boundary
4 amendment or exchange under sections 49 to 59 of this 2024 Act;

5 “(d) The city has demonstrated a need for the addition under sec-
6 tion 52 of this 2024 Act;

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

9 “(f) The total acreage of the site:

10 “(A) For a city with a population of 25,000 or greater, does not ex-
11 ceed 150 net residential acres; or

12 “(B) For a city with a population of less than 25,000, does not exceed
13 75 net residential acres; and

14 “(g)(A) The city has adopted a binding conceptual plan for the site
15 that satisfies the requirements of section 55 of this 2024 Act; or

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

18 “(2) A county shall approve an amendment to an urban growth
19 boundary made under this section that complies with sections 49 to
20 59 of this 2024 Act and shall cooperate with a city to facilitate the co-
21 ordination of functions under ORS 195.020 to facilitate the city’s
22 annexation and the development of the site. The county’s decision is
23 not a land use decision.

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

27 “SECTION 51. Petition for additions of sites to Metro urban growth
28 boundary. (1) A city within Metro may petition Metro to add a site
29 within the Metro urban growth boundary if the site:

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

1 **“(b) Is designated as an urban reserve.**

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

5 **“(b) If Metro determines that a petition does not substantially**
6 **comply, Metro shall:**

7 **“(A) Notify the city of deficiencies in the petition, specifying suffi-**
8 **cient detail to allow the city to remedy any deficiency in a subsequent**
9 **resubmittal; and**

10 **“(B) Allow the city to amend its conceptual plan and resubmit it**
11 **as a petition to Metro under this section.**

12 **“(c) If Metro determines that a petition does comply, notwith-**
13 **standing any other provision of ORS chapter 197A, Metro shall adopt**
14 **amendments to its urban growth boundary to include the site in the**
15 **petition, unless the amendment would result in more than 600 total**
16 **net residential acres added under this subsection.**

17 **“(3) If the net residential acres included in petitions that Metro**
18 **determines are in compliance on or before July 1, 2025, total less than**
19 **600 net residential acres, Metro shall adopt amendments to its urban**
20 **growth boundary under subsection (2)(c) of this section:**

21 **“(a) On or before November 1, 2025, for all petitions deemed**
22 **compliant on or before July 1, 2025; or**

23 **“(b) Within 120 days after a petition is deemed compliant after July**
24 **1, 2025, in the order in which the petitions are received.**

25 **“(4) If the net residential acres included in petitions that Metro**
26 **determines are in compliance on or before July 1, 2025, total 600 or**
27 **more net residential acres, on or before January 1, 2027, Metro shall**
28 **adopt amendments to its urban growth boundary under subsection**
29 **(2)(c) of this section to include the sites in those petitions that Metro**
30 **determines will:**

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

3 “(b) Maximize the development of needed housing.

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

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

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

10 “(a)(A) In the previous 20 years there have been no urban growth
11 boundary expansions for residential use adopted by a city or by Metro
12 in allocation adjacent to the city; and

13 “(B) The city does not have within the existing urban growth
14 boundary an undeveloped, contiguous tract that is zoned for residen-
15 tial use that is larger than 20 net residential acres; or

16 “(b) Within urban growth boundary expansion areas for residential
17 use adopted by the city over the previous 20 years, or by Metro in lo-
18 cations adjacent to the city, 75 percent of the lands are developed or
19 development-ready lands; and

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

22 “(a) Having a greater percentage of extremely cost-burdened
23 households than the average for this state based on the Comprehensive
24 Housing Affordability Strategy data from the United States Depart-
25 ment of Housing and Urban Development; or

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

29 “SECTION 53. City solicitation of site applications. (1) Before a city
30 may select a site for inclusion within the city’s or Metro’s urban

1 growth boundary under sections 49 to 59 of this 2024 Act, a city must
2 provide public notice that includes:

3 “(a) The city’s intention to select a site for inclusion within the
4 city’s urban growth boundary.

5 “(b) Each basis under which the city has determined that it quali-
6 fies to include a site under section 52 of this section.

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

9 “(d) A description of the information, form and format required of
10 an application, including the requirements of section 55 (2) of this 2024
11 Act.

12 “(2) A copy of the notice of intent under this section must be pro-
13 vided to:

14 “(a) Each county in which the city resides;

15 “(b) Each special district providing urban services within the city’s
16 urban growth boundary;

17 “(c) The Department of Land Conservation and Development; and

18 “(d) Metro, if the city is within Metro.

19 “SECTION 54. City review of site applications. (1) After the deadline
20 for submission of applications established under section 55 of this 2024
21 Act, the city shall:

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

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

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

29 “(A) One public comment period;

30 “(B)(i) One meeting of the city’s planning commission at which

1 **public testimony is considered;**

2 **“(ii) One meeting of the city’s council at which public testimony is**
3 **considered; or**

4 **“(iii) One public open house; and**

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

7 **“(i) A meeting under subparagraph (B) of this paragraph; and**

8 **“(ii) The beginning of a comment period under subparagraph (A)**
9 **of this paragraph.**

10 **“(d) Consult with, request necessary information from and provide**
11 **the opportunity for written comment from:**

12 **“(A) The owners of each lot or parcel within the site;**

13 **“(B) If the city does not currently exercise land use jurisdiction**
14 **over the entire site, the governing body of each county with land use**
15 **jurisdiction over the site;**

16 **“(C) Any special district that provides urban services to the site;**
17 **and**

18 **“(D) Any public or private utility that provides utilities to the site.**

19 **“(2) An application filed under this section must:**

20 **“(a) Be completed for each property owner or group of property**
21 **owners that are proposing an urban growth boundary amendment un-**
22 **der sections 49 to 59 of this 2024 Act;**

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

24 **“(c) Specify the lots or parcels that are the subject of the applica-**
25 **tion;**

26 **“(d) Be signed by all owners of lots or parcels included within the**
27 **application; and**

28 **“(e) Include each owner’s signed consent to annexation of the**
29 **properties if the site is added to the urban growth boundary.**

30 **“(3) If the city has received approval from all property owners of**

1 such lands, in writing in a form and format specified by the city, the
2 governing body of the city may select an application and the city shall
3 adopt a conceptual plan as described in section 55 of this 2024 Act for
4 all or a portion of the lands contained within the application.

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

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

12 “(a) ‘Affordable units’ means residential units described in sub-
13 section (3)(f)(A) or (4) of this section.

14 “(b) ‘Market rate units’ means residential units other than afford-
15 able units.

16 “(2) Before adopting an urban growth boundary amendment under
17 section 50 of this 2024 Act or petitioning Metro under section 51 of this
18 2024 Act, for a site larger than 15 net residential acres, a city shall
19 adopt a binding conceptual plan as an amendment to its comprehen-
20 sive plan.

21 “(3) The conceptual plan must:

22 “(a) Establish the total net residential acres within the site and
23 must require for those residential areas:

24 “(A) A diversity of housing types and sizes, including middle hous-
25 ing, accessible housing and other needed housing; and

26 “(B) That the development will be on lands zoned for residential or
27 mixed-use residential uses and built at net residential densities not
28 less than those required under section 17 (2) of this 2024 Act;

29 “(b) Designate within the site:

30 “(A) Recreation and open space lands; and

1 **“(B) Lands for commercial uses, either separate or as a mixed use,**
2 **that:**

3 **“(i) Primarily serve the immediate surrounding housing;**

4 **“(ii) Provide goods and services at a smaller scale than provided on**
5 **typical lands zoned for commercial use; and**

6 **“(iii) Are provided at the minimum amount necessary to support**
7 **and integrate viable commercial and residential uses;**

8 **“(c) If the city has a population of 5,000 or greater, include a**
9 **transportation network for the site that provides diverse transporta-**
10 **tion options, including walking, bicycling and transit use if public**
11 **transit services are available, as well as sufficient connectivity to ex-**
12 **isting and planned transportation network facilities as shown in the**
13 **local government’s transportation system plan as defined in Land**
14 **Conservation and Development Commission rules;**

15 **“(d) Demonstrate that protective measures will be applied to the**
16 **site consistent with the statewide land use planning goals for:**

17 **“(A) Open spaces, scenic and historic areas or natural resources;**

18 **“(B) Air, water and land resources quality;**

19 **“(C) Areas subject to natural hazards;**

20 **“(D) The Willamette River Greenway;**

21 **“(E) Estuarine resources;**

22 **“(F) Coast shorelands; or**

23 **“(G) Beaches and dunes;**

24 **“(e) Include a binding agreement among the city, each owner within**
25 **the site and any other necessary public or private utility provider, lo-**
26 **cal government or district, as defined in ORS 195.060, or combination**
27 **of local governments and districts that the site will be served with all**
28 **necessary urban services as defined in ORS 195.065, or an equivalent**
29 **assurance; and**

30 **“(f) Include requirements that ensure that:**

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

5 **“(i) Available for rent, with or without government assistance, by**
6 **households with an income of 80 percent or less of the area median**
7 **income as defined in ORS 456.270; or**

8 **“(ii) Available for purchase, with or without government assistance,**
9 **by households with an income of 130 percent or less of the area median**
10 **income;**

11 **“(B) The construction of all affordable units has commenced before**
12 **the city issues certificates of occupancy to the last 15 percent of mar-**
13 **ket rate units;**

14 **“(C) All common areas and amenities are equally available to resi-**
15 **dents of affordable units and of market rate units and properties des-**
16 **ignated for affordable units are dispersed throughout the site; and**

17 **“(D) The requirement for affordable housing units is recorded be-**
18 **fore the building permits are issued for any property within the site,**
19 **and the requirements contain financial penalties for noncompliance.**

20 **“(4) A city may require greater affordability requirements for resi-**
21 **dential units than are required under subsection (3)(f)(A) of this sec-**
22 **tion, provided that the city significantly and proportionally offsets**
23 **development costs related to:**

24 **“(a) Permits or fees;**

25 **“(b) System development charges;**

26 **“(c) Property taxes; or**

27 **“(d) Land acquisition and predevelopment costs.**

28 **“SECTION 56. Alternative for small additions. (1) A city that in-**
29 **tends to add 15 net residential acres or less is not required to adopt a**
30 **conceptual plan under section 55 of this 2024 Act if the city has entered**

1 **into:**

2 **“(a) Enforceable and recordable agreements with each landowner**
3 **of a property within the site to ensure that the site will comply with**
4 **the affordability requirements described in section 55 (3)(f) of this 2024**
5 **Act; and**

6 **“(b) A binding agreement with each owner within the site and any**
7 **other necessary public or private utility provider, local government**
8 **or district, as defined in ORS 195.060, or combination of local govern-**
9 **ments and districts to ensure that the site will be served with all**
10 **necessary urban services as defined in ORS 195.065.**

11 **“(2) This section does not apply to a city within Metro.**

12 **“SECTION 57. Department approval of site additions. (1) Within 21**
13 **days after the adoption of an amendment to an urban growth bound-**
14 **ary or the adoption or amendment of a conceptual plan under sections**
15 **49 to 59 of this 2024 Act, and the approval by a county if required under**
16 **section 50 (2) of this 2024 Act, the conceptual plan or amendment must**
17 **be submitted to the Department of Land Conservation and Develop-**
18 **ment for review. The submission must be made by:**

19 **“(a) The city, for an amendment under section 50 or 58 of this 2024**
20 **Act; or**

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

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

24 **“(a) Review the submittal for compliance with the provisions of**
25 **sections 49 to 59 of this 2024 Act.**

26 **“(b)(A) If the submittal substantially complies with the provisions**
27 **of sections 49 to 59 of this 2024 Act, issue an order approving the sub-**
28 **mittal; or**

29 **“(B) If the submittal does not substantially comply with the pro-**
30 **visions of sections 49 to 59 of this 2024 Act, issue an order remanding**

1 the submittal to the city or to Metro with a specific determination of
2 deficiencies in the submittal and with sufficient detail to identify a
3 specific remedy for any deficiency in a subsequent resubmittal.

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

6 “(a) The department shall notify the city; and

7 “(b) The city may amend its conceptual plan and resubmit a peti-
8 tion to Metro under section 51 of this 2024 Act.

9 “(4) Judicial review of the department’s order:

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

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

13 “(5) Following the approval of a submittal under this section, a lo-
14 cal government must include the added lands in any future inventory
15 of buildable lands or determination of housing capacity under ORS
16 197A.270, 197A.280, 197A.335 or 197A.350.

17 “SECTION 58. Alternative urban growth boundary land exchange.

18 (1) In lieu of amending its urban growth boundary under any other
19 process provided by sections 49 to 59 of this 2024 Act, a city outside of
20 Metro may amend its urban growth boundary to add one or more sites
21 described in section 51 (1)(a) and (b) of this 2024 Act to the urban
22 growth boundary and to remove one or more tracts of land from the
23 urban growth boundary as provided in this section.

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

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

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

29 “(5)(a) Except as provided in paragraph (b) of this subsection, land
30 may be removed from an urban growth boundary under this section

1 without landowner consent.

2 “(b) A landowner may not appeal the removal of the landowner’s
3 land from an urban growth boundary under this section unless the
4 landowner agrees to enter into a recorded agreement with the city in
5 which the landowner would consent to annexation and development
6 of the land within 20 years if the land remains in the urban growth
7 boundary.

8 “(6) Review of a city’s exchange of lands made under this section
9 may only be made by the county as provided in section 50 (2) of this
10 2024 Act and by the Department of Land Conservation and Develop-
11 ment, subject to judicial review, as provided in section 57 of this 2024
12 Act.

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

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

20 “(1) January 2, 2033; or

21 “(2) The city determines that development consistent with the ac-
22 knowledged conceptual plan is deemed complete.

23 “SECTION 60. Sunset. Sections 49 to 59 of this 2024 Act are repealed
24 on January 2, 2033.

25

26

“APPROPRIATIONS

27

28 “SECTION 61. Appropriation for Housing Accountability and Pro-
29 duction Office. In addition to and not in lieu of any other appropri-
30 ation, there is appropriated to the Department of Land Conservation

1 and Development, for deposit into the Housing Accountability and
2 Production Office Fund under section 4 of this 2024 Act, for the
3 biennium ending June 30, 2025, out of the General Fund, the following
4 amounts:

5 “(1) \$_____ to operate the Housing Accountability and Production
6 Office under sections 1 to 5 of this 2024 Act.

7 “(2) \$10,000,000 for the office to provide technical assistance, in-
8 cluding grants, under section 1 (1) of this 2024 Act.

9 “SECTION 62. Appropriation to Oregon Business Development De-
10 partment. In addition to and not in lieu of any other appropriation,
11 there is appropriated to the Oregon Business Development Depart-
12 ment, for the biennium ending June 30, 2025, out of the General Fund,
13 the following amounts:

14 “(1) \$200,000,000 for deposit into the Housing Infrastructure Project
15 Fund under section 18 of this 2024 Act.

16 “(2) \$10,000,000 for deposit into the Housing Site Readiness Fund
17 under section 20 of this 2024 Act.

18 “(3) \$5,000,000 for deposit into the Housing Infrastructure Support
19 Fund under section 14 of this 2024 Act.”.

20 _____