

SB 1537-9
(LC 19)
2/13/24 (RLM/ps)

Requested by SENATE COMMITTEE ON HOUSING AND DEVELOPMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 1537**

1 On page 1 of the printed bill, line 2, after “183.471,” insert “197.015,
2 197.195.”.

3 Delete pages 2 through 33.

4 On page 34, delete lines 1 through 42 and insert:

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

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

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

13 **“(A) Comply with housing laws;**

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

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

19 **“(b) Serve as a resource, which includes providing responses to re-**
20 **quests for technical assistance with complying with housing laws, to:**

21 **“(A) Local governments, as defined in ORS 174.116; and**

1 **“(B) Applicants for land use and building permits for residential**
2 **development who are experiencing permitting and land use barriers**
3 **related to housing production.**

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

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

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

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

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

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

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

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

5 “(c) Establishing standards by which complaints are investigated
6 and pursued.

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

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

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

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

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

1 jurisdiction or the Department of Land Conservation and Development
2 or the Department of Consumer and Business Services.

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

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

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

13 “(A) Providing agency briefs, including briefs under ORS 197.830 (8),
14 to the board or the court;

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

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

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

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

1 section.

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

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

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

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

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

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

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

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

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

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

30 “(7) The actions authorized of the office under this section are in

1 addition to and may be exercised in conjunction with any other in-
2 vestigative or enforcement authority that may be exercised by the
3 Department of Land Conservation and Development, the Land Con-
4 servation and Development Commission or the Department of Con-
5 sumer and Business Services.

6 “(8) Nothing in this section:

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

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

10 “(c) Tolls or extends:

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

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

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

20 “(2) Except as otherwise provided in this section, a request for an
21 enforcement order by the office is subject to the applicable provisions
22 of ORS 197.335 and ORS chapter 183 and is not subject to ORS 197.319,
23 197.324 or 197.328.

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

30 “(4) After receiving notice of an enforcement order request under

1 subsection (3) of this section, the local government shall deliver a no-
2 tice to an affected applicant, if any, in substantially the following
3 form:

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

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

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

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

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

27 **“(b) A proposed enforcement order may require the local govern-**
28 **ment to take any necessary action to comply with housing laws that**
29 **is suitable to address the basis for the proposed enforcement order,**
30 **including requiring the adoption or application of suitable models that**

1 have been developed by the office under section 1 (3)(b) of this 2024
2 Act.

3 “(c) The hearings officer must issue and serve the proposed
4 enforcement order on the office and all parties to the hearing within
5 30 days of the date the record closed.

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

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

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

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

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

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

25 **“SECTION 4. Housing Accountability and Production Office Fund.**

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

29 “(2) The Housing Accountability and Production Office Fund con-
30 sists of moneys appropriated, allocated, deposited or transferred to the

1 fund by the Legislative Assembly or otherwise.

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

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

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

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

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

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

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

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

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

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

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

14

15 **“OPTING IN TO AMENDED HOUSING REGULATIONS**

16

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

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

29 **“(2) If an application for a permit, limited land use decision or zone**
30 **change is incomplete, the governing body or its designee shall notify the**

1 applicant in writing of exactly what information is missing within 30 days
2 of receipt of the application and allow the applicant to submit the missing
3 information. The application shall be deemed complete for the purpose of
4 subsection (1) of this section and ORS 197A.470 upon receipt by the govern-
5 ing body or its designee of:

6 “(a) All of the missing information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 “(a) All of the missing information;

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

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

30 “(5) The period set in subsection (1) of this section or the 100-day period

1 set in ORS 197A.470 may be extended for a specified period of time at the
2 written request of the applicant. The total of all extensions, except as pro-
3 vided in subsection (10) of this section for mediation, may not exceed 215
4 days.

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

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

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

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

13 “(a) A decision of the county making a change to an acknowledged com-
14 prehensive plan or a land use regulation that is submitted to the Director
15 of the Department of Land Conservation and Development under ORS
16 197.610; or

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

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

1 address relevant issues identified in the consideration of the application.

2 “(9) A county may not compel an applicant to waive the period set in
3 subsection (1) of this section or to waive the provisions of subsection (8) of
4 this section or ORS 197A.470 or 215.429 as a condition for taking any action
5 on an application for a permit, limited land use decision or zone change ex-
6 cept when such applications are filed concurrently and considered jointly
7 with a plan amendment.

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

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

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

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

25 “(a) All of the missing information;

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

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

30 “(3)(a) If the application was complete when first submitted or the appli-

1 cant submits the requested additional information within 180 days of the date
2 the application was first submitted [*and the city has a comprehensive plan*
3 *and land use regulations acknowledged under ORS 197.251*], approval or de-
4 nial of the application [*shall*] **must** be based:

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

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

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

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

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

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

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

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

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

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

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

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

29 “(ii) **Submit a new application or duplicative information, unless**
30 **information resubmittal is required because the request affects or**

1 **changes information in other locations in the application or additional**
2 **narrative is required to understand the request in context; or**

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

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

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

14 **“(a) All of the missing information;**

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

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

18 **“(5) The 120-day period set in subsection (1) of this section or the 100-day**
19 **period set in ORS 197A.470 may be extended for a specified period of time**
20 **at the written request of the applicant. The total of all extensions, except**
21 **as provided in subsection (11) of this section for mediation, may not exceed**
22 **245 days.**

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

24 **“(a) Only to decisions wholly within the authority and control of the**
25 **governing body of the city; and**

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

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

1 “(a) A decision of the city making a change to an acknowledged compre-
2 hensive plan or a land use regulation that is submitted to the Director of the
3 Department of Land Conservation and Development under ORS 197.610; or

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

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

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

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

24 “(B) Include the amount claimed in a mandamus petition filed under ORS
25 227.179. The court shall award an amount owed under this section in its final
26 order on the petition.

27 “(b) Within seven calendar days of receiving a request for a refund, the
28 city or its designee shall determine the amount of any refund owed. Payment,
29 or notice that no payment is due, shall be made to the applicant within 30
30 calendar days of receiving the request. Any amount due and not paid within

1 30 calendar days of receipt of the request shall be subject to interest charges
2 at the rate of one percent per month, or a portion thereof.

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

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

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

21

22 **“ATTORNEY FEES FOR NEEDED HOUSING CHALLENGES**

23

24 **“SECTION 10.** ORS 197.843 is amended to read:

25 “197.843. (1) The Land Use Board of Appeals shall award attorney fees
26 to:

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

1 sion denying the application[.];

2 **“(b) An applicant whose application is only for the development of**
3 **housing and was approved by the local government, if the board af-**
4 **firms the decision; and**

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

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

11 “(3) As used in this section:

12 “[*(a) ‘Applicant’ includes:*]

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

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

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

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

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

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

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

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

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

30 **“(2) The amendments to ORS 197.843 by section 10 of this 2024 Act**

1 apply to decisions for which a notice of intent to appeal under ORS
2 197.830 is filed on or after January 1, 2025.

3

4 **“INFRASTRUCTURE SUPPORTING HOUSING PRODUCTION**

5

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

8 **“SECTION 13. Capacity and support for infrastructure planning.**

9 **The Oregon Business Development Department shall provide capacity**
10 **and support for infrastructure planning to municipalities to enable**
11 **them to plan and finance infrastructure for water, sewers and sanita-**
12 **tion, stormwater and transportation consistent with opportunities to**
13 **produce housing units at densities defined in section 55 (3)(a)(C) of this**
14 **2024 Act. ‘Capacity and support’ includes assistance with local financ-**
15 **ing opportunities, state and federal grant navigation, writing, review**
16 **and administration, resource sharing, regional collaboration support**
17 **and technical support, including engineering and design assistance and**
18 **other capacity or support as the department may designate by rule.**

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

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

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

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

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

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

4 **“SECTION 16. Infrastructure recommendation reporting. (1) The**
5 **Department of Land Conservation and Development shall adopt, and**
6 **periodically update, assessment metrics by which to score**
7 **infrastructure projects of local governments, as defined in ORS 174.116.**
8 **Scored projects must contribute to the development of housing within**
9 **an urban growth boundary. The metrics may include:**

10 **“(a) The total costs of the infrastructure project;**

11 **“(b) The total number of anticipated developed dwelling units;**

12 **“(c) The population within the jurisdiction of the local government;**
13 **and**

14 **“(d) The anticipated time for completion of the infrastructure**
15 **project and any associated housing projects.**

16 **“(2) The department shall develop a form by which local govern-**
17 **ments may submit proposed infrastructure projects for assessment**
18 **under this section.**

19 **“(3) On or before September 15 of each even-numbered year, the**
20 **department shall provide a report to an appropriate interim committee**
21 **of the Legislative Assembly in the manner provided in ORS 192.245 on**
22 **received infrastructure project proposals and the department’s assess-**
23 **ment of each project.**

24 **“NOTE:** Sections 17 through 23 were deleted by amendment. Subsequent
25 sections were not renumbered.

26
27 **“HOUSING PROJECT REVOLVING LOANS**

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

30 **“(1) ‘Assessor,’ ‘tax collector’ and ‘treasurer’ mean the individual**

1 filling that county office so named or any county officer performing
2 the functions of the office under another name.

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

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

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

9 “(b) Predevelopment costs;

10 “(c) Construction costs; and

11 “(d) Land write-downs.

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

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

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

22 “(c) If rental property:

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

24 “(ii) A multifamily dwelling;

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

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

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

1 lished by the department and the sponsoring jurisdiction, of not less
2 than the term of the loan related to the rental property.

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

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

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

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

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

18 “(10) ‘Sponsoring jurisdiction’ means:

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

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

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

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

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

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

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

4 **“(b) Any eligibility requirements to be imposed on projects and de-**
5 **velopers in addition to those required under sections 24 to 35 of this**
6 **2024 Act.**

7 **“(3) A grant award:**

8 **“(a) Shall be in the amount determined under section 26 (3) of this**
9 **2024 Act; and**

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

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

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

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

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

26 **“(A) A description of the eligible housing project;**

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

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

1 **“(D) The proposed schedule for completion of the eligible housing**
2 **project;**

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

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

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

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

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

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

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

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

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

26 **“(a) Review each application;**

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

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

1 “(A) Ten years following July 1 of the first property tax year for
2 which the completed eligible housing project property is estimated to
3 be taken into account; or

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

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

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

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

14 “(C) Reject the application.

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

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

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

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

28 “(B) Reject the provisionally approved application.

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

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

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

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

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

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

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

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

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

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

29 “(B) Subtract the estimated amount of operating taxes and local
30 option taxes levied by fire districts from the amount determined under

1 **subparagraph (A) of this paragraph.**

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

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

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

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

15 **“(2) For each application approved under section 26 (5)(b) of this**
16 **2024 Act, the Housing and Community Services Department shall:**

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

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

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

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

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

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

1 **“(b) An amount equal to one percent of the loan proceeds to be**
2 **transferred to the county in which the sponsoring jurisdiction is situ-**
3 **ated to reimburse the county for the costs of the tax administration**
4 **of the grant program by the county tax officers.**

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

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

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

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

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

21 **“(2) The grant agreement shall:**

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

24 **“(b) Contain terms that:**

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

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

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

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

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

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

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

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

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

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

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

29 **“SECTION 30. (1) Upon receipt of the copy of a grant agreement and**
30 **ordinance or resolution from the sponsoring jurisdiction under section**

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

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

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

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

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

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

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

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

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

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

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

27 **“(D) The date on which a condition specified in section 33 (1) of this**
28 **2024 Act occurs.**

29 **“(c) After the eligible housing project property has been disqualified**
30 **from the exemption under this subsection, the property shall be as-**

1 sessed and taxed as other similar property is assessed and taxed.

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

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

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

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

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

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

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

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

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

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

1 **(3)(b) of this 2024 Act.**

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

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

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

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

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

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

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

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

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

1 **housing project property.**

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

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

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

11 **“(B) Distribute out of the fee moneys the amounts determined un-**
12 **der subparagraph (A) of this paragraph to the respective fire districts**
13 **when other ad valorem property taxes are distributed under ORS**
14 **311.395; and**

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

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

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

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

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

1 **“SECTION 33. (1)(a) A developer that received a grant award under**
2 **section 29 of this 2024 Act shall become liable for immediate payment**
3 **of any outstanding annual fee payments imposed under section 32 of**
4 **this 2024 Act for the entire term of the fee if:**

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

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

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

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

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

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

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

29 **“(5)(a) Any and all amounts required to be paid under this section**
30 **shall be considered to be liquidated and delinquent, and the Housing**

1 and Community Services Department shall assign such amounts to the
2 Department of Revenue for collection as provided in ORS 293.250.

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

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

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

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

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

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

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

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

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

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

1 **tion 33 of this 2024 Act; and**

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

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

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

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

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

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

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

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

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

19 **and**

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

23 **“(4) Moneys in the Housing Project Revolving Loan Fund are con-**
24 **tinuously appropriated to the Housing and Community Services De-**
25 **partment for the purpose of paying amounts determined under section**
26 **28 of this 2024 Act.**

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

30 **“SECTION 36. (1) The Housing and Community Services Depart-**

1 ment shall have developed and begun operating the loan program that
2 the department is required to develop under section 28 of this 2024 Act,
3 including regional trainings and outreach for jurisdictional partners,
4 no later than June 30, 2025.

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

9
10 **“HOUSING LAND USE ADJUSTMENTS**

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

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

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

18 **“(b) ‘Adjustment’ does not include:**

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

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

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

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

1 ground or stormwater requirements, or requirements of any federal,
2 state or local law other than a land use regulation.

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

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

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

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

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

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

18 “(A) Single-family or multifamily;

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

21 “(C) Manufactured dwelling parks;

22 “(D) Accessory dwelling units; or

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

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

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

1 **“(B) An adjustment to one of the development standards listed in**
2 **subsection (5) of this section where each discrete adjustment to a**
3 **listed development standard that includes multiple component stan-**
4 **dards must be counted as an individual adjustment; and**

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

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

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

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

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

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

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

26 **“(G) All of the units in the application are subject to a zero equity,**
27 **limited equity, or shared equity ownership model including resident-**
28 **owned cooperatives and community land trusts making them afforda-**
29 **ble to moderate income households as described in ORS 456.270 to**
30 **456.295 for a period of 90 years.**

1 **“(3) A decision on an application for an adjustment made under this**
2 **section is a limited land use decision. Only the applicant may appeal**
3 **the decision. No notice of the decision is required if the application is**
4 **denied, other than notice to the applicant. In implementing this sub-**
5 **section, a local government may:**

6 **“(a) Use an existing process, or develop and apply a new process,**
7 **that complies with the requirements of this subsection; or**

8 **“(b) Directly apply the process set forth in this subsection.**

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

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

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

16 **“(c) Parking minimums.**

17 **“(d) Minimum lot sizes, not more than a 10 percent adjustment, and**
18 **including not more than a 10 percent adjustment to lot widths or**
19 **depths.**

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

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

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

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

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

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

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

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

7 “(B) For uses other than cottage clusters, as defined in ORS
8 197A.420 (1)(c)(D), building height maximums that:

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

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

12 “(I) One story; or

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

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

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

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

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

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

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

29 “(b) Facade articulation.

30 “(c) Roof forms and materials.

- 1 “(d) Entry and garage door materials.
- 2 “(e) Garage door orientation, unless the building is adjacent to or
3 across from a school or public park.
- 4 “(f) Window materials, except for bird-safe glazing requirements.
- 5 “(g) Total window area, for up to a 30 percent adjustment, provided
6 the application includes at least 12 percent of the total facade as win-
7 dow area.
- 8 “(h) For manufactured dwelling parks, middle housing as defined
9 in ORS 197A.420, multifamily housing and mixed-use residential:
- 10 “(A) Building orientation requirements, not including transit street
11 orientation requirements.
- 12 “(B) Building height transition requirements, not more than a 50
13 percent adjustment from the base zone.
- 14 “(C) Requirements for balconies and porches.
- 15 “(D) Requirements for recesses and offsets.
- 16 “SECTION 39. Mandatory adjustments exemption process. (1) A lo-
17 cal government may apply to the Housing Accountability and Pro-
18 duction Office for an exemption to section 38 of this 2024 Act only as
19 provided in this section. After the application is made, section 38 of
20 this 2024 Act does not apply to the applicant until the office denies the
21 application or revokes the exemption.
- 22 “(2) To qualify for an exemption under this section, the local gov-
23 ernment must demonstrate that:
- 24 “(a) The local government reviews requested design and develop-
25 ment adjustments for all applications for the development of housing
26 that are under the jurisdiction of that local government;
- 27 “(b) All listed development and design adjustments under section
28 38 (4) and (5) of this 2024 Act are eligible for an adjustment under the
29 local government’s process; and
- 30 “(c)(A) Within the previous 5 years the city has approved 90 percent

1 of received adjustment requests; or

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

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

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

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

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

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

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

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

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

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

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

3 “SECTION 40. Temporary exemption authority. Before January 1,
4 2025, notwithstanding section 39 of this 2024 Act:

5 “(1) Cities may deliver applications for exemption under section 39
6 of this 2024 Act to the Department of Land Conservation and Devel-
7 opment; and

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

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

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

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

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

29
30 **“LIMITED LAND USE DECISIONS**

1 **“SECTION 44.** ORS 197.015 is amended to read:

2 “197.015. As used in ORS chapters 195, 196, 197 and 197A, unless the
3 context requires otherwise:

4 “(1) ‘Acknowledgment’ means a commission order that certifies that a
5 comprehensive plan and land use regulations, land use regulation or plan or
6 regulation amendment complies with the goals or certifies that Metro land
7 use planning goals and objectives, Metro regional framework plan, amend-
8 ments to Metro planning goals and objectives or amendments to the Metro
9 regional framework plan comply with the goals.

10 “(2) ‘Board’ means the Land Use Board of Appeals.

11 “(3) ‘Carport’ means a stationary structure consisting of a roof with its
12 supports and not more than one wall, or storage cabinet substituting for a
13 wall, and used for sheltering a motor vehicle.

14 “(4) ‘Commission’ means the Land Conservation and Development Com-
15 mission.

16 “(5) ‘Comprehensive plan’ means a generalized, coordinated land use map
17 and policy statement of the governing body of a local government that
18 interrelates all functional and natural systems and activities relating to the
19 use of lands, including but not limited to sewer and water systems, trans-
20 portation systems, educational facilities, recreational facilities, and natural
21 resources and air and water quality management programs.

22 ‘Comprehensive’ means all-inclusive, both in terms of the geographic area
23 covered and functional and natural activities and systems occurring in the
24 area covered by the plan. ‘General nature’ means a summary of policies and
25 proposals in broad categories and does not necessarily indicate specific lo-
26 cations of any area, activity or use. A plan is ‘coordinated’ when the needs
27 of all levels of governments, semipublic and private agencies and the citizens
28 of Oregon have been considered and accommodated as much as possible.
29 ‘Land’ includes water, both surface and subsurface, and the air.

30 “(6) ‘Department’ means the Department of Land Conservation and De-

1 velopment.

2 “(7) ‘Director’ means the Director of the Department of Land Conserva-
3 tion and Development.

4 “(8) ‘Goals’ means the mandatory statewide land use planning standards
5 adopted by the commission pursuant to ORS chapters 195, 196, 197 and 197A.

6 “(9) ‘Guidelines’ means suggested approaches designed to aid cities and
7 counties in preparation, adoption and implementation of comprehensive plans
8 in compliance with goals and to aid state agencies and special districts in
9 the preparation, adoption and implementation of plans, programs and regu-
10 lations in compliance with goals. Guidelines are advisory and do not limit
11 state agencies, cities, counties and special districts to a single approach.

12 “(10) ‘Land use decision’:

13 “(a) Includes:

14 “(A) A final decision or determination made by a local government or
15 special district that concerns the adoption, amendment or application of:

16 “(i) The goals;

17 “(ii) A comprehensive plan provision;

18 “(iii) A land use regulation; or

19 “(iv) A new land use regulation;

20 “(B) A final decision or determination of a state agency other than the
21 commission with respect to which the agency is required to apply the goals;

22 or

23 “(C) A decision of a county planning commission made under ORS 433.763;

24 “(b) Does not include a decision of a local government:

25 “(A) That is made under land use standards that do not require interpre-
26 tation or the exercise of policy or legal judgment;

27 “(B) That approves or denies a building permit issued under clear and
28 objective land use standards;

29 “(C) That is a limited land use decision;

30 “(D) That determines final engineering design, construction, operation,

1 maintenance, repair or preservation of a transportation facility that is oth-
2 erwise authorized by and consistent with the comprehensive plan and land
3 use regulations;

4 “(E) That is an expedited land division as described in ORS 197.360;

5 “(F) That approves, pursuant to ORS 480.450 (7), the siting, installation,
6 maintenance or removal of a liquefied petroleum gas container or receptacle
7 regulated exclusively by the State Fire Marshal under ORS 480.410 to
8 480.460;

9 “(G) That approves or denies approval of a final subdivision or partition
10 plat or that determines whether a final subdivision or partition plat sub-
11 stantially conforms to the tentative subdivision or partition plan; or

12 “(H) That a proposed state agency action subject to ORS 197.180 (1) is
13 compatible with the acknowledged comprehensive plan and land use regu-
14 lations implementing the plan, if:

15 “(i) The local government has already made a land use decision author-
16 izing a use or activity that encompasses the proposed state agency action;

17 “(ii) The use or activity that would be authorized, funded or undertaken
18 by the proposed state agency action is allowed without review under the
19 acknowledged comprehensive plan and land use regulations implementing the
20 plan; or

21 “(iii) The use or activity that would be authorized, funded or undertaken
22 by the proposed state agency action requires a future land use review under
23 the acknowledged comprehensive plan and land use regulations implementing
24 the plan;

25 “(c) Does not include a decision by a school district to close a school;

26 “(d) Does not include, except as provided in ORS 215.213 (13)(c) or 215.283
27 (6)(c), authorization of an outdoor mass gathering as defined in ORS 433.735,
28 or other gathering of fewer than 3,000 persons that is not anticipated to
29 continue for more than 120 hours in any three-month period; and

30 “(e) Does not include:

1 “(A) A writ of mandamus issued by a circuit court in accordance with
2 ORS 215.429 or 227.179;

3 “(B) Any local decision or action taken on an application subject to ORS
4 215.427 or 227.178 after a petition for a writ of mandamus has been filed
5 under ORS 215.429 or 227.179; or

6 “(C) A state agency action subject to ORS 197.180 (1), if:

7 “(i) The local government with land use jurisdiction over a use or activity
8 that would be authorized, funded or undertaken by the state agency as a
9 result of the state agency action has already made a land use decision ap-
10 proving the use or activity; or

11 “(ii) A use or activity that would be authorized, funded or undertaken by
12 the state agency as a result of the state agency action is allowed without
13 review under the acknowledged comprehensive plan and land use regulations
14 implementing the plan.

15 “(11) ‘Land use regulation’ means any local government zoning ordinance,
16 land division ordinance adopted under ORS 92.044 or 92.046 or similar gen-
17 eral ordinance establishing standards for implementing a comprehensive
18 plan.

19 “(12)(a) ‘Limited land use decision’[:]

20 “[*a*] means a final decision or determination made by a local government
21 pertaining to a site within an urban growth boundary that concerns:

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

24 “(B) The approval or denial of an application based on discretionary
25 standards designed to regulate the physical characteristics of a use permitted
26 outright, including but not limited to site review and design review.

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

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

30 “(E) **The approval or denial of an application for an extension al-**

1 **teration or expansion of a nonconforming use.**

2 “(b) **‘Limited land use decision’** does not mean a final decision made
3 by a local government pertaining to a site within an urban growth boundary
4 that concerns approval or denial of a final subdivision or partition plat or
5 that determines whether a final subdivision or partition plat substantially
6 conforms to the tentative subdivision or partition plan.

7 “(13) **‘Local government’** means any city, county or Metro or an associ-
8 ation of local governments performing land use planning functions under
9 ORS 195.025.

10 “(14) **‘Metro’** means a metropolitan service district organized under ORS
11 chapter 268.

12 “(15) **‘Metro planning goals and objectives’** means the land use goals and
13 objectives that Metro may adopt under ORS 268.380 (1)(a). The goals and
14 objectives do not constitute a comprehensive plan.

15 “(16) **‘Metro regional framework plan’** means the regional framework plan
16 required by the 1992 Metro Charter or its separate components. Neither the
17 regional framework plan nor its individual components constitute a compre-
18 hensive plan.

19 “(17) **‘New land use regulation’** means a land use regulation other than
20 an amendment to an acknowledged land use regulation adopted by a local
21 government that already has a comprehensive plan and land regulations ac-
22 knowledged under ORS 197.251.

23 “(18) **‘Person’** means any individual, partnership, corporation, association,
24 governmental subdivision or agency or public or private organization of any
25 kind. The Land Conservation and Development Commission or its designee
26 is considered a person for purposes of appeal under ORS chapters 195, 197
27 and 197A.

28 “(19) **‘Special district’** means any unit of local government, other than a
29 city, county, Metro or an association of local governments performing land
30 use planning functions under ORS 195.025, authorized and regulated by

1 statute and includes but is not limited to water control districts, domestic
2 water associations and water cooperatives, irrigation districts, port districts,
3 regional air quality control authorities, fire districts, school districts, hos-
4 pital districts, mass transit districts and sanitary districts.

5 “(20) ‘Urban growth boundary’ means an acknowledged urban growth
6 boundary contained in a city or county comprehensive plan or adopted by
7 Metro under ORS 268.390 (3).

8 “(21) ‘Urban unincorporated community’ means an area designated in a
9 county’s acknowledged comprehensive plan as an urban unincorporated
10 community after December 5, 1994.

11 “(22) ‘Voluntary association of local governments’ means a regional
12 planning agency in this state officially designated by the Governor pursuant
13 to the federal Office of Management and Budget Circular A-95 as a regional
14 clearinghouse.

15 “(23) ‘Wetlands’ means those areas that are inundated or saturated by
16 surface or ground water at a frequency and duration that are sufficient to
17 support, and that under normal circumstances do support, a prevalence of
18 vegetation typically adapted for life in saturated soil conditions.

19 **“SECTION 45.** ORS 197.195 is amended to read:

20 “197.195. (1) A limited land use decision shall be consistent with applica-
21 ble provisions of city or county comprehensive plans and land use regu-
22 lations. Such a decision may include conditions authorized by law. Within
23 two years of September 29, 1991, cities and counties shall incorporate all
24 comprehensive plan standards applicable to limited land use decisions into
25 their land use regulations. A decision to incorporate all, some, or none of
26 the applicable comprehensive plan standards into land use regulations shall
27 be undertaken as a post-acknowledgment amendment under ORS 197.610 to
28 197.625. If a city or county does not incorporate its comprehensive plan pro-
29 visions into its land use regulations, the comprehensive plan provisions may
30 not be used as a basis for a decision by the city or county or on appeal from

1 that decision.

2 “(2) A limited land use decision is not subject to the requirements of ORS
3 197.797.

4 “(3) A limited land use decision is subject to the requirements of para-
5 graphs (a) to (c) of this subsection.

6 “(a) In making a limited land use decision, the local government shall
7 follow the applicable procedures contained within its acknowledged compre-
8 hensive plan and land use regulations and other applicable legal require-
9 ments.

10 “(b) For limited land use decisions, the local government shall provide
11 written notice to owners of property within 100 feet of the entire contiguous
12 site for which the application is made. The list shall be compiled from the
13 most recent property tax assessment roll. For purposes of review, this re-
14 quirement shall be deemed met when the local government can provide an
15 affidavit or other certification that such notice was given. Notice shall also
16 be provided to any neighborhood or community organization recognized by
17 the governing body and whose boundaries include the site.

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

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

21 “(B) State that issues which may provide the basis for an appeal to the
22 Land Use Board of Appeals shall be raised in writing prior to the expiration
23 of the comment period. Issues shall be raised with sufficient specificity to
24 enable the decision maker to respond to the issue;

25 “(C) List, by commonly used citation, the applicable criteria for the de-
26 cision;

27 “(D) Set forth the street address or other easily understood geographical
28 reference to the subject property;

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

30 “(F) State that copies of all evidence relied upon by the applicant are

1 available for review, and that copies can be obtained at cost;

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

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

7 “(I) Briefly summarize the local decision making process for the limited
8 land use decision being made.

9 “(4) Approval or denial of a limited land use decision shall be based upon
10 and accompanied by a brief statement that explains the criteria and stan-
11 dards considered relevant to the decision, states the facts relied upon in
12 rendering the decision and explains the justification for the decision based
13 on the criteria, standards and facts set forth.

14 “(5) A local government may provide for a hearing before the local gov-
15 ernment on appeal of a limited land use decision under this section. The
16 hearing may be limited to the record developed pursuant to the initial
17 hearing under subsection (3) of this section or may allow for the introduction
18 of additional testimony or evidence. A hearing on appeal that allows the
19 introduction of additional testimony or evidence shall comply with the re-
20 quirements of ORS 197.797. Written notice of the decision rendered on appeal
21 shall be given to all parties who appeared, either orally or in writing, before
22 the hearing. The notice of decision shall include an explanation of the rights
23 of each party to appeal the decision.

24 “(6) **A city shall apply the procedures in this section, and only the**
25 **procedures in this section, to a limited land use decision, even if the**
26 **city has not incorporated limited land use decisions into land use**
27 **regulations, as required by ORS 197.646 (3), except that a limited land**
28 **use decision that is also a land use decision under ORS 197.015**
29 **(10)(b)(A) may be made by city staff using an administrative process.**

30 **“SECTION 45a. Section 46 of this 2024 Act is added to and made a**

1 part of ORS chapter 197.

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

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

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

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

15 **“SECTION 47a. Operative date.** Section 46 of this 2024 Act and the
16 amendments to ORS 197.015 and 197.195 by sections 44 and 45 of this
17 **2024 Act become operative on January 1, 2025.**

18

19 **“ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES**

20

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

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

25 **“(1) ‘Net residential acre’ means an acre of residentially designated**
26 **buildable land, not including rights of way for streets, roads or utili-**
27 **ties or areas not designated for development due to natural resource**
28 **protections or environmental constraints.**

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

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

5 **“(a) The site is adjacent to the existing urban growth boundary of**
6 **the city or is separated from the existing urban growth boundary by**
7 **only a street or road;**

8 **“(b) The site is:**

9 **“(A) Designated as an urban reserve under ORS 197A.230 to**
10 **197A.250, including a site whose designation is adopted under ORS**
11 **197.652 to 197.658;**

12 **“(B) Designated as nonresource land; or**

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

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

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

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

21 **“(f) The total acreage of the site:**

22 **“(A) For a city with a population of 25,000 or greater, does not ex-**
23 **ceed 100 net residential acres; or**

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

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

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

30 **“(2) A county shall approve an amendment to an urban growth**

1 boundary made under this section that complies with sections 49 to
2 59 of this 2024 Act and shall cooperate with a city to facilitate the co-
3 ordination of functions under ORS 195.020 to facilitate the city’s
4 annexation and the development of the site. The county’s decision is
5 not a land use decision.

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

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

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

13 “(b) Is designated as an urban reserve.

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

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

19 “(A) Notify the city of deficiencies in the petition, specifying suffi-
20 cient detail to allow the city to remedy any deficiency in a subsequent
21 resubmittal; and

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

24 “(c) If Metro determines that a petition does comply, notwith-
25 standing any other provision of ORS chapter 197A, Metro shall adopt
26 amendments to its urban growth boundary to include the site in the
27 petition, unless the amendment would result in more than 300 total
28 net residential acres added under this subsection.

29 “(3) If the net residential acres included in petitions that Metro
30 determines are in compliance on or before July 1, 2025, total less than

1 300 net residential acres, Metro shall adopt amendments to its urban
2 growth boundary under subsection (2)(c) of this section:

3 “(a) On or before November 1, 2025, for all petitions deemed
4 compliant on or before July 1, 2025; or

5 “(b) Within 120 days after a petition is deemed compliant after July
6 1, 2025, in the order in which the petitions are received.

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

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

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

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

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

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

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

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

28 “(b) Within urban growth boundary expansion areas for residential
29 use adopted by the city over the previous 20 years, or by Metro in lo-
30 cations adjacent to the city, 75 percent of the lands either:

1 “(A) Are developed; or

2 “(B) Have an acknowledged comprehensive plan with land use des-
3 ignations in preparation for annexation and have a public facilities
4 plan and associated financing plan.

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

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

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

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

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

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

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

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

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

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

30 “(b) Each special district providing urban services within the city’s

1 **urban growth boundary;**

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

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

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

7 **“(a) Review applications filed for compliance with sections 49 to 59**
8 **of this 2024 Act.**

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

12 **“(c) Provide opportunities for public participation in selecting a**
13 **site, including, at least:**

14 **“(A) One public comment period;**

15 **“(B)(i) One meeting of the city’s planning commission at which**
16 **public testimony is considered;**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 **“(3) If the city has received approval from all property owners of**
16 **such lands, in writing in a form and format specified by the city, the**
17 **governing body of the city may select an application and the city shall**
18 **adopt a conceptual plan as described in section 55 of this 2024 Act for**
19 **all or a portion of the lands contained within the application.**

20 **“(4) A conceptual plan adopted under subsection (3) of this section**
21 **must include findings identifying reasons for inclusion of lands within**
22 **the conceptual plan and reasons why lands, if any, submitted as part**
23 **of an application that was partially approved were not included within**
24 **the conceptual plan.**

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

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

29 **“(b) ‘Market rate units’ means residential units other than afford-**
30 **able units.**

1 “(2) Before adopting an urban growth boundary amendment under
2 section 50 of this 2024 Act or petitioning Metro under section 51 of this
3 2024 Act, for a site larger than 15 net residential acres, a city shall
4 adopt a binding conceptual plan as an amendment to its comprehen-
5 sive plan.

6 “(3) The conceptual plan must:

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

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

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

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

15 “(i) Seventeen dwelling units per net residential acre if sited within
16 the Metro urban growth boundary;

17 “(ii) Ten units per net residential acre if sited in a city with a pop-
18 ulation of 30,000 or greater;

19 “(iii) Six units per net residential acre if sited in a city with a pop-
20 ulation of 2,500 or greater and less than 30,000; or

21 “(iv) Five units per net residential acre if sited in a city with a
22 population less than 2,500.

23 “(b) Designate within the site:

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

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

27 “(i) Primarily serve the immediate surrounding housing;

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

30 “(iii) Are provided at the minimum amount necessary to support

1 and integrate viable commercial and residential uses;

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

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

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

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

13 “(C) Areas subject to natural hazards;

14 “(D) The Willamette River Greenway;

15 “(E) Estuarine resources;

16 “(F) Coast shorelands; or

17 “(G) Beaches and dunes;

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

24 “(f) Include requirements that ensure that:

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

29 “(i) Available for rent, with or without government assistance, by
30 households with an income of 80 percent or less of the area median

1 income as defined in ORS 456.270; or

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

5 “(B) The construction of all affordable units has commenced before
6 the city issues certificates of occupancy to the last 15 percent of mar-
7 ket rate units;

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

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

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

18 “(a) Permits or fees;

19 “(b) System development charges;

20 “(c) Property taxes; or

21 “(d) Land acquisition and predevelopment costs.

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

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

30 “(b) A binding agreement with each owner within the site and any

1 other necessary public or private utility provider, local government
2 or district, as defined in ORS 195.060, or combination of local govern-
3 ments and districts to ensure that the site will be served with all
4 necessary urban services as defined in ORS 195.065.

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

6 **“SECTION 57. Department approval of site additions. (1) Within 21**
7 **days after the adoption of an amendment to an urban growth bound-**
8 **ary or the adoption or amendment of a conceptual plan under sections**
9 **49 to 59 of this 2024 Act, and the approval by a county if required under**
10 **section 50 (2) of this 2024 Act, the conceptual plan or amendment must**
11 **be submitted to the Department of Land Conservation and Develop-**
12 **ment for review. The submission must be made by:**

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

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

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

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

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

24 “(B) If the submittal does not substantially comply with the pro-
25 visions of sections 49 to 59 of this 2024 Act, issue an order remanding
26 the submittal to the city or to Metro with a specific determination of
27 deficiencies in the submittal and with sufficient detail to identify a
28 specific remedy for any deficiency in a subsequent resubmittal.

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

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

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

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

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

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

8 “(5) Following the approval of a submittal under this section, a lo-
9 cal government must include the added lands in any future inventory
10 of buildable lands or determination of housing capacity under ORS
11 197A.270, 197A.280, 197A.335 or 197A.350.

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

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

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

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

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

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

27 “(b) A landowner may not appeal the removal of the landowner’s
28 land from an urban growth boundary under this section unless the
29 landowner agrees to enter into a recorded agreement with Metro or
30 the city in which the landowner would consent to annexation and de-

1 development of the land within 20 years if the land remains in the urban
2 growth boundary.

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

5 (a) For cities outside of Metro, the county as provided in section
6 50 (2) of this 2024 Act and by the Department of Land Conservation and
7 Development, subject to judicial review, as provided in section 57 of
8 this 2024 Act; or

9 (b) For Metro, the Department of Land Conservation and Develop-
10 ment, subject to judicial review, as provided in section 57 of this 2024
11 Act.

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

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

19 “(1) January 2, 2033; or

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

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

24

25

“APPROPRIATIONS

26

27 “SECTION 61. Appropriation to Department of Land Conservation
28 and Development. In addition to and not in lieu of any other appro-
29 priation, there is appropriated to the Department of Land Conserva-
30 tion and Development, for the biennium ending June 30, 2025, out of

1 the General Fund, the following amounts:

2 “(1) \$ ___ to take any action to implement sections 1 to 5, 16, 38 to
3 41, 46 and 49 to 59 of this 2024 Act and the amendments to ORS 183.471,
4 197.015, 197.195, 197.335, 215.427 and 227.178 by sections 8, 9, 44, 45, 64 and
5 65 of this 2024 Act.

6 “(2) \$5,000,000 for deposit into the Housing Accountability and Pro-
7 duction Office Fund, established under section 4 of this 2024 Act, for
8 the Housing Accountability and Production Office, established under
9 section 1 of this 2024 Act, to provide technical assistance, including
10 grants, under section 1 (2) of this 2024 Act and to provide required
11 studies under section 5 of this 2024 Act.

12 “SECTION 62. Appropriation to Housing and Community Services
13 Department. In addition to and not in lieu of any other appropriation,
14 there is appropriated to the Housing and Community Services De-
15 partment, for the biennium ending June 30, 2025, out of the General
16 Fund, the amount of \$75,000,000, for deposit into the Housing Project
17 Revolving Loan Fund established under section 35 of this 2024 Act.

18 “SECTION 63. Appropriation to Oregon Business Development De-
19 partment. In addition to and not in lieu of any other appropriation,
20 there is appropriated to the Oregon Business Development Depart-
21 ment, for the biennium ending June 30, 2025, out of the General Fund,
22 the amount of \$3,000,000, for deposit into the Housing Infrastructure
23 Support Fund established under section 14 of this 2024 Act.”.

24
