

LC 222  
2026 Regular Session  
1/9/26 (RLM/ps)

# D R A F T

## SUMMARY

Digest: This Act changes some housing programs, agencies and laws and rules about home building. (Flesch Readability Score: 65.7).

Adjusts certain terms of the revolving loan program for cities and counties to fund affordable housing projects.

Allows state agencies to adjust terms of a grant made to the Network for Oregon Affordable Housing in the last biennium.

Authorizes the Housing Accountability and Production Office to enter an interim administrative order against local governments.

Limits the building permit plan review for housing with two or fewer dwelling units.

Establishes a local government process for land use approvals for housing subject only to clear and objective standards, conditions and procedures.

Shortens the period under which local governments may review similar housing development applications by the same applicant.

Establishes responsibilities for landlords and tenants for residential tenancies destroyed by natural disasters.

Requires state agencies to give priority to housing providers when transferring surplus real property.

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

## A BILL FOR AN ACT

1 Relating to housing; creating new provisions; amending ORS 92.031, 197.320,  
2 197A.140, 197A.400, 197A.805, 215.427, 227.178, 270.010, 270.030, 270.100,  
3 307.213, 307.214, 307.216, 307.221, 307.225, 307.227, 307.229, 307.231, 307.233,  
4 455.628 and 458.352 and section 22, chapter 476, Oregon Laws 2025; and  
5 prescribing an effective date.

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

8

## 9 CITY AND COUNTY HOUSING PROJECT FUNDING PROGRAMS

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1        **SECTION 1.** Section 2 of this 2026 Act is added to and made a part  
2        of ORS 307.213 to 307.237.

3        **SECTION 2.** (1) As used in ORS 307.213 to 307.237, “eligible housing  
4        project” means a project to construct housing, or to convert a building  
5        from a nonresidential use to housing, that is:

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

8            (b) If for-sale property, a single-family dwelling, middle housing as  
9        defined in ORS 197A.420 or a multifamily dwelling that is affordable  
10      as described in paragraph (a) of this subsection for a period determined  
11      in accordance with subsection (2) of this section; or

12            (c) If rental property:

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

14              (ii) A multifamily dwelling;

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

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

18              (B) Rented at a monthly rate that is affordable to households with  
19      an annual income not greater than 120 percent of the area median  
20      income, such affordability to be maintained for a period determined  
21      in accordance with subsection (2) of this section.

22            (2)(a) The affordability of eligible housing project property shall be  
23        maintained for at least as long as the agency loan related to the  
24        property remains outstanding.

25            (b) Notwithstanding paragraph (a) of this subsection, the Housing  
26        and Community Services Department may establish terms and conditions  
27        by which the affordability restrictions may be terminated upon  
28        foreclosure of the property by a permitted mortgage lender.

29        **SECTION 3.** ORS 307.213 is amended to read:

30        307.213. As used in ORS 307.213 to 307.237:

31            (1) “Agency loan” means a loan made by the Housing and Community

1 Services Department pursuant to a program adopted under ORS 307.221.

2 (2) "Assessor," "tax collector" and "treasurer" mean the individual filling  
3 that county office so named or any county officer performing the functions  
4 of the office under another name.

5 (3) "County tax officers" and "tax officers" mean the assessor, tax col-  
6 lector and treasurer of a county.

7 (4) "Eligible costs" means the following costs associated with an eligible  
8 housing project:

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

11 (b) Predevelopment costs;

12 (c) Construction costs; and

13 (d) Land write-downs.

14 (5) "Eligible housing project" **has the meaning given that term in**  
15 **section 2 of this 2026 Act.** [*means a project to construct housing, or to con-  
16 vert a building from a nonresidential use to housing, that is:*]

17 [(a) *Affordable to households with low income or moderate income as those  
18 terms are defined in ORS 458.610;*]

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

25 [(c) *If rental property:*]

26 [(A)(i) *Middle housing as defined in ORS 197A.420;*]

27 [(ii) *A multifamily dwelling;*]

28 [(iii) *An accessory dwelling unit as defined in ORS 215.501; or*]

29 [(iv) *Any other form of affordable housing or moderate income housing;  
30 and*]

31 [(B) *Rented at a monthly rate that is affordable to households with an an-*

1    *nual income not greater than 120 percent of the area median income, such*  
2    *affordability to be maintained for a period, to be established by the department*  
3    *and the sponsoring jurisdiction, of not less than the term of the agency loan*  
4    *related to the rental property.]*

5        (6) “Eligible housing project property” means the taxable real and per-  
6        sonal property constituting the improvements of an eligible housing project.

7        (7) “Fee payer” means, for any property tax year, the person responsible  
8        for paying ad valorem property taxes on eligible housing project property to  
9        which [*a project grant awarded*] **project funding** under ORS 307.225 relates.

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

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

16       (10) “Nonexempt taxes” means the ad valorem property taxes assessed on  
17       nonexempt property.

18       (11) “Project funding” means a project grant or a project loan.

19       (12) “Project funding agreement” means an agreement entered into be-  
20       tween a sponsoring jurisdiction and a developer under ORS 307.225 for a  
21       project grant or a project loan.

22       (13) “Project grant” means a grant awarded by a sponsoring jurisdiction  
23       under a project funding program adopted pursuant to ORS 307.214.

24       (14) “Project loan” means a loan made by a sponsoring jurisdiction under  
25       a project funding program adopted pursuant to ORS 307.214.

26       (15) “Sponsoring jurisdiction” means:

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

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

31       (b) The governing body of a city or county described in paragraph (a) of

1 this subsection.

2 **SECTION 4.** ORS 307.214 is amended to read:

3 307.214. (1)(a) A sponsoring jurisdiction may adopt by ordinance or resol-  
4 ution a project funding program under which the sponsoring jurisdiction  
5 awards project grants and makes project loans to developers for eligible  
6 costs.

7 (b) Before adopting the project funding program, the sponsoring jurisdic-  
8 tion shall consult with the governing body of any city or county with terri-  
9 tory inside the boundaries of the sponsoring jurisdiction.

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

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

13 (b) Any eligibility requirements to be imposed on projects and developers  
14 in addition to those required under ORS 307.213 to 307.237.

15 (3)(a) A project grant and a project loan:

16 [(a)] (A) **[Shall be in] May not exceed** the amount determined under ORS  
17 307.216 (3); [and]

18 [(b)] (B) May include reimbursement for eligible costs incurred for up to  
19 12 months preceding the date on which the eligible housing project received  
20 local site approval[.];

21 (C) **Shall be secured by an affordable housing covenant, as defined**  
22 **in ORS 456.270, that:**

23 (i) **Is recorded in first position in the real property records of the**  
24 **county in which the eligible housing project is located; and**

25 (ii) **Requires the project to remain affordable in accordance with**  
26 **section 2 of this 2026 Act; and**

27 (D) **May be transferred and assumed, in whole or in part, on terms**  
28 **and conditions established by the Housing and Community Services**  
29 **Department or the sponsoring jurisdiction, by any subsequent pur-**  
30 **chaser of the eligible housing project property or a portion of the**  
31 **property.**

1       **(b) Notwithstanding paragraph (a)(C)(i) of this subsection, if the**  
2       **sponsoring jurisdiction has pledged in repayment of the agency loan**  
3       **its full faith and credit and taxing authority and an alternative source**  
4       **of revenue acceptable to the department under ORS 307.223, the de-**  
5       **partment may establish terms and conditions by which the affordable**  
6       **housing covenant may be made subordinate to a primary deed of trust,**  
7       **mortgage or other security instrument securing financing for the eli-**  
8       **gible housing project property.**

9       (4)(a) Eligible housing project property [*for which a developer receives a*  
10      *project grant for eligible costs]* **that is granted exemption under ORS**  
11      **307.227** may not be granted any **other** exemption, partial exemption or spe-  
12      cial assessment of ad valorem property taxes [*other than the exemption*  
13      *granted under ORS 307.227*].

14       (b) [A sponsoring jurisdiction may not award a project grant to a developer  
15      under ORS 307.216 for an] Eligible housing project **property** that is located  
16      in an urban renewal area **may not be granted exemption under ORS**  
17      **307.227**.

18       (5) A sponsoring jurisdiction may amend an ordinance or resolution  
19      adopted pursuant to this section at any time. The amendments shall apply  
20      only to applications submitted under ORS 307.216 on or after the effective  
21      date of the ordinance or resolution.

22       **SECTION 5.** ORS 307.216 is amended to read:

23       307.216. (1)(a) A sponsoring jurisdiction that adopts a project funding  
24      program pursuant to ORS 307.214 shall prescribe an application process, in-  
25      cluding forms and deadlines, by which a developer may apply for project  
26      funding with respect to an eligible housing project.

27       (b) An application for project funding must include, at a minimum:  
28           (A) A description of the eligible housing project;  
29           (B) A detailed explanation of the affordability of the eligible housing  
30      project;  
31           (C) An itemized description of the eligible costs for which the project

1 funding is sought;

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

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

5 (F) Any other information, documentation or attestation that the spon-  
6 soring jurisdiction considers necessary or convenient for the application re-  
7 view process.

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

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

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

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

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

21 (B) The sponsoring jurisdiction may consult with a developer about the  
22 developer's application, and the developer, after the consultation, may amend  
23 the application on or before a deadline set by the sponsoring jurisdiction.

24 (3) The sponsoring jurisdiction shall:

25 (a) Review each application;

26 (b) Provide the tax officers of the county in which the eligible housing  
27 project property is located with the estimated real market value and tax lot  
28 information of the property;

29 (c) Request that the county tax officers provide to the sponsoring juris-  
30 diction the increment determined under ORS 307.218;

31 (d) Set the term of the agency loan that will fund the project funding

1 award for a period not to exceed the greater of:

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

5 (B) If agreed upon by the sponsoring jurisdiction and the department, the  
6 period required for the agency loan principal, and fees, if any, to be repaid  
7 in full;

8 (e) Set the amount of the project funding that may be awarded to the  
9 developer under ORS 307.225 (2) by multiplying the increment determined  
10 under ORS 307.218 by the term of the agency loan; and

11 (f)(A) Provisionally approve the application as submitted;

12 (B) Provisionally approve the application on terms other than those re-  
13 quested in the application; or

14 (C) Reject the application.

15 (4)(a) The sponsoring jurisdiction shall forward provisionally approved  
16 applications to the *[Housing and Community Services]* department.

17 (b) The department shall review the provisionally approved applications  
18 for completeness, including, but not limited to, the completeness of the  
19 project pro forma submitted with the application under subsection (1)(b)(E)  
20 of this section and the increment computed under ORS 307.218, and notify  
21 the sponsoring jurisdiction of its determination.

22 (5)(a) If the department has determined that a provisionally approved ap-  
23 plication is incomplete, the sponsoring jurisdiction may:

24 (A) Consult with the applicant developer and reconsider the provisionally  
25 approved application after the applicant revises it; or

26 (B) Reject the provisionally approved application.

27 (b) If the department has determined that a provisionally approved appli-  
28 cation is complete, the approval shall be final.

29 (c) The sponsoring jurisdiction shall notify each applicant and the de-  
30 partment of the final approval or rejection of an application and the amount  
31 of the project funding award.

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

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

8       **SECTION 6.** ORS 307.221 is amended to read:

9       307.221. (1)(a) The Housing and Community Services Department shall  
10 develop a program to make agency loans to sponsoring jurisdictions to fund  
11 project grants and project loans awarded under the sponsoring jurisdiction's  
12 project funding program adopted pursuant to ORS 307.214.

13       (b) The agency loans shall be interest free for the term set by the spon-  
14 soring jurisdiction under ORS 307.216.

15       (2) For each application approved under ORS 307.216 (5)(b), the Housing  
16 and Community Services Department shall:

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

19       (A) The agency loan proceeds in an amount equal to the project funding  
20 award for the application set under ORS 307.216 (3); and

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

22       (b) Pay to the sponsoring jurisdiction the total amount set forth in para-  
23 graph (a) of this subsection out of the Housing Project Revolving Loan Fund  
24 established under ORS 307.237.

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

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

30       (b) An amount equal to one percent of the agency loan proceeds to be  
31 transferred to the county in which the sponsoring jurisdiction is situated to

1 reimburse the county for the costs of the tax administration of the project  
2 funding program by the county tax officers.

3 (4) The Housing and Community Services Department may:

4 **(a) In order to maximize repayment and compliance with  
5 affordability requirements:**

6 **(A) Compromise, adjust or modify agency loans; and**

7 **(B) Adjust, modify, subordinate or release the terms of contracts,  
8 agreements or restrictions entered into in connection with agency  
9 loans.**

10 (b) Assign any and all agency loan amounts made under this section to  
11 the Department of Revenue for collection as provided in ORS 293.250.

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

13 (a) Consult with the Oregon Business Development Department about any  
14 of the powers and duties conferred on the Housing and Community Services  
15 Department by ORS 307.213 to 307.237; and

16 (b) Adopt any rule it considers necessary or convenient for the adminis-  
17 tration of ORS 307.213 to 307.237 by the Housing and Community Services  
18 Department.

19 **SECTION 7.** ORS 307.225 is amended to read:

20 307.225. (1) Upon entering into an agency loan agreement with the Hous-  
21 ing and Community Services Department under ORS 307.221, a sponsoring  
22 jurisdiction shall offer a project funding agreement to each developer whose  
23 application for project funding was approved under ORS 307.216 (5)(b).

24 (2) The project funding agreement shall:

25 (a) Include a project grant award or project loan in the amount set under  
26 ORS 307.216 (3); and

27 (b) Contain terms that:

28 (A) Are required under ORS 307.213 to 307.237 or the ordinance or resol-  
29 ution adopted by the sponsoring jurisdiction pursuant to ORS 307.214.

30 (B) Do not conflict with ORS 307.213 to 307.237 or the ordinance or re-  
31 solution adopted by the sponsoring jurisdiction pursuant to ORS 307.214.

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

5       [(a) *With respect to a project grant or a project loan:*]

6       [(A)] (a) A description of the eligible housing project;

7       **(b) A statement indicating whether the eligible housing project  
8 property is exempt from property taxation under ORS 307.227;**

9       [(B)] (c) An itemized description of the eligible costs;

10       [(C)] (d) The amount and terms of the grant project award or project loan  
11 principal; and

12       [(D)] (e) A statement declaring that the project funding has been awarded  
13 in response to the housing needs of communities within the sponsoring  
14 jurisdiction[; and].

15       [(b) *With respect to a project grant, written notice that the eligible housing  
16 project property is exempt from property taxation in accordance with ORS  
17 307.227.*]

18       (4) Unless otherwise specified in the project funding agreement, as soon  
19 as practicable after the ordinance or resolution required under subsection (3)  
20 of this section becomes effective, the sponsoring jurisdiction shall distribute  
21 the agency loan proceeds received from the department under ORS 307.221  
22 (2)(a)(A) to the developer as the project grant moneys or project loan prin-  
23 cipal awarded under this section.

24       (5) The sponsoring jurisdiction shall forward to the tax officers of the  
25 county in which the eligible housing project is located a copy of the project  
26 funding agreement, the ordinance or resolution and any other material the  
27 sponsoring jurisdiction considers necessary for the tax officers to perform  
28 their duties under ORS 307.213 to 307.237 or the ordinance or resolution.

29       (6)(a)(A) Upon request, the department may assist [the] a sponsoring ju-  
30 risdiction with, or perform on behalf of the sponsoring jurisdiction, any duty  
31 required under this section.

1       **(B) Upon request, any city or county may assist a sponsoring ju-  
2 risdiction with, or perform on behalf of the sponsoring jurisdiction,  
3 any duty required under this section or ORS 307.216.**

4       **(b) The department may take any action with respect to a city or  
5 county assisting a sponsoring jurisdiction under this subsection that  
6 it may take with respect to the sponsoring jurisdiction itself.**

7       **SECTION 8.** ORS 307.227 is amended to read:

8       307.227. (1) Upon receipt of the copy of a project [grant] **funding** agree-  
9       ment and ordinance or resolution from the sponsoring jurisdiction under  
10      ORS 307.225 (5) **that grants exemption under this section to eligible**  
11      **housing project property**, the assessor of the county in which eligible  
12      housing project property is located shall:

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

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

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

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

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

23       (2)(a) The exemption shall first apply to the first property tax year that  
24      begins after completion of the eligible housing project to which the [grant]  
25      **project funding** relates.

26       (b) The eligible housing project property shall be disqualified from the  
27      exemption on the earliest of:

28       (A) July 1 of the property tax year immediately succeeding the date on  
29      which the fee payment obligation under ORS 307.231 that relates to the eli-  
30      gible housing project, if any, is repaid in full;

31       (B) The date on which the annual fee imposed on the fee payer under ORS

1 307.231, if any, becomes delinquent;

2 (C) The date on which foreclosure proceedings are commenced as provided  
3 by law for delinquent nonexempt taxes assessed with respect to the tax ac-  
4 count that includes the eligible housing project; or

5 (D) The date on which a condition specified in ORS 307.233 (1) occurs.

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

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

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

13 (b) The presumptive number of property tax years for which the ex-  
14 emption is granted, which shall be the term of the agency loan agreement  
15 relating to the eligible housing project set under ORS 307.216.

16 **SECTION 9.** ORS 307.229 is amended to read:

17 307.229. (1) Repayment of agency loans made under ORS 307.221 shall be-  
18 gin, in accordance with ORS 307.231, after completion of the eligible housing  
19 project funded by the project grant or project loan to which the agency loan  
20 relates, or after another date or other circumstances agreed to by the parties  
21 to a project funding agreement under ORS 307.223.

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

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

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

30 (c) After determining the date of completion under paragraph (a) of this  
31 subsection, the sponsoring jurisdiction shall notify the Housing and Com-

1 munity Services Department and the county tax officers of the determination.

2 (3)(a) [A] **An agency** loan shall remain outstanding until repaid in full.

3 (b) **An agency loan may be repaid at any time.**

4 (4) **Upon payment in full of an agency loan, the sponsoring jurisdiction**  
5 **may release or modify any affordability restrictions applicable**  
6 **to the eligible housing project property to which the agency loan re-**  
7 **lates.**

8 **SECTION 10.** ORS 307.231 is amended to read:

9 307.231. (1) Unless repayment of the agency loan made under ORS 307.221  
10 has been otherwise provided for under ORS 307.223, the fee payer for eligible  
11 housing project property that has been granted exemption under ORS 307.227  
12 shall pay an annual fee for the term that shall be the presumptive number  
13 of property tax years for which the property is granted exemption under ORS  
14 307.227 (3)(b).

15 (2)(a) The amount of the fee for the first property tax year in which re-  
16 payment of the agency loan is due under ORS 307.229 (1) shall equal the total  
17 of:

18 (A) The portion of the increment determined under ORS 307.218 that is  
19 attributable to the eligible housing project property to which the fee relates;  
20 and

21 (B) The administrative costs described in ORS 307.221 (3) divided by the  
22 term **in years** of the project [grant] **funding** agreement entered into under  
23 ORS 307.225.

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

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

31 (b) The assessor shall place each fee amount on the assessment and tax

1 rolls of the county and notify:

2 (A) The sponsoring jurisdiction of each fee amount and the aggregate of  
3 all fee amounts imposed with respect to eligible housing project property  
4 located in the sponsoring jurisdiction.

5 (B) The Housing and Community Services Department of each fee amount  
6 and the aggregate of all fee amounts with respect to all eligible housing  
7 project property located in the county.

8 (4)(a) The assessor shall include on the tax statement of each tax account  
9 that includes exempt eligible housing project property the amount of the fee  
10 imposed on the fee payer with respect to the eligible housing project prop-  
11 erty.

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

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

17 (A) Estimate the amount of operating taxes as defined in ORS 310.055 and  
18 local option taxes as defined in ORS 310.202 levied by fire districts that  
19 would have been collected on eligible housing project property if the prop-  
20 erty were not exempt;

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

24 (C) Transfer the net fee moneys to the [Housing and Community  
25 Services] department for deposit in the Housing Project Revolving Loan Fund  
26 established under ORS 307.237 in repayment of the loans to which the fees  
27 relate.

28 (b) Nonexempt taxes shall be distributed in the same manner as other ad  
29 valorem property taxes are distributed.

30 (6) Any person with an interest in the eligible housing project property  
31 on the date on which any fee amount becomes due shall be jointly and se-

1 verally liable for payment of the fee amount.

2 (7) Any agency loan amounts that have not been repaid when the fee  
3 payer has discharged its obligations in full under this section remain the  
4 obligation of the sponsoring jurisdiction that obtained the agency loan from  
5 the department under ORS 307.221.

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

9 **SECTION 11.** ORS 307.233 is amended to read:

10 307.233. (1)(a) A developer that received a project [grant] **funding** award  
11 under ORS 307.225 shall become liable for immediate payment of outstanding  
12 annual fee payments, if any, imposed under ORS 307.231 for the entire term  
13 of the fee if:

14 (A) The developer has not completed the eligible housing project within  
15 three years following the date on which the project [grant] **funding** moneys  
16 were distributed to the developer;

17 (B) The eligible housing project changes substantially from the project for  
18 which the developer's application was approved such that the project would  
19 not have been eligible for the project [grant] **funding**; or

20 (C) The developer has not complied with a requirement specified in the  
21 project [grant] **funding** agreement **or with associated affordability re-**  
22 **quirements and restrictions.**

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

25 *[(2) If the sponsoring jurisdiction discovers that a developer willfully made  
26 a false statement or misrepresentation or willfully failed to report a material  
27 fact to obtain a project grant with respect to an eligible housing project, the  
28 sponsoring jurisdiction may impose on the developer a penalty not to exceed  
29 20 percent of the amount of the project grant so obtained, plus any applicable  
30 interest and fees associated with the costs of collection.]*

31 **(2) A sponsoring jurisdiction may impose on a developer, home-**

1   **owner or other project representative a penalty not to exceed 20 per-**  
2   **cent of the amount of the project funding obtained with respect to an**  
3   **eligible housing project, plus any applicable interest and fees associ-**  
4   **ated with the costs of collection, upon discovery that the developer,**  
5   **homeowner or other project representative willfully made a false**  
6   **statement or misrepresentation or willfully failed to report a material**  
7   **fact:**

- 8       **(a) To obtain the project funding; or**  
9       **(b) Relating to the compliance requirements associated with the**  
10   **eligible housing project.**

11      (3) Any amounts imposed under subsection (1) or (2) of this section shall  
12   be a lien on the eligible housing project property and the nonexempt prop-  
13   erty in the tax account.

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

17      (5)(a) Any and all amounts required to be paid under this section shall  
18   be considered to be liquidated and delinquent, and the Housing and Com-  
19   munity Services Department shall assign such amounts to the Department  
20   of Revenue for collection as provided in ORS 293.250.

21      (b) Amounts collected under this subsection shall be deposited, net of any  
22   collection charges, in the Housing Project Revolving Loan Fund established  
23   under ORS 307.237.

24

## 25           **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS**

26

27      **SECTION 12.** ORS 458.352 is amended to read:

28      458.352. (1) As used in this section:

29        (a) "Average income" means an income that complies with income re-  
30   strictions determined at the advice and consent of the Oregon Housing Sta-  
31   bility Council, but not to exceed the greater of 100 percent of the statewide

1 or local area median income adjusted for household size as determined an-  
2 nually by the Housing and Community Services Department using United  
3 States Department of Housing and Urban Development information.

4 (b) "Manufactured dwelling park" has the meaning given that term in  
5 ORS 446.003.

6 (c) "Nonprofit corporation" means a corporation that is exempt from in-  
7 come taxes under section 501(c)(3) or (4) of the Internal Revenue Code as  
8 amended and in effect on December 31, 2016.

9 (2) The Housing and Community Services Department shall provide one  
10 or more loans to nonprofit corporations to create manufactured dwelling  
11 park preservation and development programs that invest in, and provide  
12 loans for, the preservation, development and expansion of affordable manu-  
13 factured dwelling parks in this state, including through:

14 (a) The repair or reconstruction of parks destroyed by natural disasters;  
15 or

16 (b) The acquisition and development of land for parks or for the expansion  
17 of parks in areas that have been affected by a natural disaster.

18 (3) To be eligible for a loan under this section, a nonprofit corporation  
19 shall demonstrate to the satisfaction of the department that the nonprofit  
20 corporation:

21 (a) Is a community development financial institution, **or was certified**  
22 **on October 1, 2025, as a community development financial institution**  
23 **by the Community Development Financial Institutions Fund at the**  
24 **United States Department of the Treasury;**

25 (b) **Is** operating statewide to support investment in, and acquisition,  
26 renovation and construction of, affordable housing;

27 [(b)] (c) Has the ability and capacity to provide the services and reporting  
28 required of the program described in subsections (4) and (6) of this section;  
29 and

30 [(c)] (d) Meets other requirements established by the department regard-  
31 ing financial risk and availability or accessibility of additional resources.

1       (4) An eligible nonprofit corporation, with input from the department,  
2 shall develop a manufactured dwelling park development and preservation  
3 program that:

4       (a) Invests in, and loans funds to, other nonprofit corporations, housing  
5 authorities, manufactured dwelling park nonprofit cooperatives as defined in  
6 ORS 62.803, local units of government as defined in ORS 466.706, agencies  
7 as defined in ORS 183.310, or any entity in which a nonprofit corporation  
8 has a controlling share, to:

9       (A) Purchase or refinance manufactured dwelling parks that will maintain  
10 the parks as parks long term; or

11       (B) Construct, develop, expand, repair or reconstruct parks, including  
12 parks destroyed by natural disasters;

13       (b) Emphasizes, when providing loans under paragraph (a) of this sub-  
14 section, the financing of parks whose residents are predominantly members  
15 of households with income less than average income; and

16       (c) Preserves the affordability of the park space rent to park tenants who  
17 are members of households with income less than average income.

18       (5) An eligible nonprofit corporation shall create a park development and  
19 preservation account to be used by the nonprofit corporation for the manu-  
20 factured dwelling park preservation program and shall deposit the moneys  
21 loaned by the department into the account.

22       (6) An eligible nonprofit corporation shall ensure that all financial ac-  
23 tivities of the program are paid from and into the park development and  
24 preservation account created under subsection (5) of this section. Each  
25 nonprofit corporation shall report to the department no less than semiannu-  
26 ally, showing the expenses and incomes of the park development and preser-  
27 vation account and the results of the manufactured dwelling park  
28 development and preservation program.

29       (7) A loan made by the department under this section:

30       (a) May require the nonprofit corporation to pay interest.

31       (b) May not require the nonprofit corporation to make any loan payments

1 before the maturity date of the loan.  
2 (c) Must have a maturity date of no later than September 15, 2036.  
3 (d) May have its maturity date extended by the department.  
4 (e) Shall have all or part of the unpaid balance forgiven by the department in an amount not to exceed the losses incurred on investments or loans made by the nonprofit corporation under subsection (4)(a) of this section.  
7 (f) May include such agreements by the nonprofit corporation practical to secure the loan made by the department and to accomplish the purposes of the program described in subsection (4) of this section.  
10 (8) The department or the State Treasurer shall deposit moneys received in servicing the loan into the General Housing Account of the Oregon Housing Fund created under ORS 458.620.

13 **SECTION 13. The Housing and Community Services Department, Oregon Department of Administrative Services or Department of Justice may amend the grant agreement with Network for Oregon Affordable Housing (NOAH) made under section 51, chapter 13, Oregon Laws 2023, to allow the grant and proceeds from the grant to be used for financing:**

19 (1) **Housing projects that will:**

20 (a) **Have an affordability term of no less than five years, notwithstanding section 51 (2)(a), chapter 13, Oregon Laws 2023.**

22 (b) **Be sold or rented as the primary residence for a low or moderate income household, notwithstanding section 51 (2)(b), chapter 13, Oregon Laws 2023.**

25 (2) **Not to exceed \$1,000,000 per eligible project, notwithstanding section 51 (3)(a), chapter 13, Oregon Laws 2023.**

28 **HOUSING ACCOUNTABILITY AND PRODUCTION OFFICE**

30 **SECTION 14.** ORS 197A.805 is amended to read:

31 197A.805. (1) The Housing Accountability and Production Office shall es-

1 establish a form or format through which the office receives allegations of lo-  
2 cal governments' violations of housing laws that impact housing production.  
3 For complaints that relate to a specific development project, the office may  
4 receive complaints only from the project applicant. For complaints not re-  
5 lated to a specific development project, the office may receive complaints  
6 from any person within the local government's jurisdiction or the Depart-  
7 ment of Land Conservation and Development or the Department of Consumer  
8 and Business Services.

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

12 (b) The office shall develop consistent procedures to evaluate and deter-  
13 mine the credibility of alleged violations of housing laws.

14 (c) If a complainant has filed a notice of appeal with the Land Use Board  
15 of Appeals or has initiated private litigation regarding any aspect of the  
16 application decision that was alleged to have been the subject of the housing  
17 law violation, the office may not further participate in the specific complaint  
18 or its appeal, except for:

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

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

23 (C) Mediation at the request of the local government and complainant,  
24 including mediation under ORS 197.860.

25 (3)(a) If the office has a reasonable basis to conclude that a violation was  
26 or is being committed, the office shall deliver written warning notice to the  
27 local government specifying the violation and any authority under this sec-  
28 tion that the office intends to invoke if the violation continues or is not  
29 remedied. The notice must include an invitation to address or remedy the  
30 suspected violation through mediation, the execution of a compliance agree-  
31 ment to voluntarily remedy the situation, the adoption of suitable model

1 codes developed by the office under ORS 197A.800 (3)(b) or other remedies  
2 suitable to the specific violation.

3 (b) The office shall prioritize technical assistance funding to local gov-  
4 ernments that agree to comply with housing laws under this subsection.

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

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

9 (a) Initiate a request for an enforcement order of the Land Conservation  
10 and Development Commission by delivering a notice of request under ORS  
11 197A.810 (3).

12 (b) Seek a court order against a local government as described under ORS  
13 455.160 (3) without being adversely affected or serving the demand as de-  
14 scribed in ORS 455.160 (2).

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

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

25 **(e) In addition to requesting an order under paragraph (a) of this**  
26 **subsection, enter an interim administrative order in the name of the**  
27 **office, requiring the local government to directly apply a model code**  
28 **that has been adopted by rule by the commission during the pendency**  
29 **of the proceeding. The local government may appeal the order under**  
30 **ORS 183.484 or seek relief from the order within the proceeding de-**  
31 **scribed in ORS 197A.810.**

1       (5) The office may not, in the name of the office, exercise the authority  
2 of the Department of Land Conservation and Development under ORS  
3 197A.130.

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

6           (a) Takes any action under subsection (3) or (4) of this section; or  
7           (b) Has determined that it will not take further actions or make further  
8 investigations.

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

14       (8) Nothing in this section:

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

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

18           (c) Tolls or extends:

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

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

21       **SECTION 15.** ORS 197.320 is amended to read:

22       197.320. The Land Conservation and Development Commission shall issue  
23 an order requiring a local government, state agency or special district to  
24 take action necessary to bring its comprehensive plan, land use regulation,  
25 limited land use decisions or other land use decisions or actions into com-  
26 pliance with the goals, acknowledged comprehensive plan provisions, land  
27 use regulations, housing production strategy or housing acceleration agree-  
28 ments if the commission has good cause to believe:

29       (1) A comprehensive plan or land use regulation adopted by a local gov-  
30 ernment not on a compliance schedule is not in compliance with the goals  
31 by the date set in ORS 197.245 or 197.250 for such compliance.

1       (2) A plan, program, rule or regulation affecting land use adopted by a  
2 state agency or special district is not in compliance with the goals by the  
3 date set in ORS 197.245 or 197.250 for such compliance.

4       (3) A local government is not making satisfactory progress toward per-  
5 formance of its compliance schedule.

6       (4) A state agency is not making satisfactory progress in carrying out its  
7 coordination agreement or the requirements of ORS 197.180.

8       (5) A local government has no comprehensive plan or land use regulation  
9 and is not on a compliance schedule directed to developing the plan or reg-  
10 ulation.

11       (6) A local government has engaged in a pattern or practice of decision-  
12 making that violates an acknowledged comprehensive plan or land use reg-  
13 ulation. In making its determination under this subsection, the commission  
14 shall determine whether there is evidence in the record to support the deci-  
15 sions made. The commission shall not judge the issue solely upon adequacy  
16 of the findings in support of the decisions.

17       (7) A local government has failed to comply with a commission order en-  
18 tered under ORS 197.644.

19       (8) A special district has engaged in a pattern or practice of decision-  
20 making that violates an acknowledged comprehensive plan or cooperative  
21 agreement adopted pursuant to ORS 197.020.

22       (9) A special district is not making satisfactory progress toward perform-  
23 ance of its obligations under ORS chapters 195, 197 and 197A.

24       (10) A local government's approval standards, special conditions on ap-  
25 proval of specific development proposals or procedures for approval do not  
26 comply with ORS 197A.400 [(1) or (3)].

27       (11) A local government is not making satisfactory progress toward  
28 meeting its obligations under ORS 195.065.

29       (12) A local government within the jurisdiction of a metropolitan service  
30 district has failed to make changes to the comprehensive plan or land use  
31 regulations to comply with the regional framework plan of the district or

1 has engaged in a pattern or practice of decision-making that violates a re-  
2 quirement of the regional framework plan.

3 (13) A city [*with a population of 10,000 or greater, as defined in ORS*  
4 *197A.015,*] that:

5 (a) Has a pattern or practice of violating housing-related statutes or im-  
6 plementing policies that create unreasonable cost or delay to the production  
7 of housing [*as described in ORS 197A.400 (1)*];

8 (b) Has a pattern or practice of creating adverse disparate impacts to  
9 state or federal protected classes or inhibiting equitable access to housing  
10 choice[, *as described in ORS 197A.100 (2)(b) to (d)*];

11 (c) Has failed to enter into a housing acceleration agreement as required  
12 under ORS 197A.130 (6); or

13 (d) Has materially breached a term of a housing acceleration agreement  
14 under ORS 197A.130 (8), including a failure to meet the timeline for per-  
15 formance under ORS 197A.130 (8)(a)(A).

16

## 17 **BUILDING PLAN REVIEW**

18

19 **SECTION 16.** ORS 455.628 is amended to read:

20 455.628. (1) The Department of Consumer and Business Services or a  
21 municipality administering and enforcing a building inspection program un-  
22 der ORS 455.148 or 455.150 may not require a plan review for one and two  
23 family dwellings [*that are of conventional light frame construction, as defined*  
24 *by the department by rule*], if:

25 (a) The plans for the dwelling are designed and stamped by a professional  
26 engineer registered under ORS 672.002 to 672.325 or an architect registered  
27 under ORS 671.010 to 671.220; and

28 (b) The engineer or architect is certified by the Director of the Depart-  
29 ment of Consumer and Business Services under ORS 455.720 as being quali-  
30 fied to examine one and two family dwelling plans.

31 (2) The department or municipality is exempt from liability for any dam-

1 ages arising from the nonperformance of a plan review pursuant to this sec-  
2 tion.

3

4 **REVIEW OF HOUSING APPLICATIONS**

5

6 **SECTION 17.** ORS 197A.400 is amended to read:

7 197A.400. (1)(a) Except as provided in subsection (3) of this section, a lo-  
8 cal government may adopt and apply only clear and objective standards,  
9 conditions and procedures regulating:

10 (A) The development of housing; and

11 (B) Tree removal [*codes*] related to the development of housing.

12 (b) The standards, conditions and procedures:

13 (A) May include, but are not limited to, one or more provisions regulating  
14 the density or height of a development.

15 (B) May not have the effect, either in themselves or cumulatively, of  
16 discouraging needed housing through unreasonable cost or delay.

17 (C) May be contained in a comprehensive plan, land use regulation or an  
18 ordinance relating to housing adopted by a city that adopts, including by  
19 reference, a model ordinance adopted by the Land Conservation and Devel-  
20 opment Commission that comports with any qualifications, conditions or  
21 applicability of the model ordinance.

22 (c) This subsection applies only within:

23 (A) An urban growth boundary;

24 (B) An unincorporated community designated in a county's acknowledged  
25 comprehensive plan after December 5, 1994;

26 (C) Nonresource land; or

27 (D) An area zoned for rural residential use as defined in ORS 215.501.

28 (2) The provisions of subsection (1) of this section do not apply to:

29 (a) An application or permit for residential development in an area iden-  
30 tified in a formally adopted central city plan, or a regional center as defined  
31 by Metro, in a city with a population of 500,000 or greater.

1       (b) An application or permit for residential development in historic areas  
2 designated for protection under a land use planning goal protecting historic  
3 areas.

4       (3) In addition to an approval process for needed housing based on clear  
5 and objective standards, conditions and procedures as provided in subsection  
6 (1) of this section, a local government may adopt and apply an alternative  
7 approval process for applications and permits for residential development  
8 based on approval criteria that are not clear and objective if:

9       (a) The applicant retains the option of proceeding under the approval  
10 process that meets the requirements of subsection (1) of this section;

11       (b) The approval criteria for the alternative approval process comply with  
12 applicable statewide land use planning goals and rules; and

13       (c) The approval criteria for the alternative approval process authorize a  
14 density at or above the density level authorized in the zone under the ap-  
15 proval process provided in subsection (1) of this section.

16       (4) **For applications** subject to subsection (1) of this section[*this section*  
17 *does not infringe on a local government's prerogative to:*] **the local govern-  
18 ment:**

19       (a) **Shall** set approval standards under which a particular housing type  
20 is **ordinarily** permitted outright **without the need for a land use**  
21 **decision:**

22       [(b) *Impose special conditions upon approval of a specific development pro-  
23 posal; or*]  
24       [(c) *Establish approval procedures.*]

25       (b) **May give notice of an approval of any application to the owners**  
26 **of record of any property that has a common boundary with the sub-**  
27 **ject property, including properties separated only by a public road, as**  
28 **shown on the most recent property tax assessment role; and**

29       (c) **May not require any public hearings, proceedings or notice of**  
30 **the application or require any local appeals, review or notice of an**  
31 **approved application except as provided in paragraph (b) of this sub-**

1 **section unless specifically requested by the applicant.**

2 **(5) Notwithstanding subsection (4) of this section or ORS 197.825,**  
3 **an applicant may appeal a denial of an application to the Land Use**  
4 **Board of Appeals under ORS 197.830 to 197.845 alleging that the local**  
5 **government has failed to adopt or apply clear and objective standards,**  
6 **conditions and procedures under subsection (1) of this section.**

7 **SECTION 18.** ORS 215.427 is amended to read:

8 215.427. (1) Except as provided in subsections (3), (5) and (10) of this sec-  
9 tion, the governing body of a county or its designee shall take final action  
10 on an application, including resolution of all appeals under ORS 215.422,  
11 within the shortest applicable period of the following periods, all of which  
12 begin on the date that the application is deemed complete:

13 (a) 150 days;

14 (b) 120 days, for land within an urban growth boundary or for applica-  
15 tions for mineral aggregate extraction;

16 (c) 100 days, for an application for the development of affordable housing  
17 as provided in ORS 197A.470; [or]

18 **(d) 90 days, for an application to develop housing within an urban**  
19 **growth boundary where the developer and zoning designation are**  
20 **identical and the application and lot or parcel are substantially simi-**  
21 **lar; or**

22 [(d)] **(e) 63 days, for an expedited land division under ORS 197A.140.**

23 (2) If an application is incomplete, the governing body or its designee  
24 shall notify the applicant in writing of exactly what information is missing  
25 within 30 days of receipt of the application and allow the applicant to submit  
26 the missing information. The application is deemed complete for the purpose  
27 of subsection (1) of this section upon receipt by the governing body or its  
28 designee of:

29 (a) All of the missing information;

30 (b) Some of the missing information and written notice from the applicant  
31 that no other information will be provided; or

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

3       (3)(a) Approval or denial of an application that was complete when first  
4 submitted or deemed complete pursuant to subsection (2) of this section must  
5 be based:

6       (A) Upon the standards and criteria that were applicable at the time the  
7 application was first submitted; or

8       (B) For an application relating to development of housing within an ur-  
9 ban growth boundary, upon the request of the applicant, those standards and  
10 criteria that are operative at the time of the request.

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

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

16       (B) For the purposes of this section, the application is not deemed com-  
17 plete until:

18       (i) The county determines that additional information is not required un-  
19 der subsection (2) of this section; or

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

22       (C) A county may deny a request under paragraph (a)(B) of this sub-  
23 section if:

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

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

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

28       (i) Pay a fee, except to cover additional costs incurred by the county to  
29 accommodate the request;

30       (ii) Submit a new application or duplicative information, unless informa-  
31 tion resubmittal is required because the request affects or changes informa-

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

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

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

8 (a) All of the missing information;

9 (b) Some of the missing information and written notice that no other in-  
10 formation will be provided; or

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

12 (5) The period set in subsection (1) of this section may be extended for a  
13 specified period of time at the written request of the applicant. The total of  
14 all extensions, except as provided in subsection (10) of this section for me-  
15 diation, may not exceed 215 days.

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

17 (a) Only to decisions wholly within the authority and control of the gov-  
18 erning body of the county; and

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

21 (7) Notwithstanding subsection (6) of this section, the period set in sub-  
22 section (1) of this section does not apply to:

23 (a) A decision of the county making a change to an acknowledged com-  
24 prehensive plan or a land use regulation that is submitted to the Director  
25 of the Department of Land Conservation and Development under ORS  
26 197.610; or

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

31 (8) If the governing body of the county or its designee does not take final

1 action on an application within the applicable periods allowed under sub-  
2 sections (1) and (5) of this section, the county shall refund to the applicant  
3 either the unexpended portion of any application fees or deposits previously  
4 paid or 50 percent of the total amount of such fees or deposits, whichever is  
5 greater. The applicant is not liable for additional governmental fees incurred  
6 subsequent to the payment of such fees or deposits. However, the applicant  
7 is responsible for the costs of providing sufficient additional information to  
8 address relevant issues identified in the consideration of the application.

9 (9) A county may not compel an applicant to waive the period set in  
10 subsection (1) of this section or to waive the provisions of subsection (8) of  
11 this section or ORS 215.429 as a condition for taking any action on an ap-  
12 plication, except when such applications are filed concurrently and consid-  
13 ered jointly with a plan amendment.

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

17 (11) As used in this section, "application" means an application for:  
18 (a) A permit;  
19 (b) A limited land use decision;  
20 (c) A zone change;  
21 (d) A consolidated zone change and permit described under ORS 215.416;  
22 (e) An expedited land division under ORS 197A.140; or  
23 (f) A plat consisting of a land division and middle housing land division  
24 as described in ORS 92.044 (1)(c)(C).

25 **SECTION 19.** ORS 227.178 is amended to read:

26 227.178. (1) Except as provided in subsections (3), (5) and (11) of this sec-  
27 tion, the governing body of a city or its designee shall take final action on  
28 an application, including resolution of all appeals under ORS 227.180, within  
29 the shortest applicable period of the following periods, all of which begin on  
30 the date that the application is deemed complete:

31 (a) 120 days;

1       (b) 100 days, for an application for the development of affordable housing  
2 as provided in ORS 197A.470; [or]

3       **(c) 90 days, for an application to develop housing within an urban**  
4 **growth boundary where the developer and zoning designation are**  
5 **identical and the application and lot or parcel are substantially simi-**  
6 **lar; or**

7       [(c)] **(d) 63 days, for an expedited land division under ORS 197A.140.**

8       (2) If an application is incomplete, the governing body or its designee  
9 shall notify the applicant in writing of exactly what information is missing  
10 within 30 days of receipt of the application and allow the applicant to submit  
11 the missing information. The application is deemed complete for the purpose  
12 of subsection (1) of this section upon receipt by the governing body or its  
13 designee of:

14       (a) All of the missing information;

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

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

19       (3)(a) Approval or denial of an application that was complete when first  
20 submitted or deemed complete pursuant to subsection (2) of this section must  
21 be based:

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

24       (B) For an application relating to development of housing within an ur-  
25 ban growth boundary, upon the request of the applicant, those standards and  
26 criteria that are operative at the time of the request.

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

29       (A) For the purposes of this section, any applicable timelines for com-  
30 pleteness review and final decisions restart as if a new application were  
31 submitted on the date of the request;

1       (B) For the purposes of this section, the application is not deemed com-  
2 plete until:

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

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

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

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

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

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

13           (i) Pay a fee, except to cover additional costs incurred by the city to ac-  
14 commodate the request;

15           (ii) Submit a new application or duplicative information, unless informa-  
16 tion resubmittal is required because the request affects or changes informa-  
17 tion in other locations in the application or additional narrative is required  
18 to understand the request in context; or

19           (iii) Repeat redundant processes or hearings that are inapplicable to the  
20 change in standards or criteria.

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

24           (a) All of the missing information;

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

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

28       (5) The period set in subsection (1) of this section may be extended for a  
29 specified period of time at the written request of the applicant. The total of  
30 all extensions, except as provided in subsection (11) of this section for me-  
31 diation, may not exceed 245 days.

1       (6) The period set in subsection (1) of this section applies:  
2           (a) Only to decisions wholly within the authority and control of the gov-  
3           erning body of the city; and  
4           (b) Unless the parties have agreed to mediation as described in subsection  
5           (11) of this section or ORS 197.319 (2)(b).

6       (7) Notwithstanding subsection (6) of this section, the period set in sub-  
7           section (1) of this section does not apply to:

8           (a) A decision of the city making a change to an acknowledged compre-  
9           hensive plan or a land use regulation that is submitted to the Director of the  
10           Department of Land Conservation and Development under ORS 197.610; or  
11           (b) A decision of a city involving an application for the development of  
12           residential structures within an urban growth boundary, where the city has  
13           tentatively approved the application and extends these periods by no more  
14           than seven days in order to assure the sufficiency of its final order.

15       (8) If the governing body of the city or its designee does not take final  
16           action on an application within the period set in subsection (1) of this sec-  
17           tion, the city shall refund to the applicant, subject to the provisions of sub-  
18           section (9) of this section, either the unexpended portion of any application  
19           fees or deposits previously paid or 50 percent of the total amount of such fees  
20           or deposits, whichever is greater. The applicant is not liable for additional  
21           governmental fees incurred subsequent to the payment of such fees or de-  
22           posits. However, the applicant is responsible for the costs of providing suf-  
23           ficient additional information to address relevant issues identified in the  
24           consideration of the application.

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

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

29           (B) Include the amount claimed in a mandamus petition filed under ORS  
30           227.179. The court shall award an amount owed under this section in its final  
31           order on the petition.

1       (b) Within seven calendar days of receiving a request for a refund, the  
2 city or its designee shall determine the amount of any refund owed. Payment,  
3 or notice that no payment is due, shall be made to the applicant within 30  
4 calendar days of receiving the request. Any amount due and not paid within  
5 30 calendar days of receipt of the request shall be subject to interest charges  
6 at the rate of one percent per month, or a portion thereof.

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

15       (10) A city may not compel an applicant to waive the period set in sub-  
16 section (1) of this section or to waive the provisions of subsection (8) of this  
17 section or ORS 227.179 as a condition for taking any action on an applica-  
18 tion, except when such applications are filed concurrently and considered  
19 jointly with a plan amendment.

20       (11) The periods set forth in subsections (1) and (5) of this section may  
21 be extended by up to 90 additional days, if the applicant and the city agree  
22 that a dispute concerning the application will be mediated.

23       (12) As used in this section, "application" means an application for:  
24           (a) A permit;  
25           (b) A limited land use decision;  
26           (c) A zone change;  
27           (d) A consolidated zone change and permit described under ORS 227.175;  
28           (e) An expedited land division under ORS 197A.140; or  
29           (f) A plat consisting of a land division and middle housing land division  
30 as described in ORS 92.044 (1)(c)(C).

1                   **RESIDENTIAL TENANCIES IMPACTED BY DISASTERS**

2

3                   **SECTION 20. Section 21 of this 2026 Act is added to and made a part**

4                   **of ORS 90.100 to 90.465.**

5                   **SECTION 21. If a tenancy is affected by a natural disaster, as de-**

6                   **fined in ORS 197A.440, unless the parties agree otherwise following the**

7                   **natural disaster:**

8                   **(1) For a dwelling unit that is destroyed, the tenancy is immediately**

9                   **terminated and the parties are not further obligated under the rental**

10                   **agreement or this chapter, except that:**

11                   **(a) The landlord shall, pursuant to ORS 90.300, return to the tenant**

12                   **any deposit and prepaid rent, including prorated rent from the date**

13                   **of the natural disaster.**

14                   **(b) Unless a tenant is responsible for the natural disaster, the ten-**

15                   **ant is not responsible for cleanup of the premises.**

16                   **(c) After the abatement of the emergency, the landlord shall notify**

17                   **the tenant and provide the tenant an opportunity to return to the**

18                   **premises to search for valuables. The landlord may require the tenant**

19                   **to sign a release of liability related to the tenant's presence at the**

20                   **premises.**

21                   **(2) A tenant does not owe rent while the dwelling unit is inacces-**

22                   **sible due to the natural disaster or the destruction of the dwelling unit.**

23                   **(3) As used in this section, a dwelling unit is considered inaccessible**

24                   **while a governmental agency has posted the dwelling unit as unsafe**

25                   **or unlawful to occupy.**

26                   **(4) This section does not apply to rental agreements subject to ORS**

27                   **90.505 to 90.850.**

28

29                   **USE OF STATE PROPERTY FOR HOUSING**

30

31                   **SECTION 22. ORS 270.010 is amended to read:**

1 270.010. [(1) *It shall be*] **It is** the policy of the State of Oregon to hold in  
2 state ownership no more state-owned real property than is necessary to  
3 conduct official business, with allowance for reasonably foreseeable demands  
4 of the future. The acquisition, sale, exchange, lease, retention and manage-  
5 ment of state-owned real property shall be subject to a statewide plan that  
6 will encourage the transfer through sale or lease of state-owned real property  
7 already in state ownership to private ownership and use so as to minimize  
8 state investment in such land and place such land on the tax rolls.

9 [(2) *In transferring state-owned real property through sale or lease, to the*  
10 *extent consistent with applicable trust responsibilities, the state policy shall*  
11 *be to give right of first refusal to purchase in the following order:*]

12 [(a) *To the lessee of the land.*]

13 [(b) *Where the intended activity or use is similar to that of adjacent prop-*  
14 *erties within the region.*]

15 [(A) *To adjacent landowners.*]

16 [(B) *To residents within the region.*]

17 [(C) *To persons outside the region.*]

18 **SECTION 23.** ORS 270.100 is amended to read:

19 270.100. (1)[(a)] Before offering for sale any real property or equitable in-  
20 terest in real property that the state owns, the state agency acting for the  
21 state in the sales transaction shall report to the Oregon Department of Ad-  
22 ministrative Services that the state agency intends to sell or transfer the  
23 real property or the equitable interest. The department, or an agency the  
24 department specifically designates, shall notify other state agencies author-  
25 ized to own real property of the intended sale or transfer to determine  
26 whether acquiring the real property or interest in the real property would  
27 be advantageous to another state agency.

28 [(b)(A)] (2) The department shall give the [*first opportunity after other*  
29 *state agencies*] **opportunity** to acquire, purchase, exchange or lease real  
30 property or an interest in real property that the State of Oregon disposes  
31 of or sells to **the following, in order of priority:**

1       **(a) Other state agencies.**

2       **(b) Any lessee of the land.**

3       [(i)] **(c)** The following entities, **in order of priority**, on the condition that  
4       the entities will develop housing on the real property [*that will be occupied*  
5       *by families and individuals with an income no greater than 80 percent of the*  
6       *median family income for the county in which the real property is located*]  
7       **only for households whose income is not greater than 120 percent of**  
8       **the area median income:**

9       [(I) *Nonprofit organizations; and* ]

10      [(II)] **(A)** Indian tribes, as defined in ORS 97.740[; *and*].

11      [(ii)] **(B)** Political subdivisions, as defined in ORS 271.005.

12      **(C) Nonprofit organizations.**

13      **(D) Any person.**

14      **(d) The adjacent property owner, where the intended activity or use**  
15      **is similar to that of adjacent properties within the region.**

16      **(e) Political subdivisions, as defined in ORS 271.005.**

17      [(B) *The state agency responsible for selling or transferring the property*  
18      *or the equitable interest may require at the time of*] **Upon** the sale or  
19      **transfer, the department may require** that a political subdivision [*must*]:

20      **(A)** Use [*state real property or an equitable interest in real property sold*  
21      *or transferred to the political subdivision*] **the real property** for a public  
22      purpose or benefit[, *and that the political subdivision*].

23      **(B)** May not resell the real property or the equitable interest to a private  
24      purchaser.

25      **(f) The entities listed under paragraph (c) of this subsection, in or-**  
26      **der of priority, on the condition that the entities will develop housing**  
27      **on the real property without regard to the affordability of the housing.**

28      [(c)] **(3)** If a state agency that intends to sell or transfer real property or  
29      an equitable interest in real property has not disposed of the real property  
30      or the equitable interest under [*paragraph (a) or (b) of this*] subsection **(2)(a)**  
31      **or (b) of this section**, the state agency shall cause the real property to be

1 appraised by one or more competent and experienced appraisers in accord-  
2 ance with rules the department adopts. Except as provided in ORS 273.825,  
3 if the property has an appraised value exceeding \$5,000, the property or an  
4 equitable interest in the property may not be sold to any private person ex-  
5 cept after notice calling for such proposals as set forth in ORS 270.130.

6 [(d)] (4) The department shall adopt rules to carry out the provisions of  
7 this section.

8 [(2)] (5) Before a state agency acquires any real property or interest in  
9 real property, except for highway right of way that the Department of  
10 Transportation acquires, park properties that the State Parks and Recreation  
11 Department acquires and property within the approved projected campus  
12 boundaries for public universities listed in ORS 352.002, the state agency  
13 shall report to the Oregon Department of Administrative Services that the  
14 state agency intends to acquire the real property or the interest in real  
15 property. The department shall notify other state agencies that own land that  
16 the state agency intends to acquire real property or an interest in real  
17 property to determine whether another state agency desires to sell or trans-  
18 fer property that would meet the needs of the acquiring agency. In accord-  
19 ance with rules the Oregon Department of Administrative Services adopts,  
20 if no other state agency desires to sell or transfer property that would meet  
21 the needs of the agency that intends to acquire real property or an interest  
22 in real property, the agency may acquire the real property or interest in real  
23 property, consistent with applicable provisions of law.

24 [(3)] (6) Before any terminal disposition of real property or an interest in  
25 real property, the state agency acting for the state in the transaction must  
26 secure approval of the transaction from the Oregon Department of Adminis-  
27 trative Services.

28 [(4)] (7) Subsection [(3)] (6) of this section does not apply to terminal  
29 disposition of the following real property:

- 30 (a) Property that the State Department of Fish and Wildlife controls;  
31 (b) State forestlands that the State Forestry Department controls;

1 (c) Property that the Department of Transportation controls;  
2 (d) Property that the Department of State Lands controls;  
3 (e) Property that public universities listed in ORS 352.002 control;  
4 (f) Property that the legislative branch of state government controls;  
5 (g) Property that the judicial branch of state government controls; and  
6 (h) Property that the State Parks and Recreation Department controls.

7 [(5)] (8) Notwithstanding the provisions of subsection (4) (7) of this sec-  
8 tion, prior approval by the Oregon Department of Administrative Services is  
9 required for the terminal disposition of public land for less than the fair  
10 market value of the public land.

11 [(6)] (9) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to  
12 270.190, 273.416, 273.426 to 273.436, 273.551 and 308A.709 (1)(a) to (d) do not  
13 apply to:

14 (a) A home or farm that the Department of Veterans' Affairs acquires or  
15 sells under ORS 88.720, 406.050, 407.135, 407.145, 407.375 or 407.377.

16 (b) Real property that the Housing and Community Services Department  
17 acquires or sells under the provisions of ORS 456.515 to 456.828 or ORS  
18 chapter 458.

19 (c) Real property that the Oregon Health Authority or the Department  
20 of Human Services acquires or sells under ORS 410.075 or 416.340.

21 **SECTION 24.** ORS 270.030 is amended to read:

22 270.030. (1) Notwithstanding [ORS 270.010 (2) or] 270.100 to 270.190, a  
23 state agency may transfer, convey, donate, exchange or lease to an eligible  
24 Indian tribe, as defined in ORS 307.181, any real property or interest in real  
25 property owned by the agency at such price and on such terms as the agency  
26 may determine.

27 (2) Notwithstanding ORS 273.775 to 273.790, an agency disposing of real  
28 property or interest in real property under this section also may convey the  
29 mineral and geothermal resource rights in the real property to the Indian  
30 tribe.

**TECHNICAL FIXES****SECTION 25.** ORS 92.031 is amended to read:

92.031. (1) As used in this section, "middle housing land division" means a partition or subdivision of a lot or parcel on which the development of middle housing is allowed under ORS 197A.420 (2) or (3) or 197A.421.

(2) A city or county shall approve a tentative plan for a middle housing land division if the application includes:

(a) Separate utilities, other than water or wastewater, for each dwelling unit;

(b) A proposal for development of middle housing that is in compliance or must comply with the Oregon residential specialty code and land use regulations under ORS 197A.420 (5) that are applicable to the original lot or parcel and which may consist of:

(A) A single duplex, triplex, quadplex, cottage cluster or structure containing townhouses;

(B) Additional units as allowed by ORS 197A.421 (3); and

(C) Retained or rehabilitated existing units allowed under ORS 197A.420

(4), if any;

(c) Proposed easements necessary for each dwelling unit on the plan for:

(A) Locating, accessing, replacing and servicing all utilities;

(B) Pedestrian access from each dwelling unit to a private or public road;

(C) Any common use areas or shared building elements;

(D) Any dedicated driveways or parking; and

(E) Any dedicated common area;

(d) Exactly one dwelling unit on each resulting lot or parcel, except for:

(A) Lots, parcels or tracts used as common areas; or

(B) Lots or parcels with a detached single-unit dwelling and accessory dwelling unit or a duplex as allowed under ORS 197A.420 (4); and

(e) Evidence demonstrating how buildings or structures on a resulting lot

or parcel will comply with applicable building codes provisions relating to

1 new property lines and, notwithstanding the creation of new lots or parcels,  
2 how structures or buildings located on the newly created lots or parcels will  
3 comply with the Oregon residential specialty code.

4 (3) A city or county may add conditions to the approval of a tentative  
5 plan for a middle housing land division to:

6 (a) Subject to subsection (6) of this section, prohibit the further division  
7 of the resulting lots or parcels.

8 (b) Require that a notation appear on the final plat indicating that the  
9 approval was given under this section.

10 (4) In reviewing an application for a middle housing land division, a city  
11 or county:

12 (a) Shall apply the procedures applicable to an expedited land division  
13 under ORS 197A.140, if requested by the applicant and without regard to the  
14 criteria in ORS 197A.142 (1).

15 (b) May require street frontage improvements where a resulting lot or  
16 parcel abuts the street consistent with land use regulations implementing  
17 ORS 197A.420.

18 (c) May not subject an application to approval criteria except as provided  
19 in this section, including that a lot or parcel require driveways, vehicle ac-  
20 cess, parking or minimum or maximum street frontage.

21 (d) May not subject the application to procedures, ordinances or regu-  
22 lations adopted under ORS 92.044 or 92.046 that are inconsistent with this  
23 section or, only if requested by the applicant, ORS 197A.140.

24 (e) Shall allow the submission of an application for a tentative plan for  
25 a middle housing land division before, after or at the same time as the sub-  
26 mission of an application for building permits for the middle housing.

27 (f) May require the dedication of right of way if the original parcel did  
28 not previously provide a dedication.

29 (g) May require separate water and wastewater utilities for each dwelling  
30 unit.

31 (h) Shall allow any existing units allowed under ORS 197A.420 (4) to be

1 considered a single middle housing unit and allow for the unit to be allo-  
2 cated its own lot or parcel by the division.

3 (5) The type of middle housing developed on the original parcel is not  
4 altered by a middle housing land division.

5 (6) Notwithstanding ORS 197A.425 (1) and subsection (4)(d) and (e) of this  
6 section, a city or county may prohibit or add approval criteria to the al-  
7 lowance of a new accessory dwelling unit on, or a subsequent middle housing  
8 land division of, a lot or parcel resulting from a middle housing land divi-  
9 sion:

10 (a) To the extent allowed under this section and ORS 197A.420; and  
11 (b) Provided that the middle housing land division lots or parcels may be  
12 used to create housing that is at or above the minimum density for the zon-  
13 ing of the land.

14 (7) Notwithstanding any other provision of ORS 92.010 to 92.192, within  
15 the same calendar year as an original partition that was not a middle hous-  
16 ing land division, a city or county may allow one or more of the resulting  
17 vacant parcels to be further partitioned into not more than three parcels  
18 through a middle housing land division.

19 (8) The tentative approval of a middle housing land division is void if and  
20 only if a final subdivision or partition plat is not approved within:

21 (a) Three years *[of]* following the tentative approval; **or**  
22 (b) **A period equal to that allowed by the city or county for the plat**  
23 **or plan that is submitted concurrently with the division as described**  
24 **in ORS 92.044.**

25 (9) Nothing in this section prohibits a city or county from requiring a  
26 final plat before issuing building permits.

27 **SECTION 26.** ORS 197A.140 is amended to read:

28 197A.140. Notwithstanding any other requirement applicable to a land use  
29 decision under ORS chapter 197 or 197A, for an application that is reviewed  
30 as an expedited land division based on the request of the applicant:

31 (1) A decision is not subject to the requirements of ORS 197.797.

1       (2) A local government:

2           (a) Shall make a decision to approve or deny the application within 63  
3 days of receiving a completed application as described in ORS [215.246]  
4 ~~215.427~~ or 227.178, based on whether the application satisfies the substantive  
5 requirements of the applicable land use regulations. An approval may include  
6 conditions to ensure that the application meets the applicable land use reg-  
7 ulations.

8           (b) May not hold a hearing on the application or allow any third party  
9 to intervene to oppose the application.

10          (c) Shall issue a written determination of compliance or noncompliance  
11 with applicable land use regulations that includes a summary statement ex-  
12 plaining the determination. The summary statement may be in any form  
13 reasonably intended to communicate the local government's basis for the  
14 determination. The determination must include an explanation of the  
15 applicant's right to appeal the determination under ORS 197.830 to 197.855.

16          (d) Shall provide notice of the decision to the applicant but may not re-  
17 quire that notice be given to any other person.

18          (e) May assess an application fee calculated to recover the estimated full  
19 cost of processing an application based on the estimated average cost of such  
20 applications. Within one year of establishing a fee under this section, the  
21 city or county shall review and revise the fee, if necessary, to reflect actual  
22 experience in processing expedited land decisions.

23       (3) Only the applicant may appeal an expedited land division made under  
24 this section.

25       **SECTION 27.** Section 22, chapter 476, Oregon Laws 2025, is amended to  
26 read:

27       **Sec. 22.** (1) On or before January 1, 2028, the Land Conservation and  
28 Development Commission shall adopt rules that must include:

29           (a) Prohibiting or restricting siting and design standards that prevent or  
30 discourage, or have the effect of preventing or discouraging, the siting of  
31 middle housing that is manufactured, site-built or prefabricated;

1       (b) Establishing parameters on unreasonable cost or delay for siting and  
2 design standards for accessory dwelling units and single room occupancies  
3 under standards allowed under ORS 197A.425 and 197A.430;  
4       (c) Regulating cottage clusters for the purposes of incentivizing the pro-  
5 vision of smaller, less expensive housing, shared community amenities and  
6 other public benefits and including regulations that implement the term  
7 “small footprint or floor area” as used within the definition of cottage clus-  
8 ters in ORS 197A.420;  
9       (d) Amending siting and design parameters for middle housing types;  
10      (e) Amending permissible discretionary criteria applied by local govern-  
11 ment in evaluating housing under ORS 197A.400 (3);  
12      (f) Developing model system development charges for residential develop-  
13 ment types for optional adoption or incorporation by local governments; and  
14      (g) Establishing procedures to estimate the reasonable zoned housing ca-  
15 pacity of an area as part of an inventory of buildable lands or housing ca-  
16 pacity under ORS 197A.270, 197A.280 and 197A.350.

17      (2) In adopting rules under this section, the commission shall:  
18       (a) Emphasize improving the efficiency of the development process with  
19 a focus on increasing housing production, availability and affordability, es-  
20 pecially that of middle housing, accessory dwelling units and single room  
21 occupancies.  
22       (b) To the extent practicable, implement recommendations in the reports  
23 produced under section 5 (1) to (3), chapter 110, Oregon Laws 2024.  
24       (c) Implement the principles in ORS 197A.025.  
25       (d) Adopt operative and applicable dates for the rules, subject to section  
26 3, chapter 639, Oregon Laws 2019.

27      [(e)] **(3) The Department of Land Conservation and Development**  
28 **shall** provide a report on or before July 1, 2028, to the interim committees  
29 of the Legislative Assembly relating to land use, in the manner provided in  
30 ORS 192.245, on the feasibility and advisability of providing safe harbor  
31 protections for cities that use the commission’s model system development

1 charges under subsection (1)(f) of this section or otherwise incentivizing the  
2 use of the models.

3

4 **CAPTIONS**

5

6 **SECTION 28. The unit captions used in this 2026 Act are provided**  
7 **only for the convenience of the reader and do not become part of the**  
8 **statutory law of this state or express any legislative intent in the**  
9 **enactment of this 2026 Act.**

10

11 **EFFECTIVE DATE**

12

13 **SECTION 29. This 2026 Act takes effect on the 91st day after the**  
14 **date on which the 2026 regular session of the Eighty-third Legislative**  
15 **Assembly adjourns sine die.**

16 \_\_\_\_\_