

# A-Engrossed House Bill 4035

Ordered by the House February 16  
Including House Amendments dated February 16

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Housing and Homelessness for Representative Pam Marsh)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** This Act amends temp UGB program and lets LCDC award grants. (Flesch Readability Score: 80.3).

Expands eligibility for cities and Metro to amend their urban growth boundaries under a temporary program.

Authorizes the Land Conservation and Development Commission to issue grants to implement the commission's duties.

**Declares an emergency, effective on passage.**

## A BILL FOR AN ACT

1  
2 Relating to land use; amending ORS 197.045 and sections 49, 50, 51, 52, 53, 55, 56 and 60, chapter  
3 110, Oregon Laws 2024, and section 2, chapter 341, Oregon Laws 2025; and declaring an emer-  
4 gency.

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

5  
6 **SECTION 1.** Section 49, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 530,  
7 Oregon Laws 2025, is amended to read:

8 **Sec. 49.** As used in sections 49 to 59, chapter 110, Oregon Laws 2024:

9 (1) "Net [*residential*] **buildable** acre" means an acre of [*residentially*] designated buildable land,  
10 **including for residential uses or uses designated under section 55 (3)(b), chapter 110, Oregon**  
11 **Laws 2024, but** not including rights of way for streets, roads or utilities or areas not designated for  
12 development due to natural resource protections or environmental constraints.

13 (2) "Site" means a lot or parcel or any combination of lots and parcels that are contiguous or  
14 separated from one another by a street or road with or without common ownership.

15 **SECTION 2.** Section 50, chapter 110, Oregon Laws 2024, is amended to read:

16 **Sec. 50.** (1) Notwithstanding any other provision of ORS chapter 197A, a city outside of Metro  
17 may add a site to the city's urban growth boundary under sections 49 to 59, **chapter 110, Oregon**  
18 **Laws 2024** [*of this 2024 Act*], if:

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

21 (b) The site is:

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

24 (B) Designated as nonresource land; [*or*]

(C) Subject to an acknowledged exception to a statewide land use planning goal relating to

**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 farmland or forestland; or

2 (D) Other land, only if:

3 (i) Resource land constitutes more than 80 percent of the land area lying within a quarter  
4 mile outside the city's urban growth boundary;

5 (ii) Upon the city's review under section 54 (1), chapter 110, Oregon Laws 2024, there were  
6 no qualified applications for lands described in subparagraphs (A) to (C) of this paragraph;  
7 and

8 (iii) Of the qualified applications received by the city, the site is the highest priority,  
9 based on the prioritization described in ORS 197A.285;

10 (c) The city has not previously adopted an urban growth boundary amendment or exchange un-  
11 der sections 49 to 59, chapter 110, Oregon Laws 2024 [of this 2024 Act];

12 (d) The city has demonstrated a need for the addition under section 52, chapter 110, Oregon  
13 Laws 2024 [of this 2024 Act];

14 (e) The city has requested and received an application as required under sections 53 and 54,  
15 chapter 110, Oregon Laws 2024 [of this 2024 Act];

16 (f) The total acreage of the site:

17 (A) For a city with a population of 25,000 or greater, [does not exceed 100] includes up to 150  
18 net [residential] buildable acres; or

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

21 (g)(A) The city has adopted a binding conceptual plan for the site that satisfies the requirements  
22 of section 55, chapter 110, Oregon Laws 2024 [of this 2024 Act]; or

23 (B) The added site does not exceed 15 net [residential] buildable acres and satisfies the re-  
24 quirements of section 56, chapter 110, Oregon Laws 2024 [of this 2024 Act].

25 (2) A county shall approve an amendment to an urban growth boundary made under this section  
26 that complies with sections 49 to 59, chapter 110, Oregon Laws 2024, [of this 2024 Act] and shall  
27 cooperate with a city to facilitate the coordination of functions under ORS 195.020 to facilitate the  
28 city's annexation and the development of the site. The county's decision is not a land use decision.

29 (3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to 59,  
30 chapter 110, Oregon Laws 2024, [of this 2024 Act] is not a land use decision as defined in ORS  
31 197.015.

32 **SECTION 3.** Section 51, chapter 110, Oregon Laws 2024, is amended to read:

33 **Sec. 51.** (1) A city within Metro may petition Metro to add a site within the Metro urban  
34 growth boundary if the site:

35 (a) Satisfies the requirements of section 50 (1), chapter 110, Oregon Laws 2024 [of this 2024  
36 Act]; and

37 (b) Is designated as an urban reserve.

38 (2)(a) Within 120 days of receiving a petition under this section, Metro shall determine whether  
39 the site would substantially comply with the applicable provisions of sections 49 to 59, chapter 110,  
40 Oregon Laws 2024 [of this 2024 Act].

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

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

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

1 (c) If Metro determines that a petition does comply, notwithstanding any other provision of ORS  
2 chapter 197A, Metro shall adopt amendments to its urban growth boundary to include the site in the  
3 petition, unless the amendment would result in more than 300 total net [*residential*] **buildable** acres  
4 added under this subsection.

5 (3) If the net [*residential*] **buildable** acres included in petitions that Metro determines are in  
6 compliance on or before July 1, 2025, total less than 300 net [*residential*] **buildable** acres, Metro  
7 shall adopt amendments to its urban growth boundary under subsection (2)(c) of this section:

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

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

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

16 (a) Best comply with the provisions of section 55, **chapter 110, Oregon Laws 2024** [*of this 2024*  
17 *Act*]; and

18 (b) Maximize the development of needed housing.

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

21 **SECTION 4.** Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530,  
22 Oregon Laws 2025, is amended to read:

23 **Sec. 52.** A city may not add, or petition to add, a site under sections 49 to 59, chapter 110,  
24 Oregon Laws 2024, unless:

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

26 (a)(A) In the previous 20 years there have been no urban growth boundary expansions for resi-  
27 dential use adopted by a city or by Metro in a location adjacent to the city; and

28 (B) The city does not have within the existing urban growth boundary a tract that:

29 (i) Is larger than 20 net [*residential*] **buildable** acres;

30 [(ii) *Is undeveloped; and*]

31 **(ii) Contains no permanent buildings;**

32 **(iii) Is not adjacent to improved public utilities that are suitable for immediate con-**  
33 **nection at the property line;**

34 **(iv) Has not received final approval of any land use entitlements, development approvals,**  
35 **subdivision plats, site plans or building permits; and**

36 [(iii)] (v) Consists of one or more lots or parcels with or without common ownership and that  
37 abut each other or are separated by only a street or a road; or

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

40 (A) Are developed; or

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

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

44 (a) Having a greater percentage of [*severely*] cost-burdened households than the average for this  
45 state based on the [*Comprehensive Housing Affordability Strategy data from the United States De-*

1 *partment of Housing and Urban Development]* **most recent American Community Survey five-**  
2 **year estimate data from the United States Census Bureau;** or

3 (b) At least 25 percent of the renter households in the city being [*severely*] rent burdened as  
4 indicated under the most recent [*housing equity indicator data under ORS 456.602 (2)(g)*] **American**  
5 **Community Survey five-year estimate data from the United States Census Bureau.**

6 (3) The evaluation of the demonstrations required under this section and the evaluation of cri-  
7 teria in an application under sections 49 to 59, chapter 110, Oregon Laws 2024, must be based on  
8 the evidence, data and factors as of the time a public notice is issued under section 53 (1), chapter  
9 110, Oregon Laws 2024.

10 **SECTION 5.** Section 53, chapter 110, Oregon Laws 2024, is amended to read:

11 **Sec. 53.** (1) Before a city may select a site for inclusion within the city’s or Metro’s urban  
12 growth boundary under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], a city  
13 must provide public notice that includes:

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

15 (b) Each basis under which the city has determined that it qualifies to include a site under  
16 section 52, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

17 (c) A deadline for submission of applications under this section that is at least 45 days following  
18 the date of the notice.

19 **(d) Additional substantive requirements, including a minimum size for a site, as estab-**  
20 **lished by the city and not incompatible with sections 49 to 59, chapter 110, Oregon Laws 2024.**

21 [*d*] (e) A description of the information, form and format required of an application, including  
22 the requirements of section 55 (2), **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

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

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

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

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

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

28 **SECTION 6.** Section 55, chapter 110, Oregon Laws 2024, as amended by section 6, chapter 530,  
29 Oregon Laws 2025, is amended to read:

30 **Sec. 55.** (1) As used in this section:

31 (a) “Affordable units” means residential units described in subsection (3)(f)(A) or (4) of this sec-  
32 tion.

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

34 (2) Before adopting an urban growth boundary amendment under section 50, chapter 110, Oregon  
35 Laws 2024, or petitioning Metro under section 51, chapter 110, Oregon Laws 2024, for a site larger  
36 than 15 net [*residential*] **buildable** acres, a city shall adopt a binding conceptual plan as an amend-  
37 ment to its comprehensive plan.

38 (3) The conceptual plan must:

39 (a) Establish the total net [*residential*] **buildable** acres within the site and must require for those  
40 residential areas:

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

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

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

- 1 (i) Seventeen dwelling units per net [*residential*] **buildable** acre if sited within the Metro urban  
2 growth boundary;
- 3 (ii) Ten units per net [*residential*] **buildable** acre if sited in a city with a population of 30,000  
4 or greater;
- 5 (iii) Six units per net [*residential*] **buildable** acre if sited in a city with a population of 2,500 or  
6 greater and less than 30,000; or
- 7 (iv) Five units per net [*residential*] **buildable** acre if sited in a city with a population less than  
8 2,500;
- 9 (b) Designate within the site:
- 10 (A) Recreation and open space lands; and
- 11 (B) Lands for commercial uses, either separate or as a mixed use, that:
- 12 (i) Primarily serve the immediate surrounding housing;
- 13 (ii) Provide goods and services at a smaller scale than provided on typical lands zoned for  
14 commercial use; and
- 15 (iii) Are provided at the minimum amount necessary to support and integrate viable commercial  
16 and residential uses;
- 17 (c) If the city has a population of 5,000 or greater, include a transportation network for the site  
18 that provides diverse transportation options, including walking, bicycling and transit use if public  
19 transit services are available, as well as sufficient connectivity to existing and planned transporta-  
20 tion network facilities as shown in the local government's transportation system plan as defined in  
21 Land Conservation and Development Commission rules;
- 22 (d) Demonstrate that protective measures will be applied to the site consistent with the state-  
23 wide land use planning goals for:
- 24 (A) Open spaces, scenic and historic areas or natural resources;
- 25 (B) Air, water and land resources quality;
- 26 (C) Areas subject to natural hazards;
- 27 (D) The Willamette River Greenway;
- 28 (E) Estuarine resources;
- 29 (F) Coast shorelands; or
- 30 (G) Beaches and dunes;
- 31 (e) Include assurances that the site will be served with all necessary urban services as defined  
32 in ORS 195.065, including through:
- 33 (A) Agreements among the city, each owner within the site and any other necessary public or  
34 private utility provider, local government or district, as defined in ORS 195.060, or combination of  
35 local governments and districts;
- 36 (B) Letters from utility providers showing a capacity and willingness to provide services; or
- 37 (C) Equivalent assurances; and
- 38 (f) Include requirements that ensure that:
- 39 (A) At least 30 percent of the residential units are subject to affordability restrictions, including  
40 but not limited to affordable housing covenants, as described in ORS 456.270 to 456.295, that require  
41 for a period of not less than 60 years that the units be:
- 42 (i) Available for rent, with or without government assistance, by households with an income of  
43 80 percent or less of the area median income as defined in ORS 456.270; or
- 44 (ii) Available for purchase, with or without government assistance, by households with an in-  
45 come of 130 percent or less of the area median income;

1 (B) The construction of all affordable units has commenced before the city issues certificates  
2 of occupancy to the last 15 percent of market rate units;

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

6 (D) The requirement for affordable housing units is recorded before the building permits are is-  
7 sued for any property within the site, and the requirements contain financial penalties for noncom-  
8 pliance.

9 (4) A city may require greater affordability requirements for residential units than are required  
10 under subsection (3)(f)(A) of this section, provided that the city significantly and proportionally off-  
11 sets development costs related to:

- 12 (a) Permits or fees;
- 13 (b) System development charges;
- 14 (c) Property taxes; or
- 15 (d) Land acquisition and predevelopment costs.

16 **SECTION 7.** Section 56, chapter 110, Oregon Laws 2024, is amended to read:

17 **Sec. 56.** (1) A city that intends to add 15 net [*residential*] **buildable** acres or less is not required  
18 to adopt a conceptual plan under section 55, **chapter 110, Oregon Laws 2024**, [*of this 2024 Act*] if  
19 the city has entered into:

20 (a) Enforceable and recordable agreements with each landowner of a property within the site  
21 to ensure that the site will comply with the affordability requirements described in section 55  
22 (3)(f), **chapter 110, Oregon Laws 2024** [*of this 2024 Act*]; and

23 (b) A binding agreement with each owner within the site and any other necessary public or  
24 private utility provider, local government or district, as defined in ORS 195.060, or combination of  
25 local governments and districts to ensure that the site will be served with all necessary urban ser-  
26 vices as defined in ORS 195.065.

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

28 **SECTION 8.** Section 2, chapter 341, Oregon Laws 2025, is amended to read:

29 **Sec. 2.** (1) In lieu of amending its urban growth boundary under any other process provided by  
30 sections 49 to 59, chapter 110, Oregon Laws 2024, the City of Monmouth may amend its urban  
31 growth boundary to add one or more sites to the urban growth boundary and to remove one or more  
32 tracts of land from the urban growth boundary as provided in this section.

33 (2) The area to be removed under this section:

- 34 (a) May not exceed 90 acres;
- 35 (b) Must have more than one-quarter of its acreage within an area mapped as flood hazard or  
36 wetland;
- 37 (c) May not have been annexed by the city;
- 38 (d) Must be designated for residential use on the city's comprehensive plan map; and
- 39 (e) May not be currently served by city sewer service.

40 (3) The site to be added under this section:

- 41 (a) May not exceed 75 net [*residential*] **buildable** acres;
- 42 (b) Must be contiguous to the boundary of the city and the city's existing urban growth bound-  
43 ary;
- 44 (c) May not have more than 25 percent of its acreage within an area mapped as a flood hazard  
45 or wetland;

1 (d) Must be able to connect to nearby water and sewer services; and

2 (e) Must be owned by owners that have consented to having the site:

3 (A) Added to the urban growth boundary; and

4 (B) Annexed by the city.

5 (4) Land may be removed from an urban growth boundary under this section without landowner  
6 consent. ORS 195.305 to 195.336 do not apply to the removal of land from the urban growth boundary  
7 under this section.

8 (5) Review of an exchange of lands made under this section may only be made by the county  
9 as provided in section 50 (2), chapter 110, Oregon Laws 2024, and by the Department of Land Con-  
10 servation and Development, subject to judicial review, as provided in section 57, chapter 110,  
11 Oregon Laws 2024.

12 (6)(a) Sections 52, 53, 54, 55 and 56, chapter 110, Oregon Laws 2024, do not apply to a site ad-  
13 dition made under this section.

14 (b) A site addition made under this section is not required to meet the conditions listed in sec-  
15 tion 50 (1)(a) to (g), chapter 110, Oregon Laws 2024.

16 **SECTION 9.** Section 60, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 341,  
17 Oregon Laws 2025, is amended to read:

18 **Sec. 60. (1) Section 49, chapter 110, Oregon Laws 2024, as amended by section 4, chapter**  
19 **530, Oregon Laws 2025, and section 1 of this 2026 Act, is repealed on January 2, 2033.**

20 **(2) Section 50, chapter 110, Oregon Laws 2024, as amended by section 2 of this 2026 Act,**  
21 **is repealed on January 2, 2033.**

22 **(3) Section 51, chapter 110, Oregon Laws 2024, as amended by section 3 of this 2026 Act,**  
23 **is repealed on January 2, 2033.**

24 **(4) Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530,**  
25 **Oregon Laws 2025, and section 4 of this 2026 Act, is repealed on January 2, 2033.**

26 **(5) Section 53, chapter 110, Oregon Laws 2024, as amended by section 5 of this 2026 Act,**  
27 **is repealed on January 2, 2033.**

28 *[(1)]* **(6) Sections [49 to 56, 58] 54 and 59, chapter 110, Oregon Laws 2024, are repealed on Jan-**  
29 **uary 2, 2033.**

30 **(7) Section 55, chapter 110, Oregon Laws 2024, as amended by section 6, chapter 530,**  
31 **Oregon Laws 2025, and section 6 of this 2026 Act, is repealed on January 2, 2033.**

32 **(8) Section 56, chapter 110, Oregon Laws 2024, as amended by section 7 of this 2026 Act,**  
33 **is repealed on January 2, 2033.**

34 *[(2)]* **(9) Section 57, chapter 110, Oregon Laws 2024, as amended by section 3 [of this 2025 Act],**  
35 **chapter 341, Oregon Laws 2025, and section 7, chapter 530, Oregon Laws 2025, is repealed on**  
36 **January 2, 2033.**

37 **(10) Section 58, chapter 110, Oregon Laws 2024, as amended by section 8, chapter 530,**  
38 **Oregon Laws 2025, is repealed on January 2, 2033.**

39 *[(3)]* **(11) Section 2, chapter 341, Oregon Laws 2025, as amended by section 8 of this 2026**  
40 **Act, [of this 2025 Act] is repealed on January 2, 2033.**

41 **SECTION 10.** ORS 197.045 is amended to read:

42 197.045. The Land Conservation and Development Commission may:

43 (1) Apply for and receive moneys from the federal government and from this state or any of its  
44 agencies or departments.

45 (2) Contract with **or issue grants to** any public agency for the performance of services or the

1 exchange of employees or services by one to the other necessary in carrying out ORS chapters 195,  
2 196, 197 and 197A.

3 (3) Contract for the services of and consultation with professional persons or organizations, not  
4 otherwise available through federal, state and local governmental agencies, in carrying out its duties  
5 under ORS chapters 195, 196, 197 and 197A.

6 (4) Perform other functions, **including issuing grants**, required to carry out ORS chapters 195,  
7 196, 197 and 197A.

8 (5) Assist in development and preparation of model land use regulations to guide state agencies,  
9 cities, counties and special districts in implementing goals.

10 (6) Notwithstanding any other provision of law, review comprehensive plan and land use regu-  
11 lations related to the identification and designation of high-value farmland pursuant to chapter 792,  
12 Oregon Laws 1993, under procedures set forth in ORS 197.251.

13 **SECTION 11. This 2026 Act being necessary for the immediate preservation of the public**  
14 **peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect**  
15 **on its passage.**

16 \_\_\_\_\_