

HOUSE AMENDMENTS TO HOUSE BILL 4035

By COMMITTEE ON HOUSING AND HOMELESSNESS

February 16

1 On page 1 of the printed bill, line 2, delete “50, 52” and insert “49, 50, 51, 52, 53, 55, 56”.

2 In line 3, after “2024” insert “, and section 2, chapter 341, Oregon Laws 2025; and declaring an
3 emergency”.

4 Delete lines 5 through 28 and delete page 2.

5 On page 3, delete lines 1 through 22 and insert:

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*]

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

27 “**(D) Other land, only if:**

28 “(i) **Resource land constitutes more than 80 percent of the land area lying within a**
29 **quarter mile outside the city’s urban growth boundary;**

30 “(ii) **Upon the city’s review under section 54 (1), chapter 110, Oregon Laws 2024, there**
31 **were no qualified applications for lands described in subparagraphs (A) to (C) of this para-**
32 **graph; and**

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

35 “(c) The city has not previously adopted an urban growth boundary amendment or exchange

1 under sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act];

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

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

6 “(f) The total acreage of the site:

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

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

11 “(g)(A) The city has adopted a binding conceptual plan for the site that satisfies the require-
12 ments of section 55, **chapter 110, Oregon Laws 2024** [of this 2024 Act]; or

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

15 “(2) A county shall approve an amendment to an urban growth boundary made under this sec-
16 tion that complies with sections 49 to 59, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] and
17 shall cooperate with a city to facilitate the coordination of functions under ORS 195.020 to facilitate
18 the city’s annexation and the development of the site. The county’s decision is not a land use deci-
19 sion.

20 “(3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to 59,
21 **chapter 110, Oregon Laws 2024**, [of this 2024 Act] is not a land use decision as defined in ORS
22 197.015.

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

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

26 “(a) Satisfies the requirements of section 50 (1), **chapter 110, Oregon Laws 2024** [of this 2024
27 Act]; and

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

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

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

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

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

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

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

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

45 or

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

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

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

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

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

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

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

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

17 “(a)(A) In the previous 20 years there have been no urban growth boundary expansions for res-
18 idential use adopted by a city or by Metro in a location adjacent to the city; and

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

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

21 “[*ii*] *Is undeveloped; and*]

22 “**(ii) Contains no permanent buildings;**

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

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

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

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

31 “(A) Are developed; or

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

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

35 “(a) Having a greater percentage of [*severely*] cost-burdened households than the average for this
36 state based on the [*Comprehensive Housing Affordability Strategy data from the United States De-*
37 *partment of Housing and Urban Development*] **most recent American Community Survey five-**
38 **year estimate data from the United States Census Bureau;** or

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

42 “(3) The evaluation of the demonstrations required under this section and the evaluation of
43 criteria in an application under sections 49 to 59, chapter 110, Oregon Laws 2024, must be based
44 on the evidence, data and factors as of the time a public notice is issued under section 53 (1),
45 chapter 110, Oregon Laws 2024.

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

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

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

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

8 “(c) A deadline for submission of applications under this section that is at least 45 days follow-
9 ing the date of the notice.

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

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

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

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

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

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

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

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

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

22 “(a) ‘Affordable units’ means residential units described in subsection (3)(f)(A) or (4) of this sec-
23 tion.

24 “(b) ‘Market rate units’ means residential units other than affordable units.

25 “(2) Before adopting an urban growth boundary amendment under section 50, chapter 110,
26 Oregon Laws 2024, or petitioning Metro under section 51, chapter 110, Oregon Laws 2024, for a site
27 larger than 15 net [residential] **buildable** acres, a city shall adopt a binding conceptual plan as an
28 amendment to its comprehensive plan.

29 “(3) The conceptual plan must:

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

32 “(A) A diversity of housing types and sizes, including middle housing, accessible housing and
33 other needed housing;

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

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

37 “(i) Seventeen dwelling units per net [residential] **buildable** acre if sited within the Metro urban
38 growth boundary;

39 “(ii) Ten units per net [residential] **buildable** acre if sited in a city with a population of 30,000
40 or greater;

41 “(iii) Six units per net [residential] **buildable** acre if sited in a city with a population of 2,500
42 or greater and less than 30,000; or

43 “(iv) Five units per net [residential] **buildable** acre if sited in a city with a population less than
44 2,500;

45 “(b) Designate within the site:

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

1 under subsection (3)(f)(A) of this section, provided that the city significantly and proportionally off-
2 sets development costs related to:

3 “(a) Permits or fees;

4 “(b) System development charges;

5 “(c) Property taxes; or

6 “(d) Land acquisition and predevelopment costs.

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

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

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

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

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

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

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

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

25 “(a) May not exceed 90 acres;

26 “(b) Must have more than one-quarter of its acreage within an area mapped as flood hazard or
27 wetland;

28 “(c) May not have been annexed by the city;

29 “(d) Must be designated for residential use on the city’s comprehensive plan map; and

30 “(e) May not be currently served by city sewer service.

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

32 “(a) May not exceed 75 net [*residential*] **buildable** acres;

33 “(b) Must be contiguous to the boundary of the city and the city’s existing urban growth
34 boundary;

35 “(c) May not have more than 25 percent of its acreage within an area mapped as a flood hazard
36 or wetland;

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

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

39 “(A) Added to the urban growth boundary; and

40 “(B) Annexed by the city.

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

44 “(5) Review of an exchange of lands made under this section may only be made by the county
45 as provided in section 50 (2), chapter 110, Oregon Laws 2024, and by the Department of Land Con-

1 servation and Development, subject to judicial review, as provided in section 57, chapter 110,
2 Oregon Laws 2024.

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

5 “(b) A site addition made under this section is not required to meet the conditions listed in
6 section 50 (1)(a) to (g), chapter 110, Oregon Laws 2024.

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

9 “**Sec. 60. (1) Section 49, chapter 110, Oregon Laws 2024, as amended by section 4, chapter**
10 **530, Oregon Laws 2025, and section 1 of this 2026 Act, is repealed on January 2, 2033.**

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

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

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

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

19 “[*1*] **(6) Sections [49 to 56, 58] 54 and 59, chapter 110, Oregon Laws 2024, are repealed on**
20 **January 2, 2033.**

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

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

25 “[*2*] **(9) Section 57, chapter 110, Oregon Laws 2024, as amended by section 3 [of this 2025**
26 **Act], chapter 341, Oregon Laws 2025, and section 7, chapter 530, Oregon Laws 2025, is repealed**
27 **on January 2, 2033.**

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

30 “[*3*] **(11) Section 2, chapter 341, Oregon Laws 2025, as amended by section 8 of this 2026**
31 **Act, [of this 2025 Act] is repealed on January 2, 2033.”.**

32 In line 23, delete “4” and insert “10”.

33 After line 39, insert:

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