

HB 4035-3
(LC 205)
2/11/26 (RLM/ps)

Requested by HOUSE COMMITTEE ON HOUSING AND HOMELESSNESS (at the request of Representative Pam Marsh)

**PROPOSED AMENDMENTS TO
HOUSE BILL 4035**

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

3 In line 3, after “2024” insert “, and section 2, chapter 341, Oregon Laws
4 2025; and declaring an emergency”.

5 Delete lines 5 through 28 and delete page 2.

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

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

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

10 “(1) ‘Net [*residential*] **buildable** acre’ means an acre of [*residentially*]
11 designated buildable land, **including for residential uses or uses desig-**
12 **nated under section 55 (3)(b), chapter 110, Oregon Laws 2024, but** not
13 including rights of way for streets, roads or utilities or areas not designated
14 for development due to natural resource protections or environmental con-
15 straints.

16 “(2) ‘Site’ means a lot or parcel or any combination of lots and parcels
17 that are contiguous or separated from one another by a street or road with
18 or without common ownership.

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

21 **“Sec. 50.** (1) Notwithstanding any other provision of ORS chapter 197A,

1 a city outside of Metro may add a site to the city’s urban growth boundary
2 under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*],
3 if:

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

7 “(b) The site is:

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

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

11 “(C) Subject to an acknowledged exception to a statewide land use plan-
12 ning goal relating to farmland or forestland; **or**

13 “(D) **Other land, only if:**

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

16 “(ii) **Upon the city’s review under section 54 (1), chapter 110, Oregon**
17 **Laws 2024, there were no qualified applications for lands described in**
18 **subparagraphs (A) to (C) of this paragraph; and**

19 “(iii) **Of the qualified applications received by the city, the site is**
20 **the highest priority, based on the prioritization described in ORS**
21 **197A.285;**

22 “(c) The city has not previously adopted an urban growth boundary
23 amendment or exchange under sections 49 to 59, **chapter 110, Oregon Laws**
24 **2024** [*of this 2024 Act*];

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

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

29 “(f) The total acreage of the site:

30 “(A) For a city with a population of 25,000 or greater, [*does not exceed*]

1 100] includes up to 150 net [residential] buildable acres; or

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

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

7 “(B) The added site does not exceed 15 net [residential] buildable acres
8 and satisfies the requirements of section 56, **chapter 110, Oregon Laws 2024**
9 [of this 2024 Act].

10 “(2) A county shall approve an amendment to an urban growth boundary
11 made under this section that complies with sections 49 to 59, **chapter 110,**
12 **Oregon Laws 2024,** [of this 2024 Act] and shall cooperate with a city to fa-
13 cilitate the coordination of functions under ORS 195.020 to facilitate the
14 city’s annexation and the development of the site. The county’s decision is
15 not a land use decision.

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

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

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

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

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

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

30 “(b) If Metro determines that a petition does not substantially comply,

1 Metro shall:

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

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

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

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

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

18 “(b) Within 120 days after a petition is deemed compliant after July 1,
19 2025, in the order in which the petitions are received.

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

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

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

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

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

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

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

7 “(a)(A) In the previous 20 years there have been no urban growth bound-
8 ary expansions for residential use adopted by a city or by Metro in a location
9 adjacent to the city; and

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

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

13 “[(ii) *Is undeveloped; and*]

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

15 **“(iii) Is not adjacent to improved public utilities that are suitable
16 for immediate connection at the property line;**

17 **“(iv) Has not received final approval of any land use entitlements,
18 development approvals, subdivision plats, site plans or building per-
19 mits; and**

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

23 “(b) Within urban growth boundary expansion areas for residential use
24 adopted by the city over the previous 20 years, or by Metro in locations ad-
25 jacent to the city, 75 percent of the lands either:

26 “(A) Are developed; or

27 “(B) Have an acknowledged comprehensive plan with land use desig-
28 nations in preparation for annexation and have a public facilities plan and
29 associated financing plan.

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

1 “(a) Having a greater percentage of [*severely*] cost-burdened households
2 than the average for this state based on the [*Comprehensive Housing*
3 *Affordability Strategy data from the United States Department of Housing and*
4 *Urban Development*] **most recent American Community Survey five-year**
5 **estimate data from the United States Census Bureau; or**

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

10 “(3) The evaluation of the demonstrations required under this section and
11 the evaluation of criteria in an application under sections 49 to 59, chapter
12 110, Oregon Laws 2024, must be based on the evidence, data and factors as
13 of the time a public notice is issued under section 53 (1), chapter 110, Oregon
14 Laws 2024.

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

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

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

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

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

28 “(d) **Additional substantive requirements, including a minimum size**
29 **for a site, as established by the city and not incompatible with sections**
30 **49 to 59, chapter 110, Oregon Laws 2024.**

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

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

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

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

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

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

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

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

14 “(a) ‘Affordable units’ means residential units described in subsection
15 (3)(f)(A) or (4) of this section.

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

18 “(2) Before adopting an urban growth boundary amendment under section
19 50, chapter 110, Oregon Laws 2024, or petitioning Metro under section 51,
20 chapter 110, Oregon Laws 2024, for a site larger than 15 net [residential]
21 **buildable** acres, a city shall adopt a binding conceptual plan as an amend-
22 ment to its comprehensive plan.

23 “(3) The conceptual plan must:

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

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

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

30 “(C) The **residential** development will be built at net residential densities

1 not less than:

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

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

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

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

10 “(b) Designate within the site:

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

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

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

14 “(ii) Provide goods and services at a smaller scale than provided on typ-
15 ical lands zoned for commercial use; and

16 “(iii) Are provided at the minimum amount necessary to support and in-
17 tegrate viable commercial and residential uses;

18 “(c) If the city has a population of 5,000 or greater, include a transpor-
19 tation network for the site that provides diverse transportation options, in-
20 cluding walking, bicycling and transit use if public transit services are
21 available, as well as sufficient connectivity to existing and planned trans-
22 portation network facilities as shown in the local government’s transporta-
23 tion system plan as defined in Land Conservation and Development
24 Commission rules;

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

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

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

29 “(C) Areas subject to natural hazards;

30 “(D) The Willamette River Greenway;

1 “(E) Estuarine resources;

2 “(F) Coast shorelands; or

3 “(G) Beaches and dunes;

4 “(e) Include assurances that the site will be served with all necessary
5 urban services as defined in ORS 195.065, including through:

6 “(A) Agreements among the city, each owner within the site and any
7 other necessary public or private utility provider, local government or dis-
8 trict, as defined in ORS 195.060, or combination of local governments and
9 districts;

10 “(B) Letters from utility providers showing a capacity and willingness to
11 provide services; or

12 “(C) Equivalent assurances; and

13 “(f) Include requirements that ensure that:

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

18 “(i) Available for rent, with or without government assistance, by house-
19 holds with an income of 80 percent or less of the area median income as
20 defined in ORS 456.270; or

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

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

26 “(C) All common areas and amenities are equally available to residents
27 of affordable units and of market rate units and properties designated for
28 affordable units are dispersed throughout the site; and

29 “(D) The requirement for affordable housing units is recorded before the
30 building permits are issued for any property within the site, and the re-

1 requirements contain financial penalties for noncompliance.

2 “(4) A city may require greater affordability requirements for residential
3 units than are required under subsection (3)(f)(A) of this section, provided
4 that the city significantly and proportionally offsets development costs re-
5 lated to:

6 “(a) Permits or fees;

7 “(b) System development charges;

8 “(c) Property taxes; or

9 “(d) Land acquisition and predevelopment costs.

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

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

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

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

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

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

28 “**Sec. 2.** (1) In lieu of amending its urban growth boundary under any
29 other process provided by sections 49 to 59, chapter 110, Oregon Laws 2024,
30 the City of Monmouth may amend its urban growth boundary to add one or

1 more sites to the urban growth boundary and to remove one or more tracts
2 of land from the urban growth boundary as provided in this section.

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

4 “(a) May not exceed 90 acres;

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

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

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

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

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

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

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

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

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

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

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

20 “(B) Annexed by the city.

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

24 “(5) Review of an exchange of lands made under this section may only be
25 made by the county as provided in section 50 (2), chapter 110, Oregon Laws
26 2024, and by the Department of Land Conservation and Development, subject
27 to judicial review, as provided in section 57, chapter 110, Oregon Laws 2024.

28 “(6)(a) Sections 52, 53, 54, 55 and 56, chapter 110, Oregon Laws 2024, do
29 not apply to a site addition made under this section.

30 “(b) A site addition made under this section is not required to meet the

1 conditions listed in section 50 (1)(a) to (g), chapter 110, Oregon Laws 2024.

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

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

7 **“(2) Section 50, chapter 110, Oregon Laws 2024, as amended by sec-**
8 **tion 2 of this 2026 Act, is repealed on January 2, 2033.**

9 **“(3) Section 51, chapter 110, Oregon Laws 2024, as amended by sec-**
10 **tion 3 of this 2026 Act, is repealed on January 2, 2033.**

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

14 **“(5) Section 53, chapter 110, Oregon Laws 2024, as amended by sec-**
15 **tion 5 of this 2026 Act, is repealed on January 2, 2033.**

16 **“[(1)] (6) Sections [49 to 56, 58] 54 and 59, chapter 110, Oregon Laws 2024,**
17 **are repealed on January 2, 2033.**

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

21 **“(8) Section 56, chapter 110, Oregon Laws 2024, as amended by sec-**
22 **tion 7 of this 2026 Act, is repealed on January 2, 2033.**

23 **“[(2)] (9) Section 57, chapter 110, Oregon Laws 2024, as amended by sec-**
24 **tion 3 [of this 2025 Act], chapter 341, Oregon Laws 2025, and section 7,**
25 **chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.**

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

29 **“[(3)] (11) Section 2, chapter 341, Oregon Laws 2025, as amended by**
30 **section 8 of this 2026 Act, [of this 2025 Act] is repealed on January 2,**

1 2033.”.

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

3 After line 39, insert:

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

7
