

LC 19
2024 Regular Session
12100-001
1/8/24 (RLM/ASD/ps)

D R A F T

SUMMARY

Digest: The Act establishes HAPO to support and enforce housing laws; lets home builders use updated local rules; awards additional lawyer fees for housing appeals; gives grants and loans to encourage home building; creates a fund for grants to developers of affordable housing; makes cities approve changes to housing rules; makes cities expedite applications to build housing; lets cities change their growth boundaries; and gives money to DLCD, BO and OHCS for this Act. (Flesch Readability Score: 63.0).

Requires the Department of Land Conservation and Development and the Department of Consumer and Business Services to jointly establish and administer the Housing Accountability and Production Office. Requires the office to assist local governments and housing developers with housing laws. Authorizes the office to take certain actions to enforce housing laws. Becomes operative on July 1, 2025.

Allows a housing developer with a pending application to opt in to amended local land use regulations.

Expands eligibility for attorney fees for the appeal of a residential development proposal to include local governments and all needed housing.

Establishes grant and loan programs within the Oregon Infrastructure Finance Authority, Oregon Business Development Department and Housing and Community Services Department to support housing development.

Authorizes cities and counties to adopt a program for awarding grants to developers of affordable housing and moderate income housing projects to finance certain costs associated with such housing projects. Directs the Housing and Community Services Department to develop a revolving loan program to make interest-free loans to participating cities and counties to fund the grants. Imposes an annual fee on each grantee developer in repayment of the loans. Provides for the distribution of the fee moneys first to fire districts for ad valorem property taxes and then to the department in repayment of the loan that funded the grant awarded to the developer.

Requires local governments to approve certain adjustments to land use regulations for housing development within an urban growth boundary. Es-

1 tablishes alternate appellate procedures for the adjustments. Establishes an
2 exemption process. Requires reporting to the Department of Land Conserva-
3 tion and Development on the use of adjustments. Requires the department
4 to report biennially to an interim committee of the Legislative Assembly.
5 Sunsets on January 2, 2032.

6 Requires local governments to process certain applications relating to
7 housing development as limited land use decisions. Sunsets on January 2,
8 2032.

9 Develops alternative processes to amend urban growth boundaries to in-
10 clude up to 150 net residential acres per city. Provides for limitations and
11 review by counties, Metro and the Department of Land Conservation and
12 Development and the courts. Sunsets on January 2, 2033.

13 Appropriates moneys to the Oregon Business Development Department,
14 Housing and Community Services Department and Department of Land Con-
15 servation and Development for purposes of the Act.

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

17
18 **A BILL FOR AN ACT**

19 Relating to housing; creating new provisions; amending ORS 183.471, 197.335,
20 197.843, 215.427, 227.178 and 455.770; and prescribing an effective date.

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

22 **HOUSING ACCOUNTABILITY AND PRODUCTION OFFICE**

23 **SECTION 1. Housing Accountability and Production Office.** (1) The
24 Department of Land Conservation and Development and the Depart-
25 ment of Consumer and Business Services shall enter into an intera-
26 gency agreement to establish and administer the Housing
27 Accountability and Production Office.

28 (2) The Housing Accountability and Production Office shall:

29 (a) Provide technical assistance, including assistance through
30 grants, to local governments to:

31 (A) Comply with housing laws;

(B) Reduce permitting and land use barriers to housing production;
and

(C) Support reliable and effective implementation of local proce-

1 **dures and standards relating to the approval of residential develop-**
2 **ment projects.**

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

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

6 **(B) Applicants for land use and building permits for residential de-**
7 **velopment who are experiencing permitting and land use barriers re-**
8 **lated to housing production.**

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

11 **(d) Establish best practices related to model codes, development**
12 **plans, procedures and practices by which local governments may**
13 **comply with housing laws.**

14 **(e) Provide mediation of active disputes relating to housing laws**
15 **between a local government and applicants for land use and building**
16 **permits for residential development, including mediation under ORS**
17 **197.860.**

18 **(f) Coordinate agencies that are involved in the housing develop-**
19 **ment process, including the Department of Land Conservation and**
20 **Development, Department of Consumer and Business Services, Oregon**
21 **Housing and Community Services and Oregon Business Development**
22 **Department, to enable the agencies to support local governments and**
23 **applicants for land use and building permits for residential develop-**
24 **ment by identifying state agency technical and financial resources**
25 **that can address identified housing development and feasibility barri-**
26 **ers.**

27 **(g) Establish policy and funding priorities for state agency re-**
28 **sources and programs for the purpose of addressing barriers to hous-**
29 **ing production, including making recommendations for moneys needed**
30 **for the purposes of sections 17, 20, 22, 23 and 35 of this 2024 Act.**

31 **(3) The Land Conservation and Development Commission and the**

1 Department of Consumer and Business Services shall coordinate in
2 adopting, amending or repealing rules for:

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

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

7 (c) Establishing standards by which complaints are investigated and
8 pursued.

9 (4) The office shall prioritize assisting local governments in volun-
10 tarily undertaking changes to come into compliance with housing
11 laws.

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

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

23 (b) "Residential" includes mixed-use residential development.

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

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

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

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

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

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

15 (B) Mediation at the request of the local government and
16 complainant, including mediation under ORS 197.860.

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

26 (b) The office shall prioritize technical assistance funding to local
27 governments that agree to comply with housing laws under this sub-
28 section.

29 (c) A determination by the office is not a legislative or judicial de-
30 cision.

31 (4) No earlier than 60 days after a warning notice is delivered under

1 subsection (3) of this section, the office may:

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

5 (b) Seek a court order against a local government as described un-
6 der ORS 455.160 (3) without being adversely affected or serving the
7 demand as described in ORS 455.160 (2).

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

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

18 (5) The office may not, in the name of the office, exercise the au-
19 thority of the Department of Land Conservation and Development
20 under ORS 197A.130.

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

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

24 (b) Has determined that it will not take further actions or make
25 further investigations.

26 (7) The actions authorized of the office under this section are in
27 addition to and may be exercised in conjunction with any other in-
28 vestigative or enforcement authority that may be exercised by the
29 Department of Land Conservation and Development, the Land Con-
30 servation and Development Commission or the Department of Con-
31 sumer and Business Services.

1 (8) Nothing in this section:

2 (a) Amends the jurisdiction of the Land Use Board of Appeals or
3 of a circuit court;

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

5 (c) Tolls or extends:

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

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

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

15 (2) Except as otherwise provided in this section, a request for an
16 enforcement order by the office is subject to the applicable provisions
17 of ORS 197.335 and ORS chapter 183 and is not subject to ORS 197.319,
18 197.324 or 197.328.

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

26 (4) After receiving notice of an enforcement order request under
27 subsection (3) of this section, before making any subsequent land use
28 decision that could be affected by the enforcement order, the local
29 government shall deliver a notice to that applicant in substantially the
30 following form:

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

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

13 **(a) An administrative law judge assigned under ORS 183.635; or**

14 **(b) A hearings officer randomly selected from a pool of officers ap-**
15 **pointed by the commission to review proceedings initiated under this**
16 **section.**

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

20 **(7)(a) The hearings officer shall prepare a proposed enforcement**
21 **order, including recommended findings and conclusions of law.**

22 **(b) A proposed enforcement order may require the local government**
23 **to adopt models that have been developed by the office under section**
24 **1 (3)(b) of this 2024 Act that are suitable to address the basis for the**
25 **proposed enforcement order.**

26 **(c) The hearings officer must issue and serve the proposed**
27 **enforcement order on the office and all parties to the hearing within**
28 **30 days of the date the record closed.**

29 **(8)(a) The proposed enforcement order becomes a final order of the**
30 **commission 14 days after service on the office and all parties to the**
31 **hearing, unless the office or a party to the hearing appeals the pro-**

1 posed enforcement order to the commission prior to the proposed
2 enforcement order becoming final.

3 (b) If the proposed enforcement order is appealed, the commission
4 shall consider the matter at:

5 (A) Its next regularly scheduled meeting; or

6 (B) If the appeal is made 45 or fewer days prior to the next regularly
7 scheduled meeting, at the following regularly scheduled meeting or a
8 special meeting held earlier.

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

13 (10) The commission may adopt rules administering this section,
14 including rules related to standing, preserving issues for commission
15 review or other provisions concerning the commission's scope and
16 standard for review of proposed enforcement orders under this section.

17 **SECTION 4. Housing Accountability and Production Office Fund.**

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

21 (2) The Housing Accountability and Production Office Fund consists
22 of moneys appropriated, allocated, deposited or transferred to the fund
23 by the Legislative Assembly or otherwise.

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

25 (4) Moneys in the fund are continuously appropriated to the De-
26 partment of Land Conservation and Development and the Department
27 of Consumer and Business Services to administer the fund, to operate
28 the Housing Accountability and Production Office and to implement
29 sections 1 to 5 of this 2024 Act.

30 **SECTION 5. Reporting.** On or before September 15, 2026, the Hous-
31 ing Accountability and Production Office shall:

1 (1) Contract with an organization possessing relevant expertise to
2 produce a report identifying improvements in the local building plan
3 review approval, design review approval, land use, zoning and permit-
4 ting processes, including but not limited to plan review approval
5 timelines, process efficiency, local best practices and other ways to
6 accelerate and improve the efficiency of the development process for
7 construction, with a focus on increasing housing production.

8 (2) Produce a report based on a study by the office of state and local
9 timelines and standards related to public works and building permit
10 application review and develop recommendations for changes to reduce
11 complexity, delay or costs that inhibit housing production, including
12 an evaluation of their effect on the feasibility of varying housing types
13 and affordability levels.

14 (3) Produce a report summarizing state agency plans, policies and
15 programs related to reducing or eliminating regulatory barriers to the
16 production of housing. The report must also include recommendations
17 on how state agencies may prioritize resources and programs to in-
18 crease housing production.

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

22 **SECTION 6. Sunset.** Section 5 of this 2024 Act is repealed on Janu-
23 ary 2, 2027.

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

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

28 (3) The Department of Land Conservation and Development and
29 Department of Consumer and Business Services may take any action
30 before the operative date specified in subsection (1) of this section that
31 is necessary for the departments or the Housing Accountability and

1 **Production Office to exercise, on and after the operative date, all of**
2 **the duties, functions and powers conferred by sections 1 to 5 of this**
3 **2024 Act.**

4

5 **OPTING IN TO AMENDED HOUSING REGULATIONS**

6

7 **SECTION 8.** 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, for land within an urban growth boundary and applications for mineral
10 aggregate extraction, the governing body of a county or its designee shall
11 take final action on an application for a permit, limited land use decision
12 or zone change, including resolution of all appeals under ORS 215.422, within
13 120 days after the application is deemed complete. The governing body of a
14 county or its designee shall take final action on all other applications for a
15 permit, limited land use decision or zone change, including resolution of all
16 appeals under ORS 215.422, within 150 days after the application is deemed
17 complete, except as provided in subsections (3), (5) and (10) of this section.

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

25 (a) All of the missing information;

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

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

30 (3)(a) If the application was complete when first submitted or the appli-
31 cant submits additional information[, *as described in subsection (2) of this*

1 *section,]* within 180 days of the date the application was first submitted [*and*
2 *the county has a comprehensive plan and land use regulations acknowledged*
3 *under ORS 197.251]*, approval or denial of the application [*shall be based*]
4 **must be based:**

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

7 (B) **For an application to establish a residential use, upon the re-**
8 **quest of the applicant, those standards and criteria that became op-**
9 **erative during the pendency of the application.**

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

12 (A) **For the purposes of this section, the date of the application's**
13 **submission or receipt is the date of the request;**

14 (B) **For the purposes of this section and ORS 197A.470 the applica-**
15 **tion is not deemed complete until:**

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

18 (ii) **The applicant makes a submission under subsection (2) of this**
19 **section in response to a county's request; and**

20 (C) **The county may not require that the applicant:**

21 (i) **Pay a duplicative fee based on completed review;**

22 (ii) **Resubmit a new application or duplicative information; or**

23 (iii) **Repeat redundant processes or hearings that are inapplicable**
24 **to the change in standards or criteria.**

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

31 (4) On the 181st day after first being submitted, the application is void

1 if the applicant has been notified of the missing information as required
2 under subsection (2) of this section and has not submitted:

3 (a) All of the missing information;

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

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

7 (5) The period set in subsection (1) of this section or the 100-day period
8 set in ORS 197A.470 may be extended for a specified period of time at the
9 written request of the applicant. The total of all extensions, except as pro-
10 vided in subsection (10) of this section for mediation, may not exceed 215
11 days.

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

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

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

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

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

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

28 (8) Except when an applicant requests an extension under subsection (5)
29 of this section, if the governing body of the county or its designee does not
30 take final action on an application for a permit, limited land use decision
31 or zone change within 120 days or 150 days, as applicable, after the applica-

1 tion is deemed complete, the county shall refund to the applicant either the
2 unexpended portion of any application fees or deposits previously paid or 50
3 percent of the total amount of such fees or deposits, whichever is greater.
4 The applicant is not liable for additional governmental fees incurred subse-
5 quent to the payment of such fees or deposits. However, the applicant is re-
6 sponsible for the costs of providing sufficient additional information to
7 address relevant issues identified in the consideration of the application.

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

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

18 **SECTION 9.** ORS 227.178 is amended to read:

19 227.178. (1) Except as provided in subsections (3), (5) and (11) of this sec-
20 tion, the governing body of a city or its designee shall take final action on
21 an application for a permit, limited land use decision or zone change, in-
22 cluding resolution of all appeals under ORS 227.180, within 120 days after the
23 application is deemed complete.

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

31 (a) All of the missing information;

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

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

5 (3)(a) If the application was complete when first submitted or the appli-
6 cant submits the requested additional information within 180 days of the date
7 the application was first submitted [*and the city has a comprehensive plan*
8 *and land use regulations acknowledged under ORS 197.251*], approval or de-
9 nial of the application [*shall*] **must** be based:

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

12 (B) **For an application to establish a residential use, upon the re-**
13 **quest of the applicant, those standards and criteria that became op-**
14 **erative during the pendency of the application.**

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

17 (A) **For the purposes of this section, the date of the application's**
18 **submission or receipt is the date of the request;**

19 (B) **For the purposes of this section and ORS 197A.470 the applica-**
20 **tion is not deemed complete until:**

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

23 (ii) **The applicant makes a submission under subsection (2) of this**
24 **section in response to a city's request; and**

25 (C) **The city may not require that the applicant:**

26 (i) **Pay a duplicative fee based on completed review;**

27 (ii) **Resubmit a new application or duplicative information; or**

28 (iii) **Repeat redundant processes or hearings that are inapplicable**
29 **to the change in standards or criteria.**

30 [*b*] *If the application is for industrial or traded sector development of a*
31 *site identified under section 12, chapter 800, Oregon Laws 2003, and proposes*

1 *an amendment to the comprehensive plan, approval or denial of the application*
2 *must be based upon the standards and criteria that were applicable at the time*
3 *the application was first submitted, provided the application complies with*
4 *paragraph (a) of this subsection.]*

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 120-day period set in subsection (1) of this section or the 100-day
13 period set in ORS 197A.470 may be extended for a specified period of time
14 at the written request of the applicant. The total of all extensions, except
15 as provided in subsection (11) of this section for mediation, may not exceed
16 245 days.

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

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

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

22 (7) Notwithstanding subsection (6) of this section, the 120-day period set
23 in subsection (1) of this section and the 100-day period set in ORS 197A.470
24 do not apply to:

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

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

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

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

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

17 (B) Include the amount claimed in a mandamus petition filed under ORS
18 227.179. The court shall award an amount owed under this section in its final
19 order on the petition.

20 (b) Within seven calendar days of receiving a request for a refund, the
21 city or its designee shall determine the amount of any refund owed. Payment,
22 or notice that no payment is due, shall be made to the applicant within 30
23 calendar days of receiving the request. Any amount due and not paid within
24 30 calendar days of receipt of the request shall be subject to interest charges
25 at the rate of one percent per month, or a portion thereof.

26 (c) If payment due under paragraph (b) of this subsection is not paid
27 within 120 days after the city or its designee receives the refund request, the
28 applicant may file an action for recovery of the unpaid refund. In an action
29 brought by a person under this paragraph, the court shall award to a pre-
30 vailing applicant, in addition to the relief provided in this section, reason-
31 able attorney fees and costs at trial and on appeal. If the city or its designee

1 prevails, the court shall award reasonable attorney fees and costs at trial
2 and on appeal if the court finds the petition to be frivolous.

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

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

13

14 **ATTORNEY FEES FOR NEEDED HOUSING CHALLENGES**

15

16 **SECTION 10.** ORS 197.843 is amended to read:

17 197.843. (1) The Land Use Board of Appeals shall award attorney fees to
18 [*an applicant whose application is only for the development of affordable*
19 *housing, as defined in ORS 197A.445, or publicly supported housing, as de-*
20 *defined in ORS 456.250*] **a person whose application includes the develop-**
21 **ment of needed housing, as defined in ORS 197A.018, and any local**
22 **government that approved the quasi-judicial land use decision,** if the
23 board affirms a quasi-judicial land use decision approving the application or
24 reverses a quasi-judicial land use decision denying the application.

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

29 (3) As used in this section[:],

30 [(a) "*Applicant*" includes:]

31 [(A) *An applicant with a funding reservation agreement with a public*

1 *funder for the purpose of developing publicly supported housing;]*

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

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

4 *[(D) A religious nonprofit corporation;]*

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

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

9 *[(b)] “attorney fees” includes prelitigation legal expenses, including pre-*
10 *paring the application and supporting the application in local land use*
11 *hearings or proceedings.*

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

15 (2) **The amendments to ORS 197.843 by section 10 of this 2024 Act**
16 **apply to decisions for which a notice of intent to appeal under ORS**
17 **197.830 is filed on or after January 1, 2025.**

18

19 **FINANCIAL ASSISTANCE SUPPORTING HOUSING PRODUCTION**

20

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

23 **SECTION 13. Capacity and support for infrastructure planning.** The
24 **Oregon Business Development Department shall provide capacity and**
25 **support for infrastructure planning to municipalities to enable them**
26 **to plan and finance infrastructure for water, sewers and sanitation,**
27 **stormwater and transportation consistent with opportunities to**
28 **produce housing units at densities defined in section 17 (2) of this 2024**
29 **Act. “Capacity and support” includes assistance with local financing**
30 **opportunities, state and federal grant navigation, writing and review,**
31 **resource sharing, regional collaboration support and technical support,**

1 including engineering and design assistance and other capacity or
2 support as the department may designate by rule.

3 **SECTION 14. Housing Infrastructure Support Fund.** (1) The Housing
4 Infrastructure Support Fund is established in the State Treasury,
5 separate and distinct from the General Fund.

6 (2) The Housing Infrastructure Support Fund consists of moneys
7 appropriated, allocated, deposited or transferred to the fund by the
8 Legislative Assembly or otherwise.

9 (3) Moneys in the fund are continuously appropriated to the Oregon
10 Business Development Department to administer the fund and to im-
11 plement section 13 of this 2024 Act.

12 **SECTION 15. Sunset.** (1) Sections 13 and 14 of this 2024 Act are re-
13 pealed on January 2, 2027.

14 (2) Any unobligated moneys in the Housing Infrastructure Support
15 Fund on January 2, 2027, must be transferred to the General Fund for
16 general governmental purposes.

17 **SECTION 16.** Sections 17 and 18 of this 2024 Act are added to and
18 made a part of ORS 285B.410 to 285B.482.

19 **SECTION 17. Utility infrastructure financing.** (1) The Oregon
20 Infrastructure Finance Authority may provide financial assistance, in
21 the form of grants or loans, to a city or a tribal council of a federally
22 recognized Indian tribe in this state for a project that will primarily
23 support the development of planned housing as described in subsection
24 (2) of this 2024 Act. A project under this section may include:

25 (a) The development or improvement of transportation, water,
26 wastewater and stormwater infrastructure; or

27 (b) Site development, including the development of privately owned
28 sites, necessary for improvement of transportation, water, wastewater
29 and stormwater infrastructure.

30 (2) To be eligible for financial assistance under this section the
31 proposed housing development must have a minimum density of:

1 (a) Seventeen dwelling units per acre if sited within the Metro ur-
2 ban growth boundary;

3 (b) Ten units per acre if sited in a city with a population of 25,000
4 or greater;

5 (c) Six units per acre if sited in a city with a population of 2,500 and
6 greater and less than 25,000; or

7 (d) Five units per acre if sited in a city with population less than
8 2,500.

9 (3) To be eligible for a grant under this section the housing to be
10 developed must be subject to an affordable housing covenant, as de-
11 fined in ORS 456.270, under which:

12 (a) The grantee shall serve as or designate the covenant holder; and

13 (b) The housing will be made affordable to households with low or
14 moderate income as defined in ORS 458.610 for a period of no less than
15 30 years from the date the housing is first available for occupancy as
16 rental housing or first sold as owner-occupied housing.

17 (4) An applicant may partner with a housing authority as defined
18 in ORS 456.005, a district as defined in ORS 198.010, or a housing de-
19 veloper to apply for and receive funding under this section.

20 (5) In administering this program, the authority shall prioritize
21 funding the applications of cities and Indian tribes with the greatest
22 need for housing affordability or production.

23 (6) In administering this program, the authority shall use approxi-
24 mately:

25 (a) Twenty-five percent of the funds to support cities or Indian
26 tribes with populations of less than 25,000; and

27 (b) Twenty-five percent of the funds to support cities or Indian
28 tribes with populations of 25,000 or greater and less than 100,000.

29 (7) The Housing Accountability and Production Office shall provide
30 assistance in developing requirements and prioritizing funding for ap-
31 plications under this section. In administering this program, the au-

1 **thority shall coordinate with:**

2 **(a) The office;**

3 **(b) The Oregon Business Development Department with respect to**
4 **its administration of the housing site cleanup and mitigation program**
5 **under section 20 of this 2024 Act; and**

6 **(c) The Housing and Community Services Department with respect**
7 **to its administration of the programs under sections 22 and 23 of this**
8 **2024 Act and the Housing Project Revolving Loan Fund under section**
9 **35 of this 2024 Act.**

10 **(8) The Oregon Business Development Department may adopt rules**
11 **to implement this section.**

12 **SECTION 18. Housing Infrastructure Project Account. (1) The**
13 **Housing Infrastructure Project Account is established in the Special**
14 **Public Works Fund established under ORS 285B.455.**

15 **(2) The department may accept grants, donations, contributions or**
16 **gifts from any source for deposit in the account. Interest earned by**
17 **account shall be credited to the account.**

18 **(3) Moneys in the account are continuously appropriated to the**
19 **Oregon Business Development Department for the purpose of provid-**
20 **ing financial assistance for housing projects as described in section 17**
21 **of this 2024 Act.**

22 **SECTION 19. Section 20 of this 2024 Act is added to and made a part**
23 **of ORS chapter 285A.**

24 **SECTION 20. Site mitigation and readiness. (1)(a) The Oregon**
25 **Business Development Department may provide financial assistance,**
26 **in the form of grants or loans, to a city or a tribal council of a feder-**
27 **ally recognized Indian tribe, to provide site cleanup and mitigation of**
28 **publicly or privately owned properties zoned for residential or mixed-**
29 **use development in order to allow for a specific housing development**
30 **project for households with low or moderate income.**

31 **(b) As used in this subsection, “cleanup and mitigation” includes**

1 remediation of brownfields, as defined in ORS 285A.185, abatement of
2 public nuisances, including abatement as described in ORS 105.550 to
3 105.600 or grading of land.

4 (2) To be eligible for financial assistance under this section:

5 (a) The land to be purchased must be zoned to require a minimum
6 density not less than that described in section 17 (2) of this 2024 Act;
7 and

8 (b) The housing to be developed on that land must be subject to an
9 affordable housing covenant as described in section 17 (3) of this 2024
10 Act.

11 (3) An applicant may partner with a housing authority as defined
12 in ORS 456.005 or a housing developer to apply for and receive funding
13 under this section.

14 (4) In administering this program, the department shall prioritize
15 funding the applications of cities and Indian tribes with the greatest
16 need for housing affordability or production.

17 (5) In administering this program, the department shall use ap-
18 proximately:

19 (a) Twenty-five percent of the funds to support cities or Indian
20 tribes with populations of less than 25,000; and

21 (b) Twenty-five percent of the funds to support cities or Indian
22 tribes with populations of 25,000 or greater and less than 100,000.

23 (6) The Housing Accountability and Production Office shall provide
24 assistance in developing requirements and prioritizing funding for ap-
25 plications under this section. In administering this program, the de-
26 partment shall coordinate with:

27 (a) The office;

28 (b) The Oregon Infrastructure Finance Authority with respect to its
29 administration of the housing infrastructure financing program under
30 section 17 of this 2024 Act; and

31 (c) The Housing and Community Services Department with respect

1 to its administration of the programs under sections 22 and 23 of this
2 2024 Act and the Housing Project Revolving Loan Fund under section
3 35 of this 2024 Act.

4 (7) The Oregon Business Development Department may adopt rules
5 to implement this section.

6 SECTION 21. Sections 22 and 23 of this 2024 Act and ORS 456.502 are
7 added to and made a part of ORS chapter 458.

8 SECTION 22. Site acquisition. (1) The Housing and Community
9 Services Department may provide financial assistance, in the form of
10 grants or loans, to cities or federally recognized Indian tribes to pur-
11 chase land to allow for a specific development project of housing for
12 households with low or moderate income.

13 (2) To be eligible for funding under this section:

14 (a) The land to be purchased must be zoned to require a minimum
15 density not less than that described in section 17 (2) of this 2024 Act;
16 and

17 (b) The housing to be developed on that land must be subject to an
18 affordable housing covenant as described in section 17 (3) of this 2024
19 Act.

20 (3) An applicant may partner with a housing authority or developer
21 to apply for and receive funding under this section.

22 (4) In administering this program, the department shall prioritize
23 funding the applications of cities and Indian tribes with the greatest
24 need for housing affordability or production.

25 (5) In administering this program, the department shall use ap-
26 proximately:

27 (a) Twenty-five percent of the moneys to support cities or Indian
28 tribes with populations of less than 25,000; and

29 (b) Twenty-five percent of the moneys to support cities or Indian
30 tribes with populations of 25,000 or greater and less than 100,000.

31 (6) The Housing Accountability and Production Office shall provide

1 assistance in developing requirements and prioritizing funding for ap-
2 plications under this section. In administering these programs, the
3 department shall coordinate with:

4 (a) The office;

5 (b) The Oregon Infrastructure Finance Authority with respect to its
6 administration of the housing infrastructure financing program under
7 section 17 of this 2024 Act; and

8 (c) The Oregon Business Development Department with respect to
9 its administration of the housing site cleanup and mitigation program
10 under section 20 of this 2024 Act.

11 **SECTION 23. Electrification incentives.** (1) The Housing and Com-
12 munity Services Department may provide grants for specific housing
13 development projects to develop dwelling units for low or moderate
14 income that will use only electricity for cooking, heating the dwelling
15 units and heating the water used by the dwelling units.

16 (2) To be eligible for funding under this section:

17 (a) The development must have a minimum density as described in
18 section 17 (2) of this 2024 Act; and

19 (b) The housing to be developed on that land must be subject to an
20 affordable housing covenant as described in section 17 (3) of this 2024
21 Act.

22 (3) The Housing Accountability and Production Office shall provide
23 assistance in developing requirements and prioritizing funding for ap-
24 plications under this section and section 23 of this 2024 Act. In ad-
25 ministering these programs, the department shall coordinate with:

26 (a) The office;

27 (b) The Oregon Infrastructure Finance Authority with respect to its
28 administration of the housing infrastructure financing program under
29 section 17 of this 2024 Act; and

30 (c) The Oregon Business Development Department with respect to
31 its administration of the housing site cleanup and mitigation program

1 under section 20 of this 2024 Act.

2

3

HOUSING PROJECT REVOLVING LOANS

4

5 **SECTION 24.** As used in sections 24 to 35 of this 2024 Act:

6 (1) “Assessor,” “tax collector” and “treasurer” mean the individual
7 filling that county office so named or any county officer performing
8 the functions of the office under another name.

9 (2) “County tax officers” and “tax officers” mean the assessor, tax
10 collector and treasurer of a county.

11 (3) “Eligible costs” means the following costs associated with an
12 eligible housing project:

13 (a) System development charges;

14 (b) Predevelopment costs;

15 (c) Construction costs; and

16 (d) Land write-downs.

17 (4) “Eligible housing project” means a project to construct housing,
18 or to convert a building from a nonresidential use to housing, that is:

19 (a) If for-sale property, a single-family dwelling, middle housing as
20 defined in ORS 197A.420 or a multifamily dwelling affordable at initial
21 sale to households with an annual income not greater than 120 percent
22 of the area median income; or

23 (b) If rental property:

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

25 (ii) A multifamily dwelling;

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

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

29 (B) Rented at a monthly rate that is affordable to households with
30 an annual income not greater than 120 percent of the area median
31 income.

1 (5) “Eligible housing project property” means the taxable real and
2 personal property constituting the improvements of an eligible housing
3 project.

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

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

11 (8) “Nonexempt property” means property other than eligible hous-
12 ing project property in the tax account that includes eligible housing
13 project property.

14 (9) “Nonexempt taxes” means the ad valorem property taxes as-
15 sessed on nonexempt property.

16 (10) “Sponsoring jurisdiction” means:

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

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

21 (b) The governing body of a city or county described in paragraph
22 (a) of this subsection.

23 **SECTION 25.** (1) A sponsoring jurisdiction may adopt by ordinance
24 or resolution a program under which the sponsoring jurisdiction
25 awards grants to developers for eligible costs.

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

27 (a) The kinds of eligible housing projects for which a developer may
28 seek a grant under the program; and

29 (b) Any eligibility requirements to be imposed on projects and de-
30 velopers in addition to those required under sections 24 to 35 of this
31 2024 Act.

1 **(3) A grant award:**

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

4 **(b) May include reimbursement for eligible costs incurred for up to**
5 **12 months preceding the date on which the eligible housing project**
6 **received local site approval.**

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

11 **(5) A sponsoring jurisdiction may amend an ordinance or resolution**
12 **adopted pursuant to this section at any time. The amendments shall**
13 **apply only to applications submitted under section 26 of this 2024 Act**
14 **on or after the effective date of the ordinance or resolution.**

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

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

20 **(A) A description of the eligible housing project;**

21 **(B) An itemized description of the eligible costs for which the grant**
22 **is sought;**

23 **(C) The proposed schedule for completion of the eligible housing**
24 **project;**

25 **(D) A project pro forma demonstrating that the project is econom-**
26 **ically feasible only with the grant moneys; and**

27 **(E) Any other information, documentation or attestation that the**
28 **sponsoring jurisdiction considers necessary or convenient for the ap-**
29 **plication review process.**

30 **(c)(A) The project pro forma under paragraph (b)(D) of this sub-**
31 **section shall be on a form provided to the sponsoring jurisdiction by**

1 the Housing and Community Services Department and made available
2 to grant applicants.

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

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

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

9 (A) The sponsoring jurisdiction may in its sole discretion extend the
10 review process beyond 90 days if the volume of applications would
11 make timely completion of the review process unlikely.

12 (B) The sponsoring jurisdiction may consult with a developer about
13 the developer's application, and the developer, after the consultation,
14 may amend the application on or before a deadline set by the spon-
15 soring jurisdiction.

16 (3) The sponsoring jurisdiction shall:

17 (a) Review each application;

18 (b) Request that the county tax officers provide to the sponsoring
19 jurisdiction the determinations made under section 27 of this 2024 Act;

20 (c) Set the term of the loan that will fund the grant award, for a
21 period not to exceed 10 years;

22 (d) Set the amount of the grant that may be awarded to the devel-
23 oper under section 29 (2) of this 2024 Act by multiplying the increment
24 determined under section 27 (1)(c) of this 2024 Act by the term of the
25 loan; and

26 (e)(A) Provisionally approve the application as submitted;

27 (B) Provisionally approve the application on terms other than those
28 requested in the application; or

29 (C) Reject the application.

30 (4)(a) The sponsoring jurisdiction shall forward provisionally ap-
31 proved applications to the Housing and Community Services Depart-

1 **ment.**

2 **(b) The department shall review the provisionally approved appli-**
3 **cations for completeness, including, but not limited to, the complete-**
4 **ness of the project pro forma submitted with the application under**
5 **subsection (1)(b)(D) of this section and the amounts computed under**
6 **section 27 (1) of this 2024 Act and notify the sponsoring jurisdiction**
7 **of its determination.**

8 **(5)(a) If the department has determined that a provisionally ap-**
9 **proved application is incomplete, the sponsoring jurisdiction may:**

10 **(A) Consult with the applicant developer and reconsider the provi-**
11 **sionally approved application after the applicant revises it; or**

12 **(B) Reject the provisionally approved application.**

13 **(b) If the department has determined that a provisionally approved**
14 **application is complete, the approval shall be final.**

15 **(c) The sponsoring jurisdiction shall notify each applicant and the**
16 **department of the final approval or rejection of an application and the**
17 **amount of the grant award.**

18 **(d) The rejection of an application and the amount of a grant award**
19 **may not be appealed, but a developer may reapply for a grant at any**
20 **time within the applicable deadlines of the grant program for the same**
21 **or another eligible housing project.**

22 **(6) Upon request by a sponsoring jurisdiction, the department may**
23 **assist the sponsoring jurisdiction with, or perform on behalf of the**
24 **sponsoring jurisdiction, any duty required under this section.**

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

29 **(a) Using the last certified assessment roll for the property tax year**
30 **in which the application is received under section 26 of this 2024 Act:**

31 **(A) Determine the amount of property taxes assessed against all tax**

1 accounts that include the eligible housing project property; and

2 (B) Subtract the amount of fire district taxes from the amount de-
3 termined under subparagraph (A) of this paragraph.

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

6 (A) Determine the estimated amount of property taxes that will be
7 assessed against all tax accounts that include the eligible housing
8 project property; and

9 (B) Subtract the estimated amount of fire district taxes from the
10 amount determined under subparagraph (A) of this paragraph.

11 (c) Determine the amount of the increment that results from sub-
12 tracting the amount determined under subsection (1)(a) of this section
13 from the amount determined under subsection (1)(b) of this section.

14 (2) As soon as practicable after determining amounts under this
15 subsection, the county tax officers shall provide written notice to the
16 sponsoring jurisdiction and the Housing and Community Services De-
17 partment certifying the amounts.

18 SECTION 28. (1)(a) The Housing and Community Services Depart-
19 ment shall develop a program to make loans to sponsoring jurisdic-
20 tions to fund grants awarded under the sponsoring jurisdiction's grant
21 program adopted pursuant to section 25 of this 2024 Act.

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

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

26 (a) Enter into a loan agreement with the sponsoring jurisdiction in
27 the amount of the grant award for the application set under section
28 26 (3)(d) of this 2024 Act; and

29 (b) Pay to the sponsoring jurisdiction the loan proceeds out of the
30 Housing Project Revolving Loan Fund established under section 35 of
31 this 2024 Act.

1 **(3) In addition to the payment made under subsection (2)(b) of this**
2 **section, the department shall pay out of the fund, with respect to each**
3 **loan:**

4 **(a) An amount equal to one percent of the loan proceeds to the**
5 **sponsoring jurisdiction to reimburse the sponsoring jurisdiction for**
6 **the costs of administering the grant program, other than the costs of**
7 **tax administration;**

8 **(b) An amount equal to one percent of the loan proceeds to the**
9 **sponsoring jurisdiction to pay the county in which the sponsoring ju-**
10 **risdiction is situated to reimburse the county for the costs of the tax**
11 **administration of the grant program by the county tax officers; and**

12 **(c) A reimbursement to the department for its actual costs incurred**
13 **in administering sections 24 to 35 of this 2024 Act.**

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

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

18 **(a) Consult with the Oregon Business Development Department**
19 **about any of the powers and duties conferred on the Housing and**
20 **Community Services Department by sections 24 to 35 of this 2024 Act;**
21 **and**

22 **(b) Adopt any rule it considers necessary or convenient for the ad-**
23 **ministration of sections 24 to 35 of this 2024 Act by the Housing and**
24 **Community Services Department.**

25 **SECTION 29.** **(1) Upon entering into a loan agreement with the**
26 **Housing and Community Services Department under section 28 of this**
27 **2024 Act, a sponsoring jurisdiction shall offer a grant agreement to**
28 **each developer whose application was approved under section 26 (5)(b)**
29 **of this 2024 Act.**

30 **(2) The grant agreement shall:**

31 **(a) Include a grant award in the amount set under section 26 (3)(d)**

1 of this 2024 Act; and

2 (b) Contain terms that:

3 (A) Are required under sections 24 to 35 of this 2024 Act or the or-
4 dinance or resolution adopted by the sponsoring jurisdiction pursuant
5 to section 25 of this 2024 Act.

6 (B) Do not conflict with sections 24 to 35 of this 2024 Act or the
7 ordinance or resolution adopted by the sponsoring jurisdiction pursu-
8 ant to section 25 of this 2024 Act.

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

13 (a) A description of the eligible housing project;

14 (b) An itemized description of the eligible costs;

15 (c) The amount and terms of the grant award;

16 (d) Written notice that the eligible housing project property is ex-
17 empt from property taxation in accordance with section 30 of this 2024
18 Act; and

19 (e) A statement declaring that the grant has been awarded in re-
20 sponse to the housing needs of communities within the sponsoring
21 jurisdiction.

22 (4) As soon as practicable after the ordinance or resolution required
23 under subsection (3) of this section becomes effective, the sponsoring
24 jurisdiction shall distribute the loan proceeds received from the de-
25 partment under section 28 (2) of this 2024 Act to the developer as the
26 grant moneys awarded under this section.

27 (5) The sponsoring jurisdiction shall forward to the tax officers of
28 the county in which the eligible housing project is located a copy of
29 the grant agreement, the ordinance or resolution and any other ma-
30 terial the sponsoring jurisdiction considers necessary for the tax offi-
31 cers to perform their duties under sections 24 to 35 of this 2024 Act or

1 **the ordinance or resolution.**

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

5 **SECTION 30. (1) Upon receipt of the copy of a grant agreement and**
6 **ordinance or resolution from the sponsoring jurisdiction under section**
7 **29 (5) of this 2024 Act, the assessor of the county in which eligible**
8 **housing project property is located shall:**

9 **(a) Exempt the eligible housing project property in accordance with**
10 **this section;**

11 **(b) Assess and tax the nonexempt property in the tax account as**
12 **other similar property is assessed and taxed; and**

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

15 **(A) The real market value of the exempt eligible housing project**
16 **property; and**

17 **(B) The property taxes on the exempt eligible housing project**
18 **property that would have been collected if the property were not ex-**
19 **empt.**

20 **(2)(a) The exemption shall first apply to the property tax year that**
21 **immediately succeeds the effective date of the ordinance or resolution**
22 **adopted by the sponsoring jurisdiction under section 29 (3) of this 2024**
23 **Act.**

24 **(b) The eligible housing project property shall be disqualified from**
25 **the exemption on the earliest of:**

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

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

31 **(C) The date on which foreclosure proceedings are commenced as**

1 provided by law for delinquent nonexempt taxes assessed with respect
2 to the tax account that includes the eligible housing project; or

3 (D) The date on which a condition specified in section 33 (1) of this
4 2024 Act occurs.

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

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

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

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

16 SECTION 31. (1) Repayment of loans made under section 28 of this
17 2024 Act shall begin, in accordance with section 32 of this 2024 Act,
18 after completion of the eligible housing project funded by the grant to
19 which the loan relates.

20 (2)(a) The sponsoring jurisdiction shall determine the date of com-
21 pletion of an eligible housing project.

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

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

28 (c) After determining the date of completion under paragraph (a)
29 of this subsection, the sponsoring jurisdiction shall notify the Housing
30 and Community Services Department and the county tax officers of
31 the determination.

1 **(3) A loan shall remain outstanding until repaid in full.**

2 **SECTION 32. (1) The fee payer for eligible housing project property**
3 **that has been granted exemption under section 30 of this 2024 Act shall**
4 **pay an annual fee for the term that shall be the presumptive number**
5 **of years for which the property is granted exemption under section 30**
6 **(3)(b) of this 2024 Act.**

7 **(2)(a) The amount of the fee for the first property tax year that the**
8 **loan is outstanding shall be the portion of the increment determined**
9 **under section 27 (1)(c) of this 2024 Act that is attributable to the eli-**
10 **gible housing project property to which the fee relates.**

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

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

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

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

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

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

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

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

6 (A) Estimate the amount of fire district taxes that would have been
7 collected on eligible housing project property if the property were not
8 exempt;

9 (B) Distribute out of the fee moneys the amounts determined under
10 paragraph (a) of this subsection to the respective fire districts when
11 other ad valorem property taxes are distributed under ORS 311.395; and

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

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

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

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

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

29 (A) The developer has not completed the eligible housing project
30 within three years following the date on which the grant moneys were
31 distributed to the developer;

1 (B) The eligible housing project changes substantially from the
2 project for which the developer's application was approved such that
3 the project would not have been eligible for the grant; or

4 (C) The developer has not complied with a requirement specified in
5 the grant agreement.

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

8 (2) If the sponsoring jurisdiction discovers that a developer willfully
9 made a false statement or misrepresentation or willfully failed to re-
10 port a material fact to obtain a grant with respect to an eligible
11 housing project, the sponsoring jurisdiction may impose on the devel-
12 oper a penalty not to exceed 20 percent of the amount of the grant so
13 obtained, plus any applicable interest and fees associated with the
14 costs of collection.

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

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

22 (5)(a) Any and all amounts required to be paid under this section
23 shall be considered to be liquidated and delinquent, and the Housing
24 and Community Services Department shall assign such amounts to the
25 Department of Revenue for collection as provided in ORS 293.250.

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

29 SECTION 34. (1) Not later than June 30 of each year in which a
30 grant agreement entered into under section 29 of this 2024 Act is in
31 effect, a developer that is party to the agreement shall submit a report

1 to the sponsoring jurisdiction in which the eligible housing project is
2 located that contains:

3 (a) The status of the construction or conversion of the eligible
4 housing project property, including an estimate of the date of com-
5 pletion;

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

7 (c) Any information the sponsoring jurisdiction considers important
8 for evaluating the eligible housing project and the developer's per-
9 formance under the terms of the grant agreement.

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

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

17 (b) The report shall set forth in detail:

18 (A) The information received from sponsoring jurisdictions under
19 subsection (2) of this section;

20 (B) The status of the repayment of all outstanding loans made un-
21 der section 28 of this 2024 Act and of the payment of all fees imposed
22 under section 32 of this 2024 Act and all amounts imposed under sec-
23 tion 33 of this 2024 Act; and

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

26 (c) The report may include recommendations for legislation.

27 **SECTION 35.** (1) The Housing Project Revolving Loan Fund is es-
28 tablished in the State Treasury, separate and distinct from the General
29 Fund. Interest earned by the Housing Project Revolving Loan Fund
30 shall be credited to the fund.

31 (2) Moneys in the fund may be invested as provided by ORS 293.701

1 to 293.857, and the earnings from the investments shall be credited to
2 the fund.

3 (3) Moneys in the Housing Project Revolving Loan Fund shall con-
4 sist of:

5 (a) Amounts appropriated or otherwise transferred or credited to
6 the fund by the Legislative Assembly;

7 (b) Net fee moneys transferred under section 32 of this 2024 Act;

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

9 (d) Interest and other earnings received on moneys in the fund; and

10 (e) Other moneys or proceeds of property from any public or private
11 source that are transferred, donated or otherwise credited to the fund.

12 (4) Moneys in the Housing Project Revolving Loan Fund are con-
13 tinuously appropriated to the Housing and Community Services De-
14 partment for the following purposes:

15 (a) Making loans to sponsoring jurisdictions under section 28 of this
16 2024 Act; and

17 (b) Reimbursing the actual costs incurred by the department under
18 sections 24 to 35 of this 2024 Act.

19 (5) Moneys in the Housing Project Revolving Loan Fund at the end
20 of a biennium shall be retained in the fund and used for the purposes
21 set forth in subsection (4) of this section.

22 SECTION 36. The Housing and Community Services Department
23 shall have developed and begun operating the loan program that the
24 department is required to develop under section 28 of this 2024 Act,
25 including regional trainings and outreach for jurisdictional partners,
26 no later than June 30, 2025.

27

28 HOUSING LAND USE ADJUSTMENTS

29

30 SECTION 37. Sections 38 to 41 of this 2024 Act are added to and
31 made a part of ORS chapter 197A.

1 **SECTION 38. Mandatory adjustment to housing development stan-**
2 **dards.** (1) As used in sections 38 to 41 of this 2024 Act:

3 (a) “Adjustment” means a deviation from an existing land use reg-
4 ulation.

5 (b) “Adjustment” does not include:

6 (A) A request to allow a use of property not otherwise permissible
7 under applicable zoning requirements;

8 (B) Deviations from land use regulations or requirements related
9 to accessibility, affordability, fire ingress or egress, local tree codes,
10 hazardous or contaminated site clean-up or statewide land use plan-
11 ning goals relating to natural resources, natural hazards, the
12 Willamette River Greenway, estuarine resources, coastal shorelands,
13 beaches and dunes or ocean resources;

14 (C) A complete waiver of land use regulations; or

15 (D) Deviations to requirements of building codes, federal or state
16 water quality requirements or requirements of any federal, state or
17 local law other than a land use regulation.

18 (2) Except as provided in section 40 of this 2024 Act, a local gov-
19 ernment shall grant a request for an adjustment in an application to
20 develop housing as provided in this section and section 39 of this 2024
21 Act. An application qualifies for an adjustment under this section only
22 if the following conditions are met:

23 (a) The application is for a building permit or a quasi-judicial, lim-
24 ited or ministerial land use decision;

25 (b) The development is on lands zoned to allow for residential uses,
26 including mixed-use residential, at densities not less than those re-
27 quired under section 17 (2) of this 2024 Act;

28 (c) The development is within an urban growth boundary, not in-
29 cluding lands that have not been annexed by a city;

30 (d) The development is of net new housing units in new con-
31 struction projects, including single-family or multifamily, mixed-use

1 residential where at least 75 percent of the developed floor area will
2 be used for residential uses, manufactured dwelling parks, accessory
3 dwelling units or middle housing as defined in ORS 197A.420;

4 (e) The application requests not more than 10 distinct adjustments
5 to development standards as provided in this section. A “distinct ad-
6 justment” means:

7 (A) An adjustment to one of the development standards listed in
8 subsection (4) of this section; or

9 (B) An adjustment to one of the development standards listed in
10 subsection (5) of this section; and

11 (f) The application states that at least one of the following criteria
12 apply:

13 (A) The adjustments will enable development of housing that is not
14 otherwise feasible due to cost or delay resulting from the unadjusted
15 land use regulations;

16 (B) The adjustments will enable development of housing that re-
17 duces the sale or rental prices per residential unit;

18 (C) The adjustments will increase the number of housing units
19 within the application;

20 (D) All of the units in the application are subject to an affordable
21 housing covenant as described in ORS 456.270 to 456.295, making them
22 affordable to moderate income households as defined in ORS 456.270
23 for a minimum of 30 years;

24 (E) At least 20 percent of the units in the application are subject
25 to an affordable housing covenant as described in ORS 456.270 to
26 456.295, making them affordable to low income households as defined
27 in ORS 456.270 for a minimum of 60 years;

28 (F) The adjustments will enable the provision of accessibility or
29 visitability features in housing units that are not otherwise feasible
30 due to cost or delay resulting from the unadjusted land use regu-
31 lations; or

1 (G) All of the units in the application are subject to a zero equity,
2 limited equity, or shared equity ownership model including resident-
3 owned cooperatives and community land trusts making them afforda-
4 ble to moderate income households as described in ORS 456.270 to
5 456.295 for a period of 90 years.

6 (3) In reviewing an adjustment application under this section, a lo-
7 cal government may:

8 (a) Use an existing process, or develop a new process, that complies
9 with the requirements of section 39 of this 2024 Act; or

10 (b) Directly apply the process set forth in section 39 of this 2024 Act.

11 (4) A local government shall grant an adjustment to the following
12 development standards:

13 (a) Side and rear setbacks, for an adjustment of not more than 10
14 percent.

15 (b) The common area, open space or area that must be landscaped,
16 for a reduction of not more than 25 percent.

17 (c) Parking minimums.

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

21 (e) Maximum lot sizes, not more than a 10 percent adjustment, in-
22 cluding not more than a 10 percent adjustment to lot width or depths
23 and only if the adjustment results in an increase in the number of
24 dwelling units.

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

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

29 (A) Requirements for bicycle parking that establish:

30 (i) The minimum number of spaces, for a reduction not greater
31 than an adjustment that will allow for one-half space per residential

1 **unit; or**

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

5 **(B) Building height maximums that:**

6 **(i) Are in addition to existing applicable height bonuses, if any; and**

7 **(ii) Are not more than an increase of the greater of:**

8 **(I) One story; or**

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

11 **(C) Unit density maximums, not more than an amount necessary**
12 **to account for other adjustments under this section; and**

13 **(D) Prohibitions, for the ground floor of a mixed-use building,**
14 **against:**

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

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

22 **(5) A local government shall grant an adjustment to design stan-**
23 **dards that regulate:**

24 **(a) Facade materials, color or pattern.**

25 **(b) Facade articulation.**

26 **(c) Roof forms and materials.**

27 **(d) Entry and garage door materials.**

28 **(e) Garage door orientation, unless the building is adjacent to or**
29 **across from a school or public park.**

30 **(f) Window materials, except for bird-safe glazing requirements.**

31 **(g) Total window area, for up to a 30 percent adjustment.**

1 (h) For manufactured dwelling parks, middle housing as defined in
2 ORS 197A.420, multifamily housing and mixed-use residential:

3 (A) Building orientation requirements, not including transit street
4 orientation requirements.

5 (B) Building height transition requirements, not more than a 50
6 percent adjustment from the base zone.

7 (C) Requirements for balconies and porches.

8 (D) Requirements for recesses and offsets.

9 **SECTION 39. Approval of allowed housing adjustments.** (1)(a)
10 Within 30 days after receiving a complete application under section 38
11 of this 2024 Act, the local government shall notify the applicant
12 whether the local government believes that the application is deemed
13 complete to make a review under section 38 of this 2024 Act. A local
14 government may provide this notification concurrently with the ap-
15 plication completeness determination described in ORS 215.427 (3) or
16 227.178 (3).

17 (b) If a local government notifies the applicant that any proposed
18 adjustment is not ready for review, the applicant may submit addi-
19 tional evidence for evaluation under this subsection within 30 days
20 following the notice.

21 (c) The completeness determination under this subsection is not a
22 land use decision.

23 (2) A local government shall make a final decision on an application
24 for an adjustment under section 38 of this 2024 Act on or before the
25 development application decision and within any timelines imposed by
26 ORS 197A.470, 215.416 or 227.175.

27 (3)(a) A denial of an application for an adjustment under section
28 38 of this 2024 Act must be in a brief written statement that explains
29 the criteria and standards considered relevant to the decision, states
30 the facts relied on in rendering the decision and explains the justi-
31 fication for the decision based on the stated criteria, standards and

1 **facts.**

2 **(b) If the denial of an application for an adjustment is made sepa-**
3 **rately from any other related application, the decision does not require**
4 **notice under ORS 197.195 or 197.797. “Other related application” means**
5 **a land use decision, if any exists, for which the developer has re-**
6 **quested an approval of an adjustment under section 38 of this 2024 Act.**

7 **(4) A final decision on an application for an adjustment made under**
8 **this section and section 38 of this 2024 Act is a limited land use deci-**
9 **sion. Only the applicant may appeal the decision.**

10 **SECTION 40. Mandatory adjustments exception process. (1) A local**
11 **government may apply to the Housing Accountability and Production**
12 **Office for an exemption to sections 38 and 39 of this 2024 Act only as**
13 **provided in this section. After the application is made, sections 38 and**
14 **39 of this 2024 Act do not apply to the applicant until the office denies**
15 **the application or revokes the exemption.**

16 **(2) To qualify for an exemption under this section, the local gov-**
17 **ernment must demonstrate that:**

18 **(a) The local government reviews design and development adjust-**
19 **ments for all applications for the development of housing;**

20 **(b) All listed development and design adjustments under section 38**
21 **(4) and (5) of this 2024 Act are eligible under the local government’s**
22 **adjustment process; and**

23 **(c)(A) Within the previous 5 years the city has approved 90 percent**
24 **of received adjustment requests; or**

25 **(B) The adjustment process is flexible and accommodates project**
26 **needs as demonstrated by testimonials of housing developers who have**
27 **utilized the adjustment process within the previous five years.**

28 **(3) Upon receipt of an application under this section, the office shall**
29 **allow for public comment on the application for a period of no less**
30 **than 45 days. The office shall enter a final order on the adjustment**
31 **exemption within 120 days of receiving the application. The approval**

1 of an application may not be appealed.

2 (4) Local governments with an approved or pending exemption un-
3 der this section shall clearly and consistently notify applicants, in-
4 cluding potential applicants, that are engaged in housing development:

5 (a) That the local government is employing a local process in lieu
6 of sections 38 and 39 of this 2024 Act;

7 (b) Of the development and design standards for which an applicant
8 may request an adjustment in a housing development application; and

9 (c) Of the applicable criteria for the adjustment application.

10 (5) In response to a complaint and following an investigation, the
11 office may issue an order revoking an exemption issued under this
12 section if the office determines that the local government is:

13 (a) Not approving adjustments as required by the local process or
14 the terms of the exemption; or

15 (b) Engaging in a pattern or practice of violating housing-related
16 statutes or implementing policies that create unreasonable cost or
17 delays to housing production under ORS 197.320 (13)(a).

18 **SECTION 41. Reporting.** (1) A city required to provide a report un-
19 der ORS 197A.110 shall include as part of that report information rea-
20 sonably requested from the Department of Land Conservation and
21 Development on residential development produced through approvals
22 of adjustments granted under section 38 of this 2024 Act. The depart-
23 ment may not develop a separate process for collecting this data or
24 otherwise place an undue burden on local governments.

25 (2) On or before September 15 of each even-numbered year, the de-
26 partment shall provide a report to an interim committee of the Leg-
27 islative Assembly related to housing in the manner provided in ORS
28 192.245 on the data collected under subsection (1) of this section. The
29 committee shall invite the League of Oregon Cities to provide feedback
30 on the report and the efficacy of section 38 of this 2024 Act.

31 **SECTION 42. Operative date.** Sections 38 to 41 of this 2023 Act be-

1 **come operative on January 1, 2025.**

2 **SECTION 43. Sunset. Sections 38 to 41 of this 2024 Act are repealed**
3 **on January 2, 2032.**

4

5 **LIMITED LAND USE DECISIONS**

6

7 **SECTION 44. Section 45 of this 2024 Act is added to and made a part**
8 **of ORS chapter 197A.**

9 **SECTION 45. Applicability of limited land use decision to housing**
10 **development. (1) Except as provided in subsection (3) of this section,**
11 **each local government shall process as a limited land use decision any**
12 **application for the development of housing within an urban growth**
13 **boundary that requests:**

14 **(a) Partitions, subdivisions, replats or property line adjustments**
15 **under ORS 92.010 to 92.192;**

16 **(b) Site plan review;**

17 **(c) Extensions, alterations or expansions of nonconforming uses;**
18 **or**

19 **(d) Adjustments to land use regulations, as defined in section 38 (1)**
20 **of this 2024 Act, including those with an exemption under section 40**
21 **of this 2024 Act and including but not limited to those listed in section**
22 **38 (4) or (5) of this 2024 Act.**

23 **(2) Notwithstanding ORS 197.195 (1), a local government that has**
24 **not incorporated limited land use decisions into its comprehensive**
25 **plan may directly apply the procedures described in ORS 197.195 (2) to**
26 **(5).**

27 **(3) This section does not apply to:**

28 **(a) An application already processed as a ministerial use decision**
29 **under the local government's acknowledged development standards.**

30 **(b) Decisions by a local government for which the Housing Ac-**
31 **countability and Production Office has approved a hardship exemption**

1 or time extension. The office may grant an exemption or time exten-
2 sion only if the local government demonstrates that a substantial
3 hardship would result from the increased costs or staff capacity needed
4 to implement procedures as required under this section.

5 **SECTION 46. Operative date.** Section 45 of this 2024 Act becomes
6 operative on January 1, 2025.

7 **SECTION 47. Sunset.** Section 45 of this 2023 Act is repealed on
8 January 2, 2032.

9
10 **ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES**

11
12 **SECTION 48.** Sections 49 to 59 of this 2024 Act are added to and
13 made a part of ORS chapter 197A.

14 **SECTION 49. Definitions.** As used in sections 49 to 59 of this 2024
15 Act:

16 (1) “Net residential acre” means an acre of residentially designated
17 buildable land, not including rights of way for streets, roads or utili-
18 ties or areas not designated for development due to natural resource
19 protections or environmental constraints.

20 (2) “Site” means a lot or parcel or contiguous lots or parcels, or
21 both, with or without common ownership.

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

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

29 (b) The site is:

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

1 **197.658;**

2 **(B) Designated as nonresource land; or**

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

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

7 **(d) The city has demonstrated a need for the addition under section**
8 **52 of this 2024 Act;**

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

11 **(f) The total acreage of the site:**

12 **(A) For a city with a population of 25,000 or greater, does not exceed**
13 **150 net residential acres; or**

14 **(B) For a city with a population of less than 25,000, does not exceed**
15 **75 net residential acres; and**

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

18 **(B) The added site does not exceed 15 net residential acres and sat-**
19 **isfies the requirements of section 56 of this 2024 Act.**

20 **(2) A county shall approve an amendment to an urban growth**
21 **boundary made under this section that complies with sections 49 to**
22 **59 of this 2024 Act and shall cooperate with a city to facilitate the co-**
23 **ordination of functions under ORS 195.020 to facilitate the city's**
24 **annexation and the development of the site. The county's decision is**
25 **not a land use decision.**

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

29 **SECTION 51. Petition for additions of sites to Metro urban growth**
30 **boundary. (1) A city within Metro may petition Metro to add a site**
31 **within the Metro urban growth boundary if the site:**

- 1 (a) Satisfies the requirements of section 50 (1) of this 2024 Act; and
- 2 (b) Is designated as an urban reserve.

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

6 (b) If Metro determines that a petition does not substantially com-
7 ply, Metro shall:

8 (A) Notify the city of deficiencies in the petition, specifying suffi-
9 cient detail to allow the city to remedy any deficiency in a subsequent
10 resubmittal; and

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

13 (c) If Metro determines that a petition does comply, notwithstand-
14 ing any other provision of ORS chapter 197A, Metro shall adopt
15 amendments to its urban growth boundary to include the site in the
16 petition, unless the amendment would result in more than 600 total
17 net residential acres added under this subsection.

18 (3) If the net residential acres included in approved petitions re-
19 ceived on or before July 1, 2025, total less than 600 net residential
20 acres, Metro shall adopt amendments to its urban growth boundary
21 under subsection (2)(c) of this section:

22 (a) On or before November 1, 2025, for petitions received on or be-
23 fore July 1, 2024; or

24 (b) Within 120 days after the receipt of a petition received after July
25 1, 2025, in the order in which the petitions are received.

26 (4) If the net residential acres included in approved petitions re-
27 ceived on or before July 1, 2025, total 600 or more net residential acres,
28 on or before January 1, 2027, Metro shall adopt amendments to its
29 urban growth boundary under subsection (2)(c) of this section to in-
30 clude the sites in those petitions that Metro determines will:

- 31 (a) Best comply with the provisions of section 55 of this 2024 Act;

1 and

2 (b) Maximize the development of needed housing.

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

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

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

9 (a)(A) The city has had no urban growth boundary expansions in
10 the prior 20 years; and

11 (B) The city does not have within its existing urban growth bound-
12 ary an undeveloped, contiguous tract that is zoned for residential use
13 that is larger than 20 acres; or

14 (b) Within urban growth boundary expansion areas adopted by the
15 city over the previous 20 years, 75 percent of the lands are developed
16 or development-ready lands; and

17 (2) The city has demonstrated a need for affordable housing, based
18 on having a greater percentage of extremely cost-burdened households
19 than the average for this state based on data from the United States
20 Department of Housing and Urban Development.

21 **SECTION 53. City solicitation of site applications.** (1) Before a city
22 may select a site for inclusion within the city's or Metro's urban
23 growth boundary under sections 49 to 59 of this 2024 Act, a city must
24 provide public notice that includes:

25 (a) The city's intention to select a site for inclusion within the
26 city's urban growth boundary.

27 (b) Each basis under which the city has determined that it qualifies
28 to include a site under section 52 of this section.

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

31 (d) A description of the information, form and format required of

1 an application, including the requirements of section 55 (2) of this 2024
2 Act.

3 (2) A copy of the notice of intent under this section must be pro-
4 vided to:

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

6 (b) Each special district providing urban services within the city's
7 urban growth boundary;

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

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

10 SECTION 54. City review of site applications. (1) After the deadline
11 for submission of applications established under section 55 of this 2024
12 Act, the city shall:

13 (a) Review applications filed for compliance with sections 49 to 59
14 of this 2024 Act.

15 (b) For each completed application that complies with sections 49
16 to 59 of this 2024 Act, provide notice to the residents of the proposed
17 site area who were not signatories to the application.

18 (c) Provide opportunities for public participation in selecting a site,
19 including, at least:

20 (A) One public comment period;

21 (B)(i) One meeting of the city's planning commission at which
22 public testimony is considered;

23 (ii) One meeting of the city's council at which public testimony is
24 considered; or

25 (iii) One public open house; and

26 (C) Notice on the city's website or published in a paper of record
27 at least 14 days before:

28 (i) A meeting under subparagraph (B) of this paragraph; and

29 (ii) The beginning of a comment period under subparagraph (A) of
30 this paragraph.

31 (d) Consult with, request necessary information from and provide

1 **the opportunity for written comment from:**

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

3 **(B) If the city does not currently exercise land use jurisdiction over**
4 **the entire site, the governing body of each county with land use ju-**
5 **risdiction over the site;**

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

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

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

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

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

13 **(c) Specify the lots or parcels that are the subject of the applica-**
14 **tion;**

15 **(d) Be signed by all owners of lots or parcels included within the**
16 **application; and**

17 **(e) Include each owner's signed consent to annexation of the prop-**
18 **erties if the site is added to the urban growth boundary.**

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

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

29 **SECTION 55. Conceptual plan for added sites. (1) As used in this**
30 **section:**

31 **(a) "Affordable units" means residential units described in sub-**

1 section (3)(f)(A) or (4) of this section.

2 (b) “Market rate units” means residential units other than afford-
3 able units.

4 (2) Before adopting an urban growth boundary amendment under
5 section 50 of this 2024 Act or petitioning Metro under section 51 of this
6 2024 Act, for a site larger than 15 net residential acres, a city shall
7 adopt a binding conceptual plan as an amendment to its comprehen-
8 sive plan.

9 (3) The conceptual plan must:

10 (a) Establish the total net residential acres within the site and must
11 require for those residential areas:

12 (A) A diversity of housing types and sizes, including middle hous-
13 ing, accessible housing and other needed housing; and

14 (B) That the development will be on lands zoned for residential or
15 mixed-use residential uses at densities not less than those required
16 under section 17 (2) of this 2024 Act;

17 (b) Designate within the site:

18 (A) Recreation and open space lands; and

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

21 (i) Primarily serve the immediate surrounding housing;

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

24 (iii) Are provided at the minimum amount necessary to support and
25 integrate viable commercial and residential uses;

26 (c) If the city has a population of 5,000 or greater, include a trans-
27 portation network for the site that provides diverse transportation
28 options, including walking, bicycling and transit use if public transit
29 services are available, as well as sufficient connectivity to existing and
30 planned transportation network facilities as shown in the local
31 government’s transportation system plan as defined in Land Conser-

1 **vation and Development Commission rules;**

2 **(d) Demonstrate that protective measures will be applied to the site**
3 **consistent with the statewide land use planning goals for:**

4 **(A) Open spaces, scenic and historic areas or natural resources;**

5 **(B) Areas subject to natural hazards;**

6 **(C) The Willamette River Greenway;**

7 **(D) Estuarine resources;**

8 **(E) Coast shorelands; or**

9 **(F) Beaches and dunes;**

10 **(e) Include a binding agreement among the city, each owner within**
11 **the site and any other necessary public or private utility provider, lo-**
12 **cal government or district, as defined in ORS 195.060, or combination**
13 **of local governments and districts that the site will be served with all**
14 **necessary urban services as defined in ORS 195.065, or an equivalent**
15 **assurance; and**

16 **(f) Include requirements that ensure that:**

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

21 **(i) Available for rent, with or without government assistance, by**
22 **households with an income of 80 percent or less of the area median**
23 **income as defined in ORS 456.270; or**

24 **(ii) Available for purchase, with or without government assistance,**
25 **by households with an income of 130 percent or less of the area median**
26 **income;**

27 **(B) The construction of all affordable units has commenced before**
28 **the city issues certificates of occupancy to the last 15 percent of mar-**
29 **ket rate units;**

30 **(C) All common areas and amenities are equally available to resi-**
31 **dents of affordable units and of market rate units; and**

1 (D) The requirement for affordable housing units is recorded before
2 the building permits are issued for any property within the site, and
3 the requirements contain financial penalties for noncompliance.

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

8 (a) Permits or fees;

9 (b) System development charges;

10 (c) Property taxes; or

11 (d) Land acquisition and predevelopment costs.

12 SECTION 56. Alternative for small additions. (1) A city that intends
13 to add 15 net residential acres or less is not required to adopt a con-
14 ceptual plan under section 55 of this 2024 Act if the city has entered
15 into enforceable and recordable agreements with each landowner of a
16 property within the site to ensure that the site will comply with the
17 affordability requirements described in section 55 (3)(f) of this 2024 Act.

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

19 SECTION 57. Department approval of site additions. (1) Within 21
20 days after the adoption of an amendment to an urban growth bound-
21 ary or the adoption or amendment of a conceptual plan under sections
22 49 to 59 of this 2024 Act, and the approval by a county if required under
23 section 50 (2) of this 2024 Act, the conceptual plan or amendment must
24 be submitted to the Department of Land Conservation and Develop-
25 ment for review. The submission must be made by:

26 (a) The city, for an amendment under section 50 or 58 of this 2024
27 Act; or

28 (b) Metro, for an amendment under section 51 of this 2024 Act.

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

31 (a) Review the submittal for compliance with the provisions of

1 sections 49 to 59 of this 2024 Act.

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

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

10 (3) If a conceptual plan is remanded to Metro under subsection
11 (2)(b) of this section:

12 (a) The department shall notify the city; and

13 (b) The city may amend its conceptual plan and resubmit a petition
14 to Metro under section 51 of this 2024 Act.

15 (4) Judicial review of the department's order:

16 (a) Must be as a review of orders other than a contested case under
17 ORS 183.484; and

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

19 (5) Following the approval of a submittal under this section, a local
20 government must include the added lands in any future inventory of
21 buildable lands or determination of housing capacity under ORS
22 197A.270, 197A.280, 197A.335 or 197A.350.

23 **SECTION 58. Alternative urban growth boundary land exchange.** (1)
24 In lieu of amending its urban growth boundary under any other pro-
25 cess provided by sections 49 to 59 of this 2024 Act, a city outside of
26 Metro may amend its urban growth boundary to add a site to the ur-
27 ban growth boundary and to remove one or more tracts of land from
28 the urban growth boundary as provided in this section.

29 (2) The acreage of the added site and removed lands must be
30 roughly equivalent.

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

1 **Notwithstanding any other provision of ORS chapter 197 or 197A or any**
2 **land use regulation, for lands removed from an urban growth bound-**
3 **ary under this section the city or county may, without further process,**
4 **consider the removed lands as:**

5 **(a) Zoned or designated for rural uses;**

6 **(b) Designated as lands subject to an exception under ORS 197.732**
7 **to goals for agriculture or forest; or**

8 **(c) Designated as urban reserve, as defined in ORS 197A.230.**

9 **(4) The added site must be zoned for residential uses at the same**
10 **or greater density than the removed lands.**

11 **(5)(a) Except as provided in paragraph (b) of this subsection, land**
12 **may be removed from an urban growth boundary under this section**
13 **without landowner consent.**

14 **(b) Land may not be removed from an urban growth boundary un-**
15 **der this section if the landowner enters into a recorded agreement**
16 **with the city agreeing to consent to annexation of the land and to**
17 **develop the land within 20 years.**

18 **(6) Review of a city's exchange of lands made under this section**
19 **may only be made by the county as provided in section 50 (2) of this**
20 **2024 Act and by the Department of Land Conservation and Develop-**
21 **ment, subject to judicial review, as provided in section 57 of this 2024**
22 **Act.**

23 **(7) Sections 50 (1), 52, 53, 54, 55 and 56 of this 2024 Act do not apply**
24 **to a site addition made under this section.**

25 **SECTION 59. Reporting on added sites. A city for which an amend-**
26 **ment was made to an urban growth boundary and approved under**
27 **sections 49 to 59 of this 2024 Act shall submit a report describing the**
28 **status of development within the included area to the Department of**
29 **Land Conservation and Development every two years until:**

30 **(1) January 2, 2033; or**

31 **(2) The city determines that development consistent with the ac-**

1 **knowledge conceptual plan is deemed complete.**

2 **SECTION 60. Sunset. Sections 49 to 59 of this 2024 Act are repealed**
3 **on January 2, 2033.**

4
5 **APPROPRIATIONS**
6

7 **SECTION 61. Appropriation for Housing Accountability and Pro-**
8 **duction Office. In addition to and not in lieu of any other appropri-**
9 **ation, there is appropriated to the Department of Land Conservation**
10 **and Development, for deposit into the Housing Accountability and**
11 **Production Office Fund under section 4 of this 2024 Act, for the**
12 **biennium ending June 30, 2025, out of the General Fund, the following**
13 **amounts:**

14 (1) \$__ to operate the Housing Accountability and Production Of-
15 fice under sections 1 to 5 of this 2024 Act.

16 (2) \$10,000,000 for the office to provide technical assistance, includ-
17 ing grants, under section 1 (1) of this 2024 Act.

18 **SECTION 62. Appropriation to Oregon Business Development De-**
19 **partment. In addition to and not in lieu of any other appropriation,**
20 **there is appropriated to the Oregon Business Development Depart-**
21 **ment, for the biennium ending June 30, 2025, out of the General Fund,**
22 **the following amounts:**

23 (1) \$200,000,000 for deposit into the Housing Infrastructure Project
24 Account under section 18 of this 2024 Act.

25 (2) \$10,000,000 for deposit into the Brownfields Redevelopment Fund
26 to provide financial assistance under section 20 of this 2024 Act.

27 (3) \$5,000,000 for deposit into the Housing Infrastructure Support
28 Fund under section 14 of this 2024 Act.

29 **SECTION 63. Appropriation to Housing and Community Services**
30 **Department. In addition to and not in lieu of any other appropriation,**
31 **there is appropriated to the Housing and Community Services De-**

1 **partment, for the biennium ending June 30, 2025, out of the General**
2 **Fund, the following amounts:**

3 (1) **\$200,000,000 for deposit into the Housing Project Revolving Loan**
4 **Fund under section 35 of this 2024 Act.**

5 (2) **\$40,000,000 for deposit into the Housing and Community Services**
6 **Department Fund to provide financial assistance under section 22 of**
7 **this 2024 Act.**

8 (3) **\$20,000,000 for deposit into the Housing and Community Services**
9 **Department Fund to provide financial assistance under section 23 of**
10 **this 2024 Act.**

11

12

CONFORMING AMENDMENTS

13

14 **SECTION 64.** ORS 197.335, as amended by section 17, chapter 13, Oregon
15 Laws 2023, is amended to read:

16 197.335. (1) [*An order issued under ORS 197.328 and the copy of the order*
17 *mailed*] **The Land Conservation and Development Commission shall**
18 **mail a copy of an enforcement order** to the local government, state
19 agency or special district. **An order** must set forth:

20 (a) The nature of the noncompliance, including, but not limited to, the
21 contents of the comprehensive plan or land use regulation, if any, of a local
22 government that do not comply with the goals or the contents of a plan,
23 program or regulation affecting land use adopted by a state agency or special
24 district that do not comply with the goals. In the case of a pattern or prac-
25 tice of decision-making, the order must specify the decision-making that
26 constitutes the pattern or practice, including specific provisions the [*Land*
27 *Conservation and Development*] commission believes are being misapplied.

28 (b) The specific lands, if any, within a local government for which the
29 existing plan or land use regulation, if any, does not comply with the goals.

30 (c) The corrective action decided upon by the commission, including the
31 specific requirements, with which the local government, state agency or

1 special district must comply. In the case of a pattern or practice of
2 decision-making, the commission may require revisions to the comprehensive
3 plan, land use regulations or local procedures which the commission believes
4 are necessary to correct the pattern or practice. Notwithstanding the pro-
5 visions of this section, except as provided in subsection (3)(c) of this section,
6 an enforcement order does not affect:

7 (A) Land use applications filed with a local government prior to the date
8 of adoption of the enforcement order unless specifically identified by the
9 order;

10 (B) Land use approvals issued by a local government prior to the date of
11 adoption of the enforcement order; or

12 (C) The time limit for exercising land use approvals issued by a local
13 government prior to the date of adoption of the enforcement order.

14 (2) Judicial review of a final order of the commission is governed by the
15 provisions of ORS chapter 183 applicable to contested cases except as other-
16 wise stated in this section. The commission's final order must include a clear
17 statement of findings which set forth the basis for the order. Where a peti-
18 tion to review the order has been filed in the Court of Appeals, the com-
19 mission shall transmit to the court the entire administrative record of the
20 proceeding under review. Notwithstanding ORS 183.482 (3) relating to a stay
21 of enforcement of an agency order, an appellate court, before it may stay an
22 order of the commission, shall give due consideration to the public interest
23 in the continued enforcement of the commission's order and may consider
24 testimony or affidavits thereon. Upon review, an appellate court may affirm,
25 reverse, modify or remand the order. The court shall reverse, modify or re-
26 mand the order only if it finds:

27 (a) The order to be unlawful in substance or procedure, but an error in
28 procedure is not cause for reversal, modification or remand unless the court
29 finds that substantial rights of any party were prejudiced thereby;

30 (b) The order to be unconstitutional;

31 (c) The order is invalid because it exceeds the statutory authority of the

1 agency; or

2 (d) The order is not supported by substantial evidence in the whole re-
3 cord.

4 (3)(a) If the commission finds that in the interim period during which a
5 local government, state agency or special district would be bringing itself
6 into compliance with the commission's order [*under ORS 197.320 or sub-*
7 *section (2) of this section*] it would be contrary to the public interest in the
8 conservation or sound development of land to allow the continuation of some
9 or all categories of land use decisions or limited land use decisions, it shall,
10 as part of its order, limit, prohibit or require the approval by the local gov-
11 ernment of applications for subdivisions, partitions, building permits, limited
12 land use decisions or land use decisions until the plan, land use regulation
13 or subsequent land use decisions and limited land use decisions are brought
14 into compliance. The commission may issue an order that requires review
15 of local decisions by a hearings officer or the Department of Land Conser-
16 vation and Development before the local decision becomes final.

17 (b) Any requirement under this subsection may be imposed only if the
18 commission finds that the activity, if continued, aggravates the goal, com-
19 prehensive plan or land use regulation violation and that the requirement
20 is necessary to correct the violation.

21 (c) The limitations on enforcement orders under subsection (1)(c)(B) of
22 this section do not affect the commission's authority to limit, prohibit or
23 require application of specified criteria to subsequent land use decisions in-
24 volving land use approvals issued by a local government prior to the date
25 of adoption of the enforcement order.

26 (4) As part of its order [*under ORS 197.320 or subsection (2) of this*
27 *section*], the commission may withhold grant funds from the local government
28 to which the order is directed. As part of an order issued under this section,
29 the commission may notify the officer responsible for disbursing state-shared
30 revenues to withhold that portion of state-shared revenues to which the local
31 government is entitled under ORS 221.770, 323.455, 366.762 and 366.800 and

1 ORS chapter 471 which represents the amount of state planning grant mon-
2 eys previously provided the local government by the commission. The officer
3 responsible for disbursing state-shared revenues shall withhold state-shared
4 revenues as outlined in this section and shall release funds to the local
5 government or department when notified to so do by the commission or its
6 designee. The commission may retain a portion of the withheld revenues to
7 cover costs of providing services incurred under the order, including use of
8 a hearings officer or staff resources to monitor land use decisions and limited
9 land use decisions or conduct hearings. The remainder of the funds withheld
10 under this provision shall be released to the local government upon com-
11 pletion of requirements of the [*commission*] **enforcement** order.

12 (5)(a) As part of its order under this section, the commission may notify
13 the officer responsible for disbursing funds from any grant or loan made by
14 a state agency to withhold such funds from a special district to which the
15 order is directed. The officer responsible for disbursing funds shall withhold
16 funds as outlined in this section and shall release funds to the special dis-
17 trict or department when notified to do so by the commission.

18 (b) The commission may retain a portion of the funds withheld to cover
19 costs of providing services incurred under the order, including use of a
20 hearings officer or staff resources to monitor land use decisions and limited
21 land use decisions or conduct hearings. The remainder of the funds withheld
22 under this provision shall be released to the special district upon completion
23 of the requirements of the commission order.

24 (6) As part of its order under this section, upon finding a city failed to
25 comply with ORS 197.320 (13), the commission may, consistent with the
26 principles in ORS 197A.130 (1), require the city to:

27 (a) Comply with the housing acceleration agreement under ORS 197A.130
28 (6).

29 (b) Take specific actions that are part of the city's housing production
30 strategy under ORS 197A.100.

31 (c) Impose appropriate models that have been developed by department,

1 including model ordinances, procedures, actions or anti-displacement meas-
2 ures.

3 (d) Reduce maximum timelines for review of needed housing or specific
4 types of housing or affordability levels, [*including*] through ministerial ap-
5 proval or any other expedited existing approval process.

6 (e) Take specific actions to waive or amend local ordinances.

7 (f) Forfeit grant funds under subsection (4) of this section.

8 (7) The commission may institute actions or proceedings for legal or eq-
9 uitable remedies in the Circuit Court for Marion County or in the circuit
10 court for the county to which the [*commission's*] order is directed or within
11 which all or a portion of the applicable city is located to enforce compliance
12 with the provisions of any order issued under this section or to restrain vi-
13 olations thereof. Such actions or proceedings may be instituted without the
14 necessity of prior agency notice, hearing [*and*] **or** order on an alleged vio-
15 lation.

16 **(8) As used in this section, “enforcement order” or “order” means**
17 **an order issued under ORS 197.320 or section 3 of this 2024 Act as may**
18 **be modified on appeal under subsection (2) of this section.**

19 **SECTION 65.** ORS 183.471 is amended to read:

20 183.471. (1) When an agency issues a final order in a contested case, the
21 agency shall maintain the final order in a digital format that:

22 (a) Identifies the final order by the date it was issued;

23 (b) Is suitable for indexing and searching; and

24 (c) Preserves the textual attributes of the document, including the manner
25 in which the document is paginated and any boldfaced, italicized or under-
26 lined writing in the document.

27 (2) The Oregon State Bar may request that an agency provide the Oregon
28 State Bar, or its designee, with electronic copies of final orders issued by the
29 agency in contested cases. The request must be in writing. No later than 30
30 days after receiving the request, the agency, subject to ORS 192.338, 192.345
31 and 192.355, shall provide the Oregon State Bar, or its designee, with an

1 electronic copy of all final orders identified in the request.

2 (3) Notwithstanding ORS 192.324, an agency may not charge a fee for the
3 first two requests submitted under this section in a calendar year. For any
4 subsequent request, an agency may impose a fee in accordance with ORS
5 192.324 to reimburse the agency for the actual costs of complying with the
6 request.

7 (4) For purposes of this section, a final order entered in a contested case
8 by an administrative law judge under ORS 183.625 (3) is a final order issued
9 by the agency that authorized the administrative law judge to conduct the
10 hearing.

11 (5) This section does not apply to final orders by default issued under
12 ORS 183.417 (3) or to final orders issued in contested cases by:

13 (a) The Department of Revenue;

14 (b) The State Board of Parole and Post-Prison Supervision;

15 (c) The Department of Corrections;

16 (d) The Employment Relations Board;

17 (e) The Public Utility Commission of Oregon;

18 (f) The Oregon Health Authority;

19 (g) The Land Conservation and Development Commission, **except for**
20 **enforcement orders under section 3 of this 2024 Act;**

21 (h) The Land Use Board of Appeals;

22 (i) The Division of Child Support of the Department of Justice;

23 (j) The Department of Transportation, if the final order relates to the
24 suspension, revocation or cancellation of identification cards, vehicle regis-
25 trations, vehicle titles or driving privileges or to the assessment of taxes or
26 stipulated settlements in the regulation of vehicle related businesses;

27 (k) The Employment Department or the Employment Appeals Board, if the
28 final order relates to benefits as defined in ORS 657.010;

29 (L) The Employment Department, if the final order relates to an assess-
30 ment of unemployment tax for which a hearing was not held;

31 (m) The Employment Department, if the final order relates to:

1 (A) Benefits, as defined in ORS 657B.010;

2 (B) Employer and employee contributions under ORS 657B.150 for which
3 a hearing was not held;

4 (C) Employer-offered benefit plans approved under ORS 657B.210 or ter-
5 minated under ORS 657B.220; or

6 (D) Employer assistance grants under ORS 657B.200; or

7 (n) The Department of Human Services, if the final order was not related
8 to licensing or certification.

9 **SECTION 66.** ORS 455.770 is amended to read:

10 455.770. (1) In addition to any other authority and power granted to the
11 Director of the Department of Consumer and Business Services under ORS
12 446.003 to 446.200, 446.225 to 446.285, 446.395 to 446.420, 479.510 to 479.945,
13 479.995 and 480.510 to 480.670 and this chapter and ORS chapters 447, 460 and
14 **693 and sections 1 to 5 of this 2024 Act**, with respect to municipalities,
15 building officials and inspectors, if the director has reason to believe that
16 there is a failure to enforce or a violation of any provision of the state
17 building code or ORS 446.003 to 446.200, 446.225 to 446.285, 446.395 to 446.420,
18 479.510 to 479.945, 479.995 or 480.510 to 480.670 or this chapter or ORS chap-
19 ter 447, 460 or 693 or any rule adopted under those statutes, the director may:

20 (a) Examine building code activities of the municipality;

21 (b) Take sworn testimony; and

22 (c) With the authorization of the Office of the Attorney General, subpoena
23 persons and records to obtain testimony on official actions that were taken
24 or omitted or to obtain documents otherwise subject to public inspection
25 under ORS 192.311 to 192.478.

26 (2) The investigative authority authorized in subsection (1) of this section
27 covers the violation or omission by a municipality related to enforcement
28 of codes or administrative rules, certification of inspectors or financial
29 transactions dealing with permit fees and surcharges under any of the fol-
30 lowing circumstances when:

31 (a) The duties are clearly established by law, rule or agreement;

1 (b) The duty involves procedures for which the means and methods are
2 clearly established by law, rule or agreement; or

3 (c) The duty is described by clear performance standards.

4 (3) Prior to starting an investigation under subsection (1) of this section,
5 the director shall notify the municipality in writing setting forth the
6 allegation and the rules or statutes pertaining to the allegation and give the
7 municipality 30 days to respond to the allegation. If the municipality does
8 not satisfy the director's concerns, the director may then commence an in-
9 vestigation.

10 (4) If the Department of Consumer and Business Services or the director
11 directs corrective action[, *the following shall be done*]:

12 (a) The corrective action [*shall*] **must** be in writing and served on the
13 building official and the chief executive officers of all municipalities af-
14 fected;

15 (b) The corrective action [*shall*] **must** identify the facts and law relied
16 upon for the required action; and

17 (c) A reasonable time [*shall*] **must** be provided to the municipality for
18 compliance.

19 (5) The director may revoke any authority of the municipality to admin-
20 ister any part of the state building code or ORS 446.003 to 446.200, 446.225
21 to 446.285, 446.395 to 446.420, 479.510 to 479.945, 479.995 or 480.510 to 480.670
22 or this chapter or ORS chapter 447, 460 or 693 or any rule adopted under
23 those statutes if the director determines after a hearing conducted under
24 ORS 183.413 to 183.497 that:

25 (a) All of the requirements of this section and ORS 455.775 and 455.895
26 were met; and

27 (b) The municipality did not comply with the corrective action required.

28
29 **CAPTIONS**

30
31 **SECTION 67. The unit and section captions used in this 2024 Act**

1 are provided only for the convenience of the reader and do not become
2 part of the statutory law of this state or express any legislative intent
3 in the enactment of this 2024 Act.

4

5

EFFECTIVE DATE

6

7 **SECTION 68. This 2024 Act takes effect on the 91st day after the**
8 **date on which the 2024 regular session of the Eighty-second Legislative**
9 **Assembly adjourns sine die.**

10
