

HB2001 Section by Section

(dash 11 amendment)

Section 1. Conforming Amendments

Section 2(1). Definition of Middle Housing:

- Middle housing is defined as:
 - Duplexes
 - Triplexes
 - Quads
 - Cottage clusters
 - Townhomes.

Section 2(2) - (4): Where Middle Housing is Allowed:

- All cities with a population greater than 25,000 outside of the Metropolitan Service District (Metro) and all jurisdictions inside of Metro must allow all middle housing types in areas that allow detached single-family housing and at least one middle housing type on each lot that allows the development of a detached single-family home.
- All cities outside of Metro with a population between 10,000 and 25,000 must allow the development of a duplex on each lot that allows a detached single-family home.
- Exceptions:
 - Cities within Metro with a population of 1,000 or fewer;
 - Lands outside of the Urban Growth Boundary (UGB);
 - Lands that are not incorporated and lack sufficient urban services;
 - Lands that are not zoned for residential use, including lands zoned for commercial, industrial, agricultural, or public use;
 - Lands that are not incorporated and are zoned under an interim zoning designation that maintains the lands potential for planned urban development.

Section 2(5). Permissible Regulations of Middle Housing:

- Local jurisdictions may adopt regulations related to siting and design or to comply with protective measures adopted pursuant to a statewide land use planning goal.
- The regulations may not, individually or cumulatively, discourage the development of middle housing through unreasonable costs or delay.

Section 2(6). Single-Family Housing:

- Clarifies that nothing in the bill prohibits local governments from permitting single-family dwellings in areas zoned to allow for single-family dwellings.
- Clarifies that nothing in the bill prohibits local governments from allowing middle housing in areas not required by the bill.

Section 3(1). Timelines:

- Jurisdictions that must allow all middle housing types (cities greater than 25,000 and jurisdictions within Metro) must update their land use regulations to allow middle housing not later than June 30, 2022. This date is approximately 36 months after the end of the 2019 legislative session (Sine Die).
- Jurisdictions that are required to allow duplexes (cities between 10,000 and 25,000) must update their land use regulations no later than June 30, 2021. This date is approximately 24 months after Sine Die.

Section 3(2) & (3). Model Ordinance:

- The Land Conservation and Development Commission (LCDC) shall develop a model middle housing ordinance by December 31, 2020 which is approximately 18 months after Sine Die.
- If a local jurisdiction does not update their land use regulations by the date required in the bill, the model ordinance would automatically apply.

Section 3(4). Incentives for Affordability:

- A local jurisdiction must consider ways to increase the affordability of middle housing by considering policies including but not limited to: deferring system development charges and providing property tax exemptions for affordable housing.

Section 3(5) Clarification on Requirements:

- Clarifies that a local government does not have to do a full comprehensive plan update – they just have to amend their comprehensive plan or land use regulations.
- Clarifies that a final action adopted by a local government to allow middle housing does not constitute a comprehensive plan amendment or land use regulation that must comply with a statewide planning goal related to transportation.

Section 4. Extension on Compliance Timeline:

- The Department of Land Conservation and Development (DLCD) may grant a jurisdiction an extension for a specific neighborhood if the local government has found that the area has significantly deficient water, sewer, storm drainage, surface water management, or transportation services.
- The local government must include a plan of action to remedy the deficiency and DLCD may not grant an extension beyond the date that the local government plans to correct the deficiency under the plan.
- Establishes timelines for applying for an extension and receiving an answer from DLCD.

Section 5. Housing Capacity Calculations:

- Establishes a limit on the rate of redevelopment that a local jurisdiction can assume for the purposes of calculating their housing capacity in the absence of quantifiable validation of their assumptions. The limit is no more than 3 percent beyond the existing residential capacity.
- To assume increased capacity beyond 3 percent, a local jurisdiction must provide quantifiable validation that the assumed new housing capacity has been achieved in another area with the same authorized density level in that jurisdiction or a jurisdiction in the same region.
- For example, if a local jurisdiction is up-zoning an area from R2.5 to R5, they must provide data about the density that has been achieved in other R5 zones in the jurisdiction or a jurisdiction in the same region to inform their assumptions about what capacity could be achieved as a result of the increase in authorized density level.
- Requires that if a local jurisdiction takes an action to increase the likelihood of higher residential density, that it must be in areas where sufficient urban services are planned to enable the higher density development over the 20-year planning period.

Section 6. Housing Need Calculations:

- Provides details about the data a local jurisdiction must consider, and adopt findings about, when estimating their housing need.
- A local jurisdiction must consider population forecasts as required in existing statute and consider household size, household demographics, household incomes, vacancy rates, and employment and income projections.

Section 7. Accessory Dwelling Units (ADUs):

- In 2017, the legislature passed a bill that required local jurisdictions above a certain size to allow an Accessory Dwelling Unit (ADU) on each lot that allows a detached single-family home, within the UGB. The bill allowed local governments to apply reasonable regulations related to siting and design to ADUs.
- HB2001 clarifies that “reasonable regulations related to siting and design” do not include:
 - **Owner Occupancy:** requiring that the ADU or primary structure be occupied by the property owner.
 - **Additional Off-Street Parking:** requiring that the homeowner provide additional off-street parking as a condition of developing an ADU.

Section 8. Data on Production of Middle Housing:

- Under current law, cities must report data to DLCDC about the number of units that have been permitted and produced in the jurisdiction that year.
- In addition to their existing reporting requirements, the dash 11 amendments would require cities to report on the permitting and production of Accessory Dwelling Units (ADUs) and Middle Housing.

Section 9. Internal Conversions:

- To reduce barriers to internal conversions of existing single-family homes, the bill directs the Department of Consumer and Business Services to establish standards to allow alternative approval of middle housing via the internal conversion of an existing structure.
- Requires a building official that denies an alternate approval to provide a written explanation of the basis for denial.
- An applicant may appeal a denial from a building official to the Residential and Manufactured Structures Board. The Board must make a decision within 30 days.

Section 10. Report on Internal Conversion Standards:

- Requires DCBS to report to the Legislature describing the rules and standards adopted relating to internal conversions for middle housing no later than January 1, 2020.

Section 11. Adds Section 12 to ORS 94.550 to 94.783:

- These sections of statute relate to the governing documents of Homeowners Associations.

Section 12. Prohibitions on Middle Housing by HOAs:

- Prohibits Homeowners Associations (HOAs) from adopting provisions on or after the effective date of the bill that prohibit or have the effect of unreasonably restricting housing development otherwise allowed by the local land use regulations.

Section 13. Prohibitions on Middle Housing by Deed Restrictions:

- Prohibits provisions in deed restrictions adopted after the bills effective date from unreasonably restricting the development of middle housing on a property that allows the development of a single-family home.

Section 14. Agency Actions:

- Allows LCDC, DCBS, and the Residential and Manufactured Structures Board to take actions to implement the provisions of the bill prior to the operative date to enable them to exercise their duties after the effective date.

Section 15. Appropriations and Technical Assistance:

- Appropriates funding to LCDC for the purpose of developing a model middle housing code and to DLCD for the purpose of enforcing the provisions of the bill.
- Appropriates \$3 million to DLCD for the purpose of providing technical assistance to local governments to implement the provisions of the bill.
- Clarifies that technical assistance can include infrastructure planning related to the allowance of middle housing.
- Requires DLCD to prioritize technical assistance for cities or counties with limited planning staff or that commit to implementation earlier than the date required by the bill.

Section 16. Emergency Clause:

- Declares emergency. Bill takes effect on passage.