

Requested by Representative SMITH DB

**PROPOSED AMENDMENTS TO
SENATE BILL 608**

1 On page 1 of the printed bill, line 2, delete “90.323,”.

2 In line 3, delete “90.600, 90.643, 90.675 and 105.124” and insert “105.124 and
3 197.309; repealing ORS 91.255”.

4 On page 5, delete lines 14 through 45 and delete page 6.

5 On page 7, delete lines 1 through 19 and insert:

6 **“SECTION 2. Section 3 of this 2019 Act is added to and made a part
7 of ORS chapter 90.**

8 **“SECTION 3. (1) For purposes of this section, the term ‘consumer
9 price index’ refers to the annual 12-month average change in the
10 Consumer Price Index for All Urban Consumers, West Region (All
11 Items), as published by the Bureau of Labor Statistics of the United
12 States Department of Labor in September of the prior calendar year.**

13 **“(2) A landlord whose tenancy is within a city or county that enacts
14 a rent stabilization ordinance that gives a rent increase notice under
15 ORS 90.323 or 90.600 may not increase the rent during any 12-month
16 period in an amount greater than seven percent plus the consumer
17 price index above the existing rent.**

18 **“(3)(a) The limit on rent increases under subsection (2) of this sec-
19 tion does not apply to landlords for tenancies in which:**

20 **“(A) The first certificate of occupancy for the dwelling unit was is-
21 sued less than 15 years from the date of the notice of the rent increase;**

1 **“(B) The landlord is providing reduced rent to the tenant as part**
2 **of a federal, state or local program or subsidy; or**

3 **“(C) The landlord or tenancy is exempt under the city’s or county’s**
4 **rent stabilization ordinance.**

5 **“(b) A landlord that is exempt under paragraph (a) of this sub-**
6 **section and that increases rent in an amount great than seven percent**
7 **plus the consumer price index must state the basis for the exemption**
8 **in the notice.**

9 **“(4) A city or county is preempted from enacting or enforcing any**
10 **rent stabilization ordinance or any other regulation that would limit**
11 **increases in rent for residential tenancies that is not consistent with**
12 **this section.**

13 **“SECTION 4. ORS 91.225 is repealed.**

14 **“SECTION 5. ORS 197.309 is amended to read:**

15 **“197.309. (1) As used in this section:**

16 **“(a) ‘Affordable housing’ means housing that is affordable to households**
17 **with incomes equal to or higher than 80 percent of the median family income**
18 **for the county in which the housing is built.**

19 **“(b) ‘Multifamily structure’ means a structure that contains three or more**
20 **housing units sharing at least one wall, floor or ceiling surface in common**
21 **with another unit within the same structure.**

22 **“(2) Except as provided in subsection (3) of this section, a metropolitan**
23 **service district may not adopt a land use regulation or functional plan pro-**
24 **vision, or impose as a condition for approving a permit under ORS 215.427**
25 **or 227.178 a requirement, that has the effect of establishing the sales or**
26 **rental price for a housing unit or residential building lot or parcel, or that**
27 **requires a housing unit or residential building lot or parcel to be designated**
28 **for sale or rent to a particular class or group of purchasers or renters.**

29 **“(3) The provisions of subsection (2) of this section do not limit the au-**
30 **thority of a metropolitan service district to:**

1 “(a) Adopt or enforce a use regulation, provision or requirement creating
2 or implementing an incentive, contract commitment, density bonus or other
3 voluntary regulation, provision or requirement designed to increase the sup-
4 ply of moderate or lower cost housing units; or

5 “(b) Enter into an affordable housing covenant as provided in ORS 456.270
6 to 456.295.

7 “(4) [*Notwithstanding ORS 91.225,*] A city or county may adopt a land use
8 regulation or functional plan provision, or impose as a condition for ap-
9 proving a permit under ORS 215.427 or 227.178 a requirement, that has the
10 effect of establishing the sales or rental price for a new multifamily struc-
11 ture, or that requires a new multifamily structure to be designated for sale
12 or rent as affordable housing.

13 “(5) A regulation, provision or requirement adopted or imposed under
14 subsection (4) of this section:

15 “(a) May not require more than 20 percent of housing units within a
16 multifamily structure to be sold or rented as affordable housing;

17 “(b) May apply only to multifamily structures containing at least 20
18 housing units;

19 “(c) Must provide developers the option to pay an in-lieu fee, in an
20 amount determined by the city or county, in exchange for providing the
21 requisite number of housing units within the multifamily structure to be sold
22 or rented at below-market rates; and

23 “(d) Must require the city or county to offer a developer of multifamily
24 structures, other than a developer that elects to pay an in-lieu fee pursuant
25 to paragraph (c) of this subsection, at least one of the following incentives:

26 “(A) Whole or partial fee waivers or reductions.

27 “(B) Whole or partial waivers of system development charges or impact
28 fees set by the city or county.

29 “(C) Finance-based incentives.

30 “(D) Full or partial exemption from ad valorem property taxes on the

1 terms described in this subparagraph. For purposes of any statute granting
2 a full or partial exemption from ad valorem property taxes that uses a defi-
3 nition of ‘low income’ to mean income at or below 60 percent of the area
4 median income and for which the multifamily structure is otherwise eligible,
5 the city or county shall allow the multifamily structure of the developer to
6 qualify using a definition of ‘low income’ to mean income at or below 80
7 percent of the area median income.

8 “(6) A regulation, provision or requirement adopted or imposed under
9 subsection (4) of this section may offer developers one or more of the fol-
10 lowing incentives:

11 “(a) Density adjustments.

12 “(b) Expedited service for local permitting processes.

13 “(c) Modification of height, floor area or other site-specific requirements.

14 “(d) Other incentives as determined by the city or county.

15 “(7) Subsection (4) of this section does not restrict the authority of a city
16 or county to offer developers voluntary incentives, including incentives to:

17 “(a) Increase the number of affordable housing units in a development.

18 “(b) Decrease the sale or rental price of affordable housing units in a
19 development.

20 “(c) Build affordable housing units that are affordable to households with
21 incomes equal to or lower than 80 percent of the median family income for
22 the county in which the housing is built.

23 “(8)(a) A city or county that adopts or imposes a regulation, provision or
24 requirement described in subsection (4) of this section may not apply the
25 regulation, provision or requirement to any multifamily structure for which
26 an application for a permit, as defined in ORS 215.402 or 227.160, has been
27 submitted as provided in ORS 215.416 or 227.178 (3), or, if such a permit is
28 not required, a building permit application has been submitted to the city
29 or county prior to the effective date of the regulation, provision or require-
30 ment.

1 “(b) If a multifamily structure described in paragraph (a) of this sub-
2 section has not been completed within the period required by the permit is-
3 sued by the city or county, the developer of the multifamily structure shall
4 resubmit an application for a permit, as defined in ORS 215.402 or 227.160,
5 as provided in ORS 215.416 or 227.178 (3), or, if such a permit is not required,
6 a building permit application under the regulation, provision or requirement
7 adopted by the city or county under subsection (4) of this section.

8 “(9)(a) A city or county that adopts or imposes a regulation, provision or
9 requirement under subsection (4) of this section shall adopt and apply only
10 clear and objective standards, conditions and procedures regulating the de-
11 velopment of affordable housing units within its jurisdiction. The standards,
12 conditions and procedures may not have the effect, either individually or
13 cumulatively, of discouraging development of affordable housing units
14 through unreasonable cost or delay.

15 “(b) Paragraph (a) of this subsection does not apply to:

16 “(A) An application or permit for residential development in an area
17 identified in a formally adopted central city plan, or a regional center as
18 defined by Metro, in a city with a population of 500,000 or more.

19 “(B) An application or permit for residential development in historic
20 areas designated for protection under a land use planning goal protecting
21 historic areas.

22 “(c) In addition to an approval process for affordable housing based on
23 clear and objective standards, conditions and procedures as provided in par-
24 agraph (a) of this subsection, a city or county may adopt and apply an al-
25 ternative approval process for applications and permits for residential
26 development based on approval criteria regulating, in whole or in part, ap-
27 pearance or aesthetics that are not clear and objective if:

28 “(A) The developer retains the option of proceeding under the approval
29 process that meets the requirements of paragraph (a) of this subsection;

30 “(B) The approval criteria for the alternative approval process comply

1 with applicable statewide land use planning goals and rules; and

2 “(C) The approval criteria for the alternative approval process authorize
3 a density at or above the density level authorized in the zone under the ap-
4 proval process provided in paragraph (a) of this subsection.

5 “(10) If a regulation, provision or requirement adopted or imposed by a
6 city or county under subsection (4) of this section requires that a percentage
7 of housing units in a new multifamily structure be designated as affordable
8 housing, any incentives offered under subsection (5)(d) or (6) of this section
9 shall be related in a manner determined by the city or county to the required
10 percentage of affordable housing units.”.

11 On page 14, delete lines 21 through 45 and delete pages 15 through 23.

12 On page 24, delete lines 1 through 33.

13 In line 34, delete “13” and insert “9”.

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