

Requested by Representative NOBLE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2997**

1 On page 1 of the printed bill, line 2, delete “; amending ORS 197.309”.

2 Delete lines 4 through 31 and delete pages 2 and 3 and insert:

3 **“SECTION 1. (1) As used in this section:**

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

7 **“(b) ‘Housing development’ means multifamily housing or a col-**
8 **lection of residential housing units planned, owned or constructed to-**
9 **gether through one or more applications or development projects**
10 **under ORS 227.175 or a development agreement under ORS 94.504 to**
11 **94.528.**

12 **“(c) ‘Multifamily housing’ means a structure that contains three**
13 **or more housing units sharing at least one wall, floor or ceiling sur-**
14 **face in common with another unit within the same structure.**

15 **“(2) Notwithstanding ORS 91.225 and 197.309 (4), a city with a popu-**
16 **lation greater than 30,000 but less than 40,000 located in a county with**
17 **a population greater than 105,000 but less than 125,000 may adopt a**
18 **land use regulation, or impose as a condition for approving a permit**
19 **under ORS 227.178 a requirement, that has the effect of establishing**
20 **the sales or rental price for a new housing development, or that re-**
21 **quires a new housing development to be designated for sale or rent as**

1 **affordable housing.**

2 **“(3) A regulation, provision or requirement adopted or imposed**
3 **under subsection (2) of this section:**

4 **“(a) May not require more than 20 percent of housing units within**
5 **a housing development to be sold or rented as affordable housing;**

6 **“(b) May apply only to housing developments containing at least 20**
7 **housing units;**

8 **“(c) Must provide developers the option to pay an in-lieu fee, in an**
9 **amount determined by the city, in exchange for providing the requisite**
10 **number of housing units within the housing development to be sold**
11 **or rented at below-market rates; and**

12 **“(d) Must require the city to offer a developer of a housing devel-**
13 **opment, other than a developer that elects to pay an in-lieu fee pur-**
14 **suant to paragraph (c) of this subsection, at least one of the following**
15 **incentives:**

16 **“(A) Whole or partial fee waivers or reductions.**

17 **“(B) Whole or partial waivers of system development charges or**
18 **impact fees set by the city.**

19 **“(C) Finance-based incentives.**

20 **“(D) Full or partial exemption from ad valorem property taxes on**
21 **the terms described in this subparagraph. For purposes of any statute**
22 **granting a full or partial exemption from ad valorem property taxes**
23 **that uses a definition of ‘low income’ to mean income at or below 60**
24 **percent of the area median income and for which the housing devel-**
25 **opment is otherwise eligible, the city shall allow the housing develop-**
26 **ment of the developer to qualify using a definition of ‘low income’ to**
27 **mean income at or below 80 percent of the area median income.**

28 **“(4) A regulation, provision or requirement adopted or imposed**
29 **under subsection (2) of this section may offer developers one or more**
30 **of the following incentives:**

1 **“(a) Density adjustments.**

2 **“(b) Expedited service for local permitting processes.**

3 **“(c) Modification of height, floor area or other site-specific re-**
4 **quirements.**

5 **“(d) Other incentives as determined by the city.**

6 **“(5) Subsection (2) of this section does not restrict the authority of**
7 **a city to offer developers voluntary incentives, including incentives to:**

8 **“(a) Increase the number of affordable housing units in a develop-**
9 **ment.**

10 **“(b) Decrease the sales or rental price of affordable housing units**
11 **in a development.**

12 **“(c) Build affordable housing units that are affordable to house-**
13 **holds with incomes equal to or lower than 80 percent of the median**
14 **family income for the county in which the housing is built.**

15 **“(6)(a) A city that adopts or imposes a regulation, provision or re-**
16 **quirement described in subsection (2) of this section may not apply the**
17 **regulation, provision or requirement to any housing development for**
18 **which an application for a permit, as defined in ORS 227.160, has been**
19 **submitted as provided in ORS 227.178 (3), or, if such a permit is not**
20 **required, a building permit application has been submitted to the city**
21 **prior to the effective date of the regulation, provision or requirement.**

22 **“(b) If a housing development described in paragraph (a) of this**
23 **subsection has not been completed within the period required by the**
24 **permit issued by the city, the developer of the housing development**
25 **shall resubmit an application for a permit, as defined in ORS 227.160,**
26 **as provided in ORS 227.178 (3), or, if such a permit is not required, a**
27 **building permit application under the regulation, provision or re-**
28 **quirement adopted by the city under subsection (2) of this section.**

29 **“(7)(a) A city that adopts or imposes a regulation, provision or re-**
30 **quirement under subsection (2) of this section shall adopt and apply**

1 only clear and objective standards, conditions and procedures regulat-
2 ing the development of affordable housing units within its jurisdiction.
3 The standards, conditions and procedures may not have the effect, ei-
4 ther individually or cumulatively, of discouraging development of af-
5 fordable housing units through unreasonable cost or delay.

6 “(b) Paragraph (a) of this subsection does not apply to an applica-
7 tion or permit for residential development in historic areas designated
8 for protection under a land use planning goal protecting historic areas.

9 “(c) In addition to an approval process for affordable housing based
10 on clear and objective standards, conditions and procedures as pro-
11 vided in paragraph (a) of this subsection, a city may adopt and apply
12 an alternative approval process for applications and permits for resi-
13 dential development based on approval criteria regulating, in whole
14 or in part, appearance or aesthetics that are not clear and objective
15 if:

16 “(A) The developer retains the option of proceeding under the ap-
17 proval process that meets the requirements of paragraph (a) of this
18 subsection;

19 “(B) The approval criteria for the alternative approval process
20 comply with applicable statewide land use planning goals and rules;
21 and

22 “(C) The approval criteria for the alternative approval process au-
23 thorize a density at or above the density level authorized in the zone
24 under the approval process provided in paragraph (a) of this sub-
25 section.

26 “(8) If a regulation, provision or requirement adopted or imposed
27 by a city under subsection (2) of this section requires that a percentage
28 of housing units in a new housing development be designated as af-
29 fordable housing, any incentives offered under subsection (3)(d) or (4)
30 of this section must relate to the required percentage of affordable

1 **housing units in a manner determined by the city.**

2 **“SECTION 2. Section 1 of this 2019 Act is repealed on January 2,**
3 **2023.”.**

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