

## **HB 4095 -4 STAFF MEASURE SUMMARY**

### **House Committee On Human Services and Housing**

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**Prepared By:** James Leyba, LPRO Analyst

**Meeting Dates:** 2/10, 2/12

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#### **WHAT THE MEASURE DOES:**

Authorizes expansion of urban growth boundaries (UGBs) by local governments through inclusion of an expansion area, if 30 percent or more of development in the expansion area is dedicated to affordable housing. Restricts expansion areas to compact, contiguous land, adjacent to an existing UGB, no greater than 50 acres. Excludes high-value farmland. Requires local governments submit conceptual plans to the Department of Land Conservation and Development (DLCD) demonstrating that development aligns with statewide planning goals and facilitates increase in affordable housing that would not have otherwise been developed. Requires DLCD approval of submitted conceptual plans. Requires units built through UGB expansion serve populations that need affordable housing. Directs local governments act to maintain affordability for a minimum of 50 years. Directs the Land Conservation and Development Commission (LCDC) to establish rules for implementation and evaluation. Sunsets affordable housing pilot program effective January 2, 2026.

#### **ISSUES DISCUSSED:**

- House Bill 4079 (2016), House Bill 2336 (2019)
- Pilot project housing affordability requirements (50 years; 80 percent area median income)
- Two reports received on pilot projects; more data is needed
- Land use tool that facilitates affordable housing development
- Varying land use needs across Oregon cities

#### **EFFECT OF AMENDMENT:**

-4 Replaces measure. Directs Land Conservation and Development Commission to report to the Legislative Assembly eight consecutive sessions, beginning with the 2017 regular session. Report must include summary and comparison of experiences of cities participating in 2016 established UGB affordable housing pilot program, analysis of potential effects of extending the pilot program statewide, assessment of impact on affordable housing availability, impact of criteria for additional city participation, and suggestions for criteria amendments for statewide implementation.

#### **BACKGROUND:**

In 2016, the Oregon Legislature passed House Bill 4079, which formed a pilot program aimed to help local governments facilitate the development of affordable housing. The program authorized two cities, selected by LCDC, to add new housing units on lands outside their urban growth boundaries (UGBs) without going through the normal UGB expansion process. HB 4095 authorizes local governments to expand UGBs up to 50 acres to facilitate development of affordable housing.

UGBs are set based upon where and how a city is projected to grow residentially, industrially, and commercially over a 20-year period. Cities develop according to their UGB. Often UGBs include farm, forest, and low-density residential development in unincorporated areas outside city limits, but unlike farm and forestland outside a UGB, areas within a UGB are intended for urban development. UGBs are set through a coordinated effort involving the concerned city, adjoining counties and special districts, and the participation of citizens and other interested parties in conformity with statewide land use planning goals.

**HB 4095 -4 STAFF MEASURE SUMMARY**

House Bill 4095 authorizes local governments to expand UGBs, with restrictions, to facilitate development of affordable housing.