

# DRAFT

## SUMMARY

Requires cities within Metro with population greater than 10,000 to conduct housing needs analysis. Replaces requirement that Metro allocate housing capacity among those cities with requirement that cities amend their land use regulations and housing production strategy if analysis shows housing need.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to residential land use planning by local governments within urban growth boundaries; creating new provisions; amending ORS 197.290 and 197.299; and declaring an emergency.

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

**SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS 197.286 to 197.314.**

**SECTION 2. (1) At least once every six years, by a date scheduled by the Land Conservation and Development Commission, a city that is within a metropolitan service district and has a population greater than 10,000 shall:**

**(a) Inventory the supply of buildable lands within the city and determine the housing capacity of the buildable lands; and**

**(b) Conduct an analysis of the city's existing and projected needed housing and statewide planning goals and rules related to housing by type, mix and density range to determine the number of units and amount of land needed for each needed housing type for the next 20 years.**

1       **(2) The housing capacity and needed housing analysis conducted**  
2 **under this section must be adopted as part of the city’s comprehensive**  
3 **plan no later than one year after completion of the needed housing**  
4 **analysis.**

5       **(3) If the housing capacity and needed housing analysis conducted**  
6 **under this section demonstrate a housing need, the city shall amend**  
7 **its comprehensive plan or land use regulations to include new meas-**  
8 **ures that demonstrably increase the likelihood that development of**  
9 **needed housing will occur for the type, mix and densities sufficient to**  
10 **accommodate needed housing for the next 20 years.**

11       **SECTION 3.** ORS 197.290 is amended to read:

12       197.290. (1) A city with a population greater than 10,000 shall develop and  
13 adopt a housing production strategy under this section no later than one  
14 year after[.]

15       [(a)] the city’s deadline for completing a housing capacity analysis under  
16 ORS 197.296 (2)(a)[,] **or (10)(b) or section 2 of this 2021 Act.**

17       [(b) *The city’s deadline for completing a housing capacity analysis under*  
18 *ORS 197.296 (10)(b); or]*

19       [(c) *A date scheduled by the Land Conservation and Development Com-*  
20 *mission following the allocation of housing capacity to the city by a metropol-*  
21 *itan service district under ORS 197.299 (2)(d).]*

22       (2) A housing production strategy must include a list of specific actions,  
23 including the adoption of measures and policies, that the city shall undertake  
24 to promote development within the city to address a housing need identified  
25 under ORS 197.296 (6)(b) [*for the most recent 20-year period described in ORS*  
26 *197.296 (2)(b)] **or (10)(b) or section 2 of this 2021 Act.** Actions under this  
27 subsection may include:*

28       (a) The reduction of financial and regulatory impediments to developing  
29 needed housing, including removing or easing approval standards or proce-  
30 dures for needed housing at higher densities or that is affordable;

31       (b) The creation of financial and regulatory incentives for development

1 of needed housing, including creating incentives for needed housing at higher  
2 densities or that is affordable; and

3 (c) The development of a plan to access resources available at local, re-  
4 gional, state and national levels to increase the availability and affordability  
5 of needed housing.

6 (3) In creating a housing production strategy, a city shall review and  
7 consider:

8 (a) Socioeconomic and demographic characteristics of households living  
9 in existing needed housing;

10 (b) Market conditions affecting the provision of needed housing;

11 (c) Measures already adopted by the city to promote the development of  
12 needed housing;

13 (d) Existing and expected barriers to the development of needed housing;  
14 and

15 (e) For each action the city includes in its housing production strategy:

16 (A) The schedule for its adoption;

17 (B) The schedule for its implementation;

18 (C) Its expected magnitude of impact on the development of needed hous-  
19 ing; and

20 (D) The time frame over which it is expected to impact needed housing.

21 (4) The housing production strategy must include within its index a copy  
22 of the city's most recently completed survey under ORS 456.586 (2).

23 (5) The adoption of a housing production strategy is not a land use deci-  
24 sion and is not subject to appeal or review except as provided in ORS  
25 197.291.

26 **SECTION 4.** ORS 197.299 is amended to read:

27 197.299. (1) A metropolitan service district organized under ORS chapter  
28 268 shall complete the inventory, determination and analysis required under  
29 ORS 197.296 (3) not later than six years after completion of the previous in-  
30 ventory, determination and analysis.

31 (2)(a) The metropolitan service district shall take such action as neces-

1 sary under ORS 197.296 (6)(a) to accommodate one-half of a 20-year buildable  
2 land supply determined under ORS 197.296 (3) within one year of completing  
3 the analysis.

4 (b) The metropolitan service district shall take all final action under ORS  
5 197.296 (6)(a) necessary to accommodate a 20-year buildable land supply de-  
6 termined under ORS 197.296 (3) within two years of completing the analysis.

7 (c) The metropolitan service district shall take action under ORS 197.296  
8 (6)(b), within one year after the analysis required under ORS 197.296 (3)(b)  
9 is completed, to provide sufficient buildable land within the urban growth  
10 boundary to accommodate the estimated housing needs for 20 years from the  
11 time the actions are completed.

12 (d) The metropolitan service district shall consider and adopt new meas-  
13 ures that the governing body deems appropriate under ORS 197.296 (6)(b).  
14 *[and shall allocate any housing capacity that is not accommodated under this*  
15 *section to be accommodated by the application of ORS 197.296 (6)(b) by cities*  
16 *within the metropolitan service district with a population greater than*  
17 *10,000.]*

18 *[(e) Cities to which housing capacity is allocated under paragraph (d) of*  
19 *this subsection shall take steps, at least once every six years as scheduled by*  
20 *the Land Conservation and Development Commission, to demonstrably increase*  
21 *the likelihood that residential development will occur at densities sufficient to*  
22 *accommodate housing needs for the next 20 years as required by ORS 197.296*  
23 *(6)(b).]*

24 (3) The commission may grant an extension to the time limits of sub-  
25 section (2) of this section if the Director of the Department of Land Con-  
26 servation and Development determines that the metropolitan service district  
27 has provided good cause for failing to meet the time limits.

28 (4)(a) The metropolitan service district shall establish a process to expand  
29 the urban growth boundary to accommodate a need for land for a public  
30 school that cannot reasonably be accommodated within the existing urban  
31 growth boundary. The metropolitan service district shall design the process

1 to:

2 (A) Accommodate a need that must be accommodated between periodic  
3 analyses of urban growth boundary capacity required by subsection (1) of  
4 this section; and

5 (B) Provide for a final decision on a proposal to expand the urban growth  
6 boundary within four months after submission of a complete application by  
7 a large school district as defined in ORS 195.110.

8 (b) At the request of a large school district, the metropolitan service  
9 district shall assist the large school district to identify school sites required  
10 by the school facility planning process described in ORS 195.110. A need for  
11 a public school is a specific type of identified land need under ORS 197.298  
12 (3).

13 (5) Three years after completing its most recent demonstration of suffi-  
14 cient buildable lands under ORS 197.296, a metropolitan service district may,  
15 on a single occasion, revise the determination and analysis required as part  
16 of the demonstration for the purpose of considering an amendment to the  
17 metropolitan service district's urban growth boundary, provided:

18 (a) The metropolitan service district has entered into an intergovern-  
19 mental agreement and has designated rural reserves and urban reserves un-  
20 der ORS 195.141 and 195.145 with each county located within the district;

21 (b) The commission has acknowledged the rural reserve and urban reserve  
22 designations described in paragraph (a) of this subsection;

23 (c) One or more cities within the metropolitan service district have pro-  
24 posed a development that would require expansion of the urban growth  
25 boundary;

26 (d) The city or cities proposing the development have provided evidence  
27 to the metropolitan service district that the proposed development would  
28 provide additional needed housing to the needed housing included in the  
29 most recent determination and analysis;

30 (e) The location chosen for the proposed development is adjacent to the  
31 city proposing the development; and

1 (f) The location chosen for the proposed development is located within  
2 an area designated and acknowledged as an urban reserve.

3 (6)(a) If a metropolitan service district, after revising its most recent de-  
4 termination and analysis pursuant to subsection (5) of this section, concludes  
5 that an expansion of its urban growth boundary is warranted, the metropol-  
6 itan service district may take action to expand its urban growth boundary  
7 in one or more locations to accommodate the proposed development, provided  
8 the urban growth boundary expansion does not exceed a total of 1,000 acres.

9 (b) A metropolitan service district that expands its urban growth bound-  
10 ary under this subsection:

11 (A) Must adopt the urban growth boundary expansion not more than four  
12 years after completing its most recent demonstration of sufficient buildable  
13 lands under ORS 197.296; and

14 (B) Is exempt from the boundary location requirements described in the  
15 statewide land use planning goals relating to urbanization.

16 **SECTION 5. This 2021 Act being necessary for the immediate pres-**  
17 **ervation of the public peace, health and safety, an emergency is de-**  
18 **clared to exist, and this 2021 Act takes effect on its passage.**

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