

# B-Engrossed House Bill 4063

Ordered by the House February 18  
Including House Amendments dated February 15 and February 18

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Housing for Oregon Home Builders Association (OHBA))

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Department of Consumer and Business Services to enter into public contract to research and analyze administrative procedures for approving residential construction projects in this state and to develop recommendations, including recommendations for best practices, for reducing amount of time necessary for approval. Specifies requirements for method of conducting, and scope of information for inclusion in, contractor's research and analysis. Requires department to report each quarter on progress of research and analysis to interim committee of Legislative Assembly related to housing, with initial report due not later than December 1, 2022.

*[Modifies definition of "substantial completion" with respect to residential subdivisions to require construction of certain public improvements under applicable conditions of development and to standards that city or county establishes or specifies by agreement with developer, declarant or owner.]*

**Adds to list of items that are necessary for substantial completion of residential subdivision off-site improvements for emergency services, water and storm water and sewage disposal at capacity that is sufficient to serve residential subdivision.**

Requires city or county to allow applications for building permits without regard to whether final plat is recorded.

*[Requires city or county to assign temporary addresses to lots in residential subdivision. Specifies basis for assignment and notifications required for changes.]*

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to housing; creating new provisions; amending ORS 455.175; and prescribing an effective  
3 date.

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

5 **SECTION 1. (1)(a) The Department of Consumer and Business Services shall enter into**  
6 **a public contract with a person that has sufficient skill and expertise to research and analyze**  
7 **administrative procedures for approving residential construction projects in this state and**  
8 **to develop recommendations, including recommendations for best practices, for reducing the**  
9 **amount of time necessary for approval.**

10 **(b) In conducting the research and analysis, the contractor shall review state and local**  
11 **administrative procedures, applications, permits and approvals required for land use, engi-**  
12 **neering, building and public works, and evaluate the efficiency and responsiveness of the**  
13 **overall administrative process and the interactions among state and local agencies, develop-**  
14 **ers and builders within this state.**

15 **(c) The contractor shall seek information from and consult with residential construction**  
16 **companies and at least 10 different local governments, but the contractor may work with as**  
17 **many local governments of varying sizes and different locations within this state necessary**  
18 **to gain a comprehensive overview of the administrative procedures for approving residential**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 construction throughout this state.

2 (2) The contractor's analysis, evaluation and recommendations must, at a minimum:

3 (a) Calculate, for each local jurisdiction the contractor examines, the average length of  
4 time, in days, necessary to obtain all necessary approvals for a small- to medium-sized  
5 housing development and determine the reasons why approval requires the specified amount  
6 of time;

7 (b) Determine whether and how substantial completion, as defined in ORS 455.175, or  
8 concurrent work practices reduce the time needed for approval and increase construction,  
9 and identify whether other adjustments to administrative procedures could speed approval  
10 and increase construction;

11 (c) Develop best practices that local governments, developers and builders can use to  
12 improve interactions and reduce the amount of time necessary for required approvals;

13 (d) Identify practices for setting application review priorities, including but not limited  
14 to using special navigators for projects for middle housing, as defined in ORS 197.758, and for  
15 projects designed for individuals who earn 80 to 150 percent of the median family income in  
16 the local region;

17 (e) Identify programs, training opportunities or resources that local governments need  
18 in order to increase residential construction, along with the costs involved in providing the  
19 programs, training opportunities or resources;

20 (f) Explore other potential causes of and remedies for reduced residential construction,  
21 delays in approvals or inefficiencies in administrative processes, including suggestions from  
22 local governments, developers and builders; and

23 (g) Recommend procedural changes, legislation or other remedies based on the results  
24 of the contractor's research and analysis that will increase residential construction and  
25 shorten the time required for approving residential construction projects while maintaining  
26 critical infrastructure.

27 (3) The department shall direct the contractor to continue the research and analysis to  
28 the extent necessary to obtain the results and develop the recommendations described in this  
29 section, and to the extent that funds are available for the public contract from legislative  
30 appropriations.

31 (4) The department shall report each calendar quarter on the contractor's work under  
32 the public contract, with an initial report due to an interim committee of the Legislative  
33 Assembly related to housing not later than December 1, 2022. The department shall continue  
34 to submit reports to the interim committee until the later of the date on which the contract  
35 expires or December 1, 2023.

36 (5)(a) The department shall establish and regularly consult with an advisory committee  
37 that includes, at a minimum, members who represent:

38 (A) At least four local governments of varying size and from various regions of this state;

39 (B) Special districts, as defined in ORS 197.015;

40 (C) Landowners;

41 (D) Residential construction companies; and

42 (E) Real estate licensees.

43 (b) The advisory committee shall make recommendations to the department concerning:

44 (A) The department's selection of a contractor under subsection (1) of this section;

45 (B) The scope of the contractor's work; and

1       **(C) The form and contents of draft and final reports from the contractor and of progress**  
2 **reports to the Legislative Assembly.**

3       **SECTION 2.** ORS 455.175 is amended to read:

4       455.175. (1) As used in this section:

5       (a) “Conditions of development” means requirements that, as part of a residential subdivision,  
6 a developer, declarant or owner must construct public improvements that are contained in:

7       (A) A development agreement under ORS 94.504 to 94.528;

8       (B) Conditions of approval under ORS 92.040, 215.416 or 227.175; or

9       (C) Any other agreement with, or conditional approval by, a local government.

10       (b) “Residential subdivision” means a residential development requiring a developer, declarant  
11 or owner to subdivide land, as defined in ORS 92.010, and to obtain a permit under ORS 215.416 or  
12 227.175.

13       (c) “Substantial completion” means the city, county or other appropriate public body has in-  
14 spected, tested and found acceptable under applicable code requirements, unless the parties agree  
15 to a lower standard:

16       (A) The water supply system;

17       (B) The fire hydrant system;

18       (C) The sewage disposal system;

19       (D) The storm water drainage system, excepting any landscaping requirements that are part of  
20 the system;

21       (E) The curbs;

22       (F) The demarcating of street signs acceptable for emergency responders; [*and*]

23       (G) The roads necessary for access by emergency vehicles[.]; **and**

24       **(H) Off-site improvements that are necessary for emergency services, water and storm**  
25 **water and sewage disposal at a capacity that is sufficient to serve the residential subdivision.**

26       (2)(a) A city or county may not deny a building permit allowing the construction of residential  
27 dwellings under a residential subdivision on the basis that the conditions of development have not  
28 been met, if:

29       [*(a)*] **(A)** Substantial completion of conditions of development for the residential subdivision oc-  
30 curs; and

31       [*(b)*] **(B)** The developer, declarant or owner, to secure the completion of the remaining public  
32 improvements included as conditions of development for the residential subdivision:

33       [*(A)*] **(i)** Obtains and maintains a bond; or

34       [*(B)*] **(ii)** Undertakes an alternative form of financial guarantee, if any, that is acceptable to, but  
35 may not be required by, the city or county.

36       **(b) A city or county shall allow applications for building permits to be submitted and re-**  
37 **viewed without regard to whether a final plat is recorded.**

38       (3) Subsection (2) of this section does not prevent a city or county from declining to issue cer-  
39 tificates of occupancy for any residential dwellings if all conditions of development are not fully  
40 completed or the conditions for the release of the bond are not fulfilled.

41       **SECTION 3. This 2022 Act takes effect on the 91st day after the date on which the 2022**  
42 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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