

A-Engrossed
House Bill 4063

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

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 Oregon Business Development Department to conduct pilot program with three jurisdictions within this state to study and make recommendations concerning administrative processes and procedures used in approving residential construction projects. Specifies minimum criteria for choosing pilot program participants. Requires department to submit report to interim committee of Legislative Assembly related to housing not later than September 1, 2022.]

[Specifies that substantial completion for code requirements in residential subdivision includes requirements for roads and off-site water and sewage disposal capacity and that substantial completion does not require recording plat of subdivision.]

[Requires local government to assign, if necessary, temporary addresses to lots in residential subdivision.]

[Declares emergency, effective on passage.]

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.

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**

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 overall administrative process and the interactions among state and local agencies, develop-
2 ers and builders within this state.

3 (c) The contractor shall seek information from and consult with residential construction
4 companies and at least 10 different local governments, but the contractor may work with as
5 many local governments of varying sizes and different locations within this state necessary
6 to gain a comprehensive overview of the administrative procedures for approving residential
7 construction throughout this state.

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

9 (a) Calculate the average length of time, in days, necessary to obtain all necessary ap-
10 provals for a small- to medium-sized housing development in each local government juris-
11 diction the contractor examines;

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

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

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

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

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

28 (g) Recommend procedural changes, legislation or other remedies based on the results
29 of the contractor's research and analysis that will increase residential construction while
30 maintaining critical infrastructure.

31 (3) The department shall direct the contractor to continue the research and analysis to
32 the extent necessary to obtain the results and develop the recommendations described in
33 section 1 of this 2022 Act, and to the extent that funds are available for the public contract
34 from legislative appropriations.

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

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

41 455.175. (1) As used in this section:

42 (a) "Conditions of development" means requirements that, as part of a residential subdivision,
43 a developer, declarant or owner must construct public improvements that are contained in:

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

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

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

2 (b) "Residential subdivision" means a residential development requiring a developer, declarant
3 or owner to subdivide land, as defined in ORS 92.010, and to obtain a permit under ORS 215.416 or
4 227.175.

5 (c) "Substantial completion" means *[the city, county or other appropriate public body has in-*
6 *spected, tested and found acceptable under applicable code requirements, unless the parties agree to a*
7 *lower standard]* **a state of completion under which a city, county or other appropriate public**
8 **body has inspected, tested and found acceptably constructed, to a standard established by the**
9 **city, county or other appropriate public body or specified by agreement with a developer,**
10 **declarant or owner, the following public improvements under the applicable conditions of**
11 **development:**

12 (A) The water supply system;

13 (B) The fire hydrant system;

14 (C) The sewage disposal system;

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

17 (E) The curbs;

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

19 (G) The roads, *[necessary for access by emergency vehicles.]* **designed, engineered and con-**
20 **structed to support all-weather access by emergency response vehicles or heavy construction**
21 **vehicles at loads expected until construction is complete, even if the roads are not fully**
22 **paved or completed, unless full paving or completion is necessary for compliance with water**
23 **quality permitting; 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 city or county shall consult with the public service districts that are responsible**
27 **for overseeing the conditions of development that constitute substantial completion to en-**
28 **sure that the conditions of development comply with applicable federal, state and local laws,**
29 **regulations, rules and ordinances and any permits the city or county holds.**

30 *[(2)]* **(3)(a)** A city or county may not deny a building permit allowing the construction of resi-
31 dential dwellings under a residential subdivision on the basis that the conditions of development
32 have not been met, if:

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

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

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

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

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

42 *[(3)]* **(4)** Subsection *[(2)]* **(3)** of this section does not prevent a city or county from declining to
43 issue certificates of occupancy for any residential dwellings if all conditions of development are not
44 fully completed or the conditions for the release of the bond are not fulfilled.

45 **(5) A city or county shall assign temporary addresses to lots in a residential subdivision.**

1 **In assigning temporary addresses, the city or county may:**

2 (a) Use preliminary, tentative or proposed plats or some other approved plan that de-
3 scribes all lots with accurate lot numbering; and

4 (b) Require applicants to notify the city or county whenever lot numbering or subdivision
5 names change during development.

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

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