

# House Bill 4063

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 **as introduced**.

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.

## A BILL FOR AN ACT

1  
2 Relating to housing; creating new provisions; amending ORS 455.175; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2022 Act is added to and made a part of ORS chapter 455.**

5 **SECTION 2. (1)(a) The Oregon Business Development Department shall establish a pilot**  
6 **program to research, analyze and develop recommendations for improving administrative**  
7 **procedures involved in receiving applications for, processing applications and issuing building**  
8 **permits for, and obtaining other necessary approvals for residential construction projects.**  
9 **The department shall undertake the pilot program in cooperation with three jurisdictions**  
10 **that the department chooses on the basis of applications from the jurisdictions and criteria**  
11 **the department develops for participation in the pilot program. The criteria, at a minimum,**  
12 **must:**

13 (A) **Take account of the volume, average length, nature, causes and consequences of de-**  
14 **lays or interruptions in the administrative approval process that a jurisdiction uses;**

15 (B) **Balance participation in the pilot program by geographic distribution within this state**  
16 **and by the size of the jurisdiction or the volume of the jurisdiction's resources devoted to**  
17 **approving residential construction projects, or both, to the extent practicable and to the**  
18 **extent such a balance serves the interests of investigating common challenges, obstacles,**  
19 **improvements or successes among administrative approval procedures in use in various ju-**  
20 **risdictions throughout this state; and**

21 (C) **Enable the department to discover practical and replicable recommendations and**  
22 **solutions for improving administrative processes within the jurisdictions that participate in**  
23 **the pilot program and within other jurisdictions.**

24 (b) **The department may develop appropriate criteria for participation in the pilot pro-**  
25 **gram other than the criteria set forth in paragraph (a) of this subsection and may specify**

**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 the form, content and format of applications and processes for submitting applications.

2 (c) The department shall prefer cities as participants in the pilot program, but if an in-  
 3 sufficient number of cities apply to participate, the department may choose a county for  
 4 participation. If more than three cities apply for the pilot program, the department shall  
 5 choose participants on the basis of the criteria the department has identified under this  
 6 subsection and, to the extent that more than one applicant’s qualifications are equivalent  
 7 under the identified criteria, on the basis of an equitable lottery among applicants.

8 (2) In conducting the pilot program, the department shall:

9 (a) Study and identify the processes that participating jurisdictions use in approving  
 10 residential construction projects;

11 (b) Develop a comprehensive overview of the processes described in paragraph (a) of this  
 12 subsection;

13 (c) Identify the timelines involved in beginning, continuing and completing the processes;

14 (d) Identify the sources and causes of delays, interruptions, deviations or other defects  
 15 in the processes;

16 (e) Identify staffing, cost, budgetary and other factors that contribute to the defects  
 17 identified in paragraph (d) of this subsection; and

18 (f) Identify, test and recommend practical solutions that can reduce or eliminate the  
 19 identified defects.

20 (3) The department shall submit a report on the results of the pilot program to an in-  
 21 terim committee of the Legislative Assembly not later than September 1, 2022. In the report,  
 22 the department shall:

23 (a) Include an overview of the administrative procedures a residential land developer and  
 24 builder must undertake in each of the participating jurisdictions;

25 (b) Identify and analyze the timelines required for each step in the approval process, in-  
 26 cluding but not limited to the timelines required to submit, process and complete applications  
 27 for land use and residential subdivisions, engineering approvals and building permits related  
 28 to residential construction projects;

29 (c) Identify the staffing, cost, budgetary and other barriers that cause delays, inter-  
 30 ruptions, deviations or other defects in the processes;

31 (d) Recommend strategies by means of which a jurisdiction may reduce the time needed  
 32 to approve residential construction projects;

33 (e) Identify cost burdens for jurisdictions and recommend methods for reallocating or  
 34 increasing resources needed to improve administrative processes related to approving resi-  
 35 dential construction projects;

36 (f) Recommend how jurisdictions may set priorities for approving middle housing, as de-  
 37 fined in ORS 197.758, and housing for families with incomes at 80 to 150 percent of the median  
 38 family income for the region within which each jurisdiction is located; and

39 (g) Make such other recommendations as the department deems appropriate for how to  
 40 meet the challenge of alleviating this state’s housing shortages.

41 (4) The department shall enter into a contract with another party or agency to assist  
 42 with conducting the pilot program described in this section.

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

44 455.175. (1) As used in this section:

45 (a) “Conditions of development” means requirements that, as part of a residential subdivision,

1 a developer, declarant or owner must construct public improvements that are contained in:

- 2 (A) A development agreement under ORS 94.504 to 94.528;
- 3 (B) Conditions of approval under ORS 92.040, 215.416 or 227.175; or
- 4 (C) Any other agreement with, or conditional approval by, a local government.

5 (b) “Residential subdivision” means a residential development requiring a developer, declarant  
6 or owner to subdivide land, as defined in ORS 92.010, and to obtain a permit under ORS 215.416 or  
7 227.175.

8 (c) “Substantial completion” means *[the]* a city, county or other appropriate public body has in-  
9 spected, tested and found acceptable under applicable code requirements **the public improvements**  
10 **required for land use approval, which must include the following conditions of development,**  
11 unless the parties agree to a lower standard:

- 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 **engineered and constructed to support load designs** necessary for **all-weather**  
20 access by emergency vehicles[.], **whether or not the roads are fully paved or completed; and**

21 **(H) The off-site improvements that are necessary for emergency services and water and**  
22 **sewage disposal capacity that is sufficient to serve the residential subdivision.**

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

- 26 (a) Substantial completion of conditions of development for the residential subdivision occurs;  
27 and
- 28 (b) The developer, declarant or owner, to secure the completion of the remaining public im-  
29 provements included as conditions of development for the residential subdivision:
  - 30 (A) Obtains and maintains a bond; or
  - 31 (B) Undertakes an alternative form of financial guarantee, if any, that is acceptable to, but may  
32 not be required by, the city or county.

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

36 **(4) A city’s or county’s determination as to whether conditions of development are sub-**  
37 **stantially complete does not require the plat of a residential subdivision to be recorded.**

38 **(5) A city or county if necessary shall assign temporary addresses to lots in a residential**  
39 **subdivision. In assigning temporary addresses, the city or county may:**

- 40 (a) Use **preliminary, tentative or proposed plats or some other approved plan that de-**  
41 **scribes all lots with accurate lot numbering; and**
- 42 (b) **Require applicants to notify the city or county whenever lot numbering or subdivision**  
43 **names change during development.**

44 **SECTION 4. Section 2 of this 2022 Act is repealed on December 31, 2022.**

45 **SECTION 5. This 2022 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect**  
2 **on its passage.**

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