

HB 2001 -8, -9 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 2/14, 2/23

WHAT THE MEASURE DOES:

Directs Oregon Housing and Community Services to study issues related to housing and report back to interim committee of Legislative Assembly related to housing by September 15, 2024.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: Minimal revenue impact, for purposes of referring measure to Joint Committee on Ways and Means

ISSUES DISCUSSED:

- Timeline for landlord recovery of residential unit when tenant has not paid rent
- Requirements for translation of tenant notice and forms into languages other than those specified in measure
- Sufficiency of Oregon timber supply in meeting development needs
- Quality of modular construction relative to “stick-built” homes
- Market demand for modular-style housing for middle income households
- Definition of homeless youth to include individuals up to age 24

EFFECT OF AMENDMENT:

-8 Replaces the measure.

OREGON HOUSING NEEDS ANALYSIS: Establishes Oregon Housing Needs Analysis within Housing and Community Services Department (OHCS), with stated purpose of furthering housing production and housing choice at all levels of affordability. Directs Department of Land Conservation and Development (DLCD) to adopt housing production target allocation schedule by March 1, 2024. Directs DLCD and OHCS to assist Department of Administrative Services (DAS) in carrying out requirements of Act. Appropriates unspecified General Fund moneys to DLCD, OHCS, and DAS to implement specified components of Oregon Housing Needs Analysis.

Statewide housing analysis and housing production targets. Directs DAS to conduct annual statewide estimate of needed housing by region, and allocate, to local governments outside Metro and unincorporated urbanized areas within Metro, housing need that considers: current underproduction; forecasted population growth; regional job growth; the needs of individuals experiencing homelessness; vacation or second homes; and equitable distribution of housing across specified income levels. Directs DAS to conduct initial statewide estimate and housing allocation no later than January 1, 2025.

Housing production targets. Directs DAS to establish six-year housing production targets for cities with population greater than 10,000 and unincorporated urbanized areas within Metro, and eight-year housing production targets for cities greater than 10,000 or unincorporated urbanized area outside of Metro. Clarifies targets must be separated into total production target and target for publicly supported housing affordable to specified income levels less than 80 percent of area median income. Allows DAS to adjust allocation of needed housing to accommodate people experiencing homelessness and underproduction; directs DAS to align allocation with housing production strategy schedule developed by DLCD.

Housing production dashboard and equity indicators. Requires OHCS to develop and maintain, beginning January 1, 2025, a publicly available statewide housing production dashboard, to be updated annually with data on

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regional progress toward housing production targets by affordability level for cities with population greater than 10,000. Clarifies deadlines and reporting requirements for local governments in submitting annual housing production data to the Department of Land Conservation and Development (DLCD). Directs OHCS to develop, by January 1, 2026, and periodically update a statewide equity indicator including: available data on housing outcomes for identified demographic groups; accessibility and visitability; displacement risk; segregation by race and income; environmentally just housing outcomes; residential tenants who are rent-burdened; and other factors. Expands requirements of local government's housing production strategy to align with equitable housing outcomes, and expands actions that may be contained in a housing production strategy, including but not limited to actions that increase housing choice, reduce project cost or delay, or prepare land for development and redevelopment.

Urbanization. Directs Land Conservation and Development Commission (LCDC), in adopting or implementing rules related to urbanization, to follow guiding principles related to housing choice, equitable housing outcomes, and collaboration with local governments to address and eliminate local housing barriers. Directs public bodies to use authority to remove barriers and create pathways to development at rate commensurate with housing need.

Directs LCDC to adopt rules and amendments related to urbanization which provide greater flexibility, options, and certainty for local governments in amending urban growth boundaries or adopting comprehensive plan amendments or land use regulations to support their housing production strategies. Specifies priorities LCDC must consider in rulemaking, to accommodate local housing production strategies. Allows LCDC to postpone provisions of Act related to urbanization for certain cities outside Metro to avoid interference with current planning activities. Prohibits appeals to local government amendments to a land use regulation or comprehensive plan amendment if local government has utilized the Oregon Housing Needs Analysis methodology. Directs local governments to identify, as part of buildable lands inventory, specified development-ready lands, and take actions to prepare lands for development or redevelopment. Appropriates \$1 million in General Fund moneys to LCDC to adopt rules related to urbanization.

Housing production accountability. Describes DLCD responsibilities to partner with public bodies to increase housing production and to develop proportional responses to underperformance or deliberate noncompliance by a local government with regard to housing targets. Clarifies terms by which the department may refer a city to department's housing acceleration program. Describes components of housing acceleration program, including department-conducted audit of a city's housing barriers, identification of available resources and available department or other public funding assistance, and agreement by city to adopt amended housing production strategy within six months. Directs DLCD and other state agencies to assist cities in completing actions contained in housing acceleration agreement. Allows DLCD to request enforcement order without prior approval from Land Conservation and Development Commission (LCDC). Requires Land Conservation and Development Commission to issue enforcement order to cities with a population of 10,000 or greater that: has a pattern or practice of violating statutes which cause unnecessary cost or delay to housing production; has a pattern or practice of creating adverse impacts to protected classes in equitable access to housing; or has failed to enter into or has breached terms of a housing acceleration agreement. Expands requirements LCDC may impose on a city as part of an enforcement order, including imposing model ordinances, reducing development review timelines, or forfeiting grant funds. Makes operative provisions of Act related to housing production accountability on January 1, 2025.

Urbanization outside Metro. Clarifies necessary actions by cities outside Metro with a population greater than 10,000 in conducting inventory of buildable lands and determining capacity for needed housing. Defines "needed

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housing” Needed housing’ means housing by affordability level, type, characteristics, and location that is necessary to accommodate a city’s allocated housing need over the specified 20-year planning period. Requires a local government to amend its urban growth boundary or amend other land use regulations when identified needed housing exceeds current capacity. Allows cities outside Metro with population greater than 10,000 to adopt rural reserves as defined in statute; clarifies properties within urban and rural reserves are not subject to compensation under statute unless the designation and protection imposes a new use restriction on or reduces the fair market value of the property. Clarifies provisions of Act do not apply to urban reserves or rural reserves acknowledged prior to effective date of the Act.

Urbanization within Metro. Directs Metro to conduct estimate of needed housing for cities within Metro and allocate to these cities a housing need that considers: housing underproduction; forecasted population growth; regional job growth; the needs of individuals experiencing homelessness; vacation or second homes; and equitable distribution of housing across specified income levels. Distinguishes buildable lands requirements for cities within Metro. Directs Metro to develop and adopt housing coordination strategy identifying regional strategies and impediments to producing needed housing within one year of completing a housing capacity analysis.

YOUTH HOMELESSNESS

Expands uses of Emergency Housing Account funds to include services and assistance to school-aged children or their families who are experiencing homelessness or are at risk of experiencing homelessness. Allows Housing and Community Services Department to award grants to organizations providing evidence-based services for youth experiencing homelessness in underserved areas. Expands the use of grant moneys for eligible host home projects to include funding for continued operations.

TERMINATION OF RESIDENTIAL TENANCY FOR NONPAYMENT

Extends, for residential tenancies, the 72-hour timeline for issuance of notice of intention to terminate rental agreement based on nonpayment to 10 days, and extends 144-hour timeline to 13 days. Requires landlord to deliver notice to tenant specifying rights and resources, subject to court dismissal of complaint for possession of landlord fails to deliver notice or tender rent owed by the tenant. Directs Judicial Department, in consultation with Housing and Community Services Department, to regularly update and translate notice form into specified languages other than English. Clarifies responsibilities of public bodies distributing rental assistance. Specifies requirements for scheduling first appearance in court summons for nonpayment. Clarifies conditions for default judgment in favor of plaintiff bringing tenancy termination complaint. Requires circuit courts to annually set aside eviction-related judgments and seal court records, subject to certain court findings and provided that the judgment occurred after January 1, 2014.

MODULAR HOUSING FUNDING

Allocates, for the biennium beginning July 1, 2023, \$20 million in General Fund moneys to the Oregon Business Development Department for the provision of grants or loans to entities developing modular housing or related components, under advisement from a temporary advisory committee. Requires grant or loan recipients to prioritize, in order, disaster recovery, low-income, and middle income housing construction.

MODERATE INCOME HOUSING PREDEVELOPMENT LOANS

Allocates, for the biennium beginning July 1, 2023, \$3 million in General Fund moneys to the Oregon Facilities Authority for the provision of financing or refinancing support for local governments or housing developers for infrastructure development and predevelopment costs for moderate income projects. Requires that eligible projects must be rented as a primary residence, and must remain affordable to moderate income households for no less than 25 years. Stipulates that funding is limited to \$500,000 per eligible project, must charge interest of

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three percent or lower, and clarifies eligibility for financing based on proportion of funding to project cost and scale. Repeals provisions of loan program January 2, 2026.

AGRICULTURE WORKFORCE HOUSING GRANTS

Directs Department of Agriculture to provide grants to improve health and safety conditions of existing agriculture workforce housing. Directs department, or a third party contractor, to administer and prioritize grants for housing that are in compliance with rules under consideration by the department's agricultural labor housing rulemaking advisory committee. Specifies criteria for grant eligibility. Directs Occupational Safety and Health Division of the Department of Consumer and Business services to assist department in establishing application, criteria, and determining grant eligibility. Repeals provisions of grant program January 2, 2026. Appropriates, for the biennium beginning July 1, 2023, \$5 million for agriculture workforce housing grants.

EMERGENCY USE OF APPROPRIATIONS

Grants emergency procurement authority to the Housing and Community Services Department for expenditures of any appropriation for the biennium beginning July 1, 2023, that is made to address homelessness in communities within the OR-505 Oregon Balance of State Continuum of Care; or supports increasing shelter capacity, rapid rehousing initiatives, capacity support for culturally responsive organizations, and provide sanitation services for these communities.

Declares emergency, effective on passage.

-9 Replaces the measure.

RESIDENTIAL USE OF COMMERCIAL ZONED LANDS

Authorizes local governments to allow siting and development of residential uses on lands zoned for commercial use within an urban growth boundary. Clarifies local governments may only apply clear and objective approval standards, conditions, and procedures applicable to a residential zone of the local government that is most comparable in density to the allowed commercial use. Clarifies development may only be on a property that: is, or will be at the time of lot completion, adequately served by water, sewer, stormwater drainage or streets; does not contain a slope of 25 percent or greater; is not within a 100-year floodplain, is not constrained by land use regulations relating to natural disasters or hazards, or natural areas excluding open spaces. Clarifies application of these provisions do not require a local government to update an economic development analysis. Provisions of this section are operative January 1, 2024.

ALTERNATIVE HOUSING APPROVAL

Directs local governments to approve a housing development application, including a land division, if the development can be serviced by necessary urban services at the time of permit issuance, or will not pose any unreasonable risk to public health or safety due to lack of urban services or necessary improvements. Clarifies housing must be located: within an urban growth boundary; on lands zoned for residential use, mixed use, and commercial use; and not within an area designated related to natural disasters and hazards. Specifies local government responsibilities regarding application review and applicant notice. Prohibits a local government from holding a public hearing or considering written comments on an application by anyone other than applicant. Requires local governments to regulate siting and design of housing through clear and objective conditions. Directs the Department of Land Conservation and Development to report to interim committee of Legislative Assembly relating to housing on or before September 15 of each even-numbered year. Repeals provisions January 2, 2028.

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Declares emergency, effective on passage.

BACKGROUND:

House Bill 2001 directs Oregon Housing and Community Services to study issues related to housing and report back to an interim committee of the Legislative Assembly related to housing by September 15, 2024.