

HB 3197 A STAFF MEASURE SUMMARY**Carrier:** Sen. Hansell**Senate Committee On Rules****Action Date:** 06/16/23**Action:** Do pass the A-Eng bill.**Vote:** 5-0-0-0**Yeas:** 5 - Hansell, Knopp, Lieber, Manning Jr, Steiner**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Kevin Rancik**Meeting Dates:** 6/16**WHAT THE MEASURE DOES:**

Limits clear and objective standards, conditions, and procedures regulating the development of housing to land within an urban growth boundary. Extends these provisions, effective July 1, 2025, to unincorporated communities designated in county comprehensive plans adopted after December 5, 1994; nonresource lands; and certain areas zoned for rural residential use. Removes limitation that an alternative process for approving housing development include criteria regulating appearance or aesthetics. Limits, effective July 1, 2025, county land use regulations from establishing additional standards, beyond those in statute and Land Conservation and Development Commission administrative rules, for accessory farmworker housing unless the standards are clear and objective. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Intent of Senate Bill 1051 (2017) and interpretation by Land Use Board of Appeals
- Application of Statewide Planning Goal 5 and its impact on housing development in unincorporated Washington County
- Use of clear and objective standards outside urban areas
- Conflict between urban and rural land uses

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Local governments may deny or condition the approval of applications for housing development on a variety of factors, including whether the application proposes development on land zoned for residential uses and the nature of the property ownership. In 2017, the Legislative Assembly enacted Senate Bill 1051, which clarified that jurisdictions must approve an application for all housing development within an urban growth boundary if it meets the clear and objective standards outlined within a city or county's comprehensive plan or zoning ordinances. The bill included exceptions for historic areas and certain locations within the City of Portland, and it allowed for an alternative approval process regarding appearance and aesthetics in some cases. According to the Department of Land Conservation and Development, these requirements have posed challenges for local governments with subjective code provisions.

The Land Use Board of Appeals (LUBA) ruled that the clear and objective standards provisions adopted in 2017 apply to all housing development, regardless of location. Statewide Planning Goal 5 covers the protection of natural resources, scenic and historic areas, and open spaces. LUBA determined Washington County was out of compliance with Goal 5 as its provisions protecting natural resources in urban unincorporated areas were not clear and objective. In 2023, residential development applications in areas of Washington County designated as wildlife habitat were stayed until clear and objective standards are approved and take effect. Some local

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governments have reported that LUBA's ruling created confusion about the intent of current statute.

House Bill 3197 A clarifies that clear and objective standards, conditions, and procedures regulating housing development apply to land within an urban growth boundary. Beginning July 1, 2025, the measure extends these provisions to designated unincorporated communities, nonresource lands, and areas zoned for rural residential use. County regulations governing farmworker housing that exceed statutory or commission rules must meet clear and objective standards, effective July 1, 2025. The measure also removes the limitation that an alternative approval process for housing be based on a project's "appearance or aesthetics."