

House Bill 2815

Sponsored by Representative MORGAN; Representative WRIGHT (Pre-session filed.)

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 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 calendar 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, 2024.

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.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to requirements for approving residential construction; creating new provisions; amending
3 ORS 455.175; and prescribing an effective 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 as is nec-**
18 **essary to gain a comprehensive overview of the administrative procedures for approving**
19 **residential construction throughout this state.**

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

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

25 **(b) Determine whether and how substantial completion, as defined in ORS 455.175, or**

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 concurrent work practices reduce the time needed for approval and increase construction,
2 and identify whether other adjustments to administrative procedures could speed approval
3 and increase construction;

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

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

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

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

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

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

24 (4) The department shall report each calendar quarter on the contractor's work under
25 the public contract, with an initial report due to an interim committee of the Legislative
26 Assembly related to housing not later than December 1, 2023. The department shall continue
27 to submit reports to the interim committee until the later of the date on which the contract
28 expires or December 1, 2024.

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

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

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

33 (C) Landowners;

34 (D) Residential construction companies; and

35 (E) Real estate licensees.

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

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

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

39 (C) The form and contents of draft and final reports from the contractor and of progress
40 reports to the Legislative Assembly.

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

42 455.175. (1) As used in this section:

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

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

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

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

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

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

9 (A) The water supply system;

10 (B) The fire hydrant system;

11 (C) The sewage disposal system;

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

14 (E) The curbs;

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

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

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

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

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

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

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

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

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

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

34 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**
35 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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