

# Enrolled House Bill 2889

Sponsored by Representative DEXTER, Senators JAMA, ANDERSON, Representatives FAHEY, MARSH, Senator GORSEK; Representatives GAMBA, GRAYBER, HARTMAN, HUDSON, NELSON, NERON, NOSSE, PHAM K, VALDERRAMA, Senators DEMBROW, FREDERICK, MANNING JR, PATTERSON (Presession filed.)

CHAPTER .....

## AN ACT

Relating to housing development; amending ORS 195.145, 197.286, 197.290, 197.291, 197.293, 197.296, 197.303 and 197.320 and sections 1, 2, 3, 4, 5, 6, 9, 13, 22, 30 and 47, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001); and declaring an emergency.

### Be It Enacted by the People of the State of Oregon:

**SECTION 1.** Section 1, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 1.** (1) There is established within the Oregon Department of Administrative Services the Oregon Housing Needs Analysis. The purposes of the Oregon Housing Needs Analysis are to further the:

(a) Production of housing to meet the need of Oregonians at all levels of affordability; and  
(b) Production of housing in a way that creates more housing choice by affirmatively furthering fair housing, as defined in ORS 197.290.

(2) The Oregon Housing Needs Analysis consists of three components as follows:

(a) The annual statewide housing analysis under section 2 (1), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act];

(b) The allocated housing need under section 2 (2), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act]; and

(c) The housing production targets under section 3, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(3) Actions taken by the department under sections 1 to 3, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, [of this 2023 Act] are not subject to ORS 197.180 and are not land use decisions.

(4) The Department of Land Conservation and Development and the Housing and Community Services Department:

(a) Shall assist the Oregon Department of Administrative Services with its duties under sections 1 to 3, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(b) May study and recommend methodological changes to the Oregon Department of Administrative Services to improve the Oregon Housing Needs Analysis' functions and suitability for its purposes under subsection (1) of this section. The departments [may] **shall** solicit written and oral public testimony to inform their recommendations.

**(5) As used in sections 1 to 3, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), “city” or “city with a population of 10,000 or greater” includes urban unincorporated communities in Metro, as defined in ORS 197.015.**

**SECTION 2.** Section 2, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 2.** (1) On an annual basis the Oregon Department of Administrative Services shall conduct a statewide housing analysis. The analysis must be conducted statewide and segmented into regions as determined by the department. The analysis shall estimate factors including, but not limited to:

- (a) Projected needed housing units over the next 20 years;
- (b) Current housing underproduction;
- (c) Housing units needed for people experiencing homelessness; and
- (d) Housing units projected to be converted into vacation homes or second homes during the next 20 years.

(2) At the time the department performs the housing analysis under subsection (1) of this section, the department shall allocate a housing need for each city.

(3) In making an allocation under subsection (2) of this section, the department shall consider:

- (a) The forecasted population growth under ORS 195.033 or 195.036;
- (b) The forecasted regional job growth;
- (c) An equitable statewide distribution of housing for income levels described in subsection (4) of this section;

(d) The estimates made under subsection (1) of this section; *[and]*

**(e) For cities within Metro, the needed housing projected under ORS 197.303 (2); and**

*[(e)] (f) The purpose of the Oregon Housing Needs Analysis under section 1 (1) of this 2023 Act.*

(4) In estimating and allocating housing need under this section, the department shall segment need by the following income levels:

- (a) Housing affordable to households making less than 30 percent of median family income;
- (b) Housing affordable to households making 30 percent or more and less than 60 percent of median family income;
- (c) Housing affordable to households making 60 percent or more and less than 80 percent of median family income;
- (d) Housing affordable to households making 80 percent or more and less than 120 percent of median family income; and
- (e) Housing affordable to households making 120 percent or more of median family income.

**SECTION 3.** Section 3, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 3.** (1) The Oregon Department of Administrative Services shall allocate housing production targets to each city with a population of 10,000 or greater and to each unincorporated urbanized area within the Metro urban growth boundary. Housing production targets shall describe the proportion of the allocated housing need that the department determines should be produced **by for-profit, nonprofit and public builders** in each city within six years for a city or urbanized area inside Metro and within eight years for a city or urbanized area outside Metro.

(2) The housing production targets must be separated into:

- (a) A total target; and
- (b) A target *[for publicly supported housing affordable to households making less than 80 percent of the median family income]* **segmented by each income level in section 2 (4), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001).**

(3) In establishing housing production targets under this section, the department:

(a) May include a *[greater]* proportion of the allocated housing need to accommodate people experiencing homelessness and housing underproduction within a city **greater than the proportion of the 20-year period;**

(b) Is not required to consider allocation of needed housing by Metro under ORS 197.296 or 197.303; and

(c) Shall coordinate the allocation of the targets with a schedule developed by the Department of Land Conservation and Development for requiring housing production strategies under ORS 197.290.

**SECTION 4.** Section 4, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 4.** (1) The Housing and Community Services Department may adopt rules to implement this section and section 5, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(2) On an annual basis the Housing and Community Services Department shall update a publicly available statewide housing production dashboard.

(3) The dashboard shall include, for each city with a population of 10,000 or greater, **as defined in section 1, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**:

(a) Progress toward housing production [by affordability levels, as described in section 2 (4) of this 2023 Act and total housing] targets **in section 3 (2), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**; and

(b) A comparative analysis of progress in comparison to the region and other local governments with similar market types.

(4) Information in the dashboard must be based on:

(a) Inventory of publicly supported housing, as defined in ORS 456.250, that is maintained by the department; and

(b) Information submitted to the department under section 37 (3), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

**SECTION 5.** Section 5, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 5.** (1) On an annual basis the Housing and Community Services Department shall update publicly available statewide housing equity indicators.

(2) The indicators shall include, for each city **under section 4, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, quantifiable data, to the extent that the department can determine, define or estimate it, displaying:

(a) Housing outcomes, such as cost burden and availability of housing units to own or to rent, and housing condition for various demographics, including race or ethnicity, disability status, English proficiency and age;

(b) Housing types produced and overall land efficiency of **existing and new** housing [production];

(c) New housing units built to standards, as defined by the Department of Consumer and Business Services by rule, relating to accessibility and visitability;

(d) Risk of gentrification and displacement;

(e) Housing segregation by race and income;

(f) Environmentally just housing outcomes, informed by the environmental justice mapping tool, developed by the Environmental Justice Council under section 12, chapter 58, Oregon Laws 2022;

(g) Residential tenants who spend more than 50 percent of their household income on gross rent for housing; and

(h) Other measurable factors or indicators identified by the department.

**SECTION 6.** Section 6, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 6.** (1) No later than March 1, 2024, the Department of Land Conservation and Development shall adopt a housing production target schedule under section 3 (3)(c), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(2) No later than January 1, 2025, the Oregon Department of Administrative Services shall:

(a) Conduct the initial statewide housing analysis and the initial estimate and allocation of housing need under section 2, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(b) Establish the initial housing production targets under section 3, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(3) No later than January 1, 2025, the Housing and Community Services Department shall:

(a) Publish the statewide housing production dashboard under section 4, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act]; and

(b) Publish statewide housing equity indicators under section 5, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(4) The schedule adopted by the Department of Land Conservation and Development under subsection (1) of this section is not a land use [decisions] **decision** and is not subject to appeal.

**SECTION 7.** Section 9, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 9.** (1) The Land Conservation and Development Commission shall adopt rules and amendments to rules related to urbanization as follows:

(a) On or before January 1, 2025, to implement ORS 197.290, 197.291, 197.293, 197.319 (4), 197.320 (13) and 197.335 (6); and

(b) On or before January 1, 2026, to implement ORS 197.286 to 197.314, except as provided in paragraph (a) of this subsection.

(2) In adopting rules under this section, the commission shall prioritize:

(a) Facilitating and encouraging housing production, affordability and housing choice on buildable lands within an urban growth boundary;

(b) Providing greater clarity and certainty in the adoption and acknowledgement of housing capacity analyses, urban growth boundary amendments, urban growth boundary exchanges or urban reserves to accommodate an identified housing need;

(c) Reducing analytical burden, minimizing procedural redundancy and increasing legal certainty for local governments pursuing urban growth boundary amendments, urban growth boundary exchanges or urban reserves where a housing need is identified, especially for smaller cities, consistent with the appropriate protection of resource lands; and

(d) Supporting coordinated public facilities planning, annexation, and comprehensive plan amendments to facilitate the development of lands brought into an urban growth boundary.

(3) In adopting rules under subsection (1)(a) of this section, the commission shall:

(a) Consult with the Housing and Community Services Department, Department of Transportation, Department of Environmental Quality, Department of State Lands, Oregon Business Development Department and Department of Consumer and Business Services;

(b) Provide clear parameters on the types and extent of actions needed or allowed under ORS 197.290 (3) that are consistent with the technical and resource capacities of varying sizes of local governments; and

(c) Recognize actions already taken by local governments **to support the development of all types of needed housing.**

(4) To avoid interference with current planning activities or to avoid unjust or surprising results, the Land Conservation and Development Commission may postpone, for cities specified by the commission, the applicability of sections 13, 21, 22 or 23, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, [of this 2023 Act] and the amendments to ORS 197.286, 197.290, 197.296, 197.297 and 197.303, by sections 12 and 25 to 28, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act], until a date that is not later than January 1, [2026] **2027**.

**SECTION 8.** ORS 197.286, as amended by section 5, chapter 54, Oregon Laws 2022, and section 12, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.286. As used in ORS 197.286 to 197.314 and 197.475 to 197.490:

(1) "Allocated housing need" means[:]

[a) For a city outside Metro,] the housing need allocated to a city under section 2 (2), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, [of this 2023 Act] as segmented by income level under section 2 (4), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**. [of this 2023 Act; or]

*[(b) For a city within Metro, the housing need allocated to the city by Metro under ORS 197.303 (3).]*

(2) “Buildable lands” means lands in urban and urbanizable areas that are suitable, available and necessary for the development of needed housing over a 20-year planning period, including both vacant land and developed land likely to be redeveloped.

**(3) “Development-ready lands” means buildable lands that are likely to support the production of housing during the period of their housing production target under section 3 (1), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), because the lands are:**

**(a) Currently annexed and zoned to allow housing through clear and objective standards and procedures;**

**(b) Readily served through adjacent public facilities or identified for the near-term provision of public facilities through an adopted capital improvement plan; and**

**(c) Not encumbered by any applicable local, state or federal protective regulations or have appropriate entitlements to prepare the land for development.**

*[(3)]* (4) “Government assisted housing” means housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.005, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

*[(4)]* (5) “Housing capacity” means the number of needed housing units that can be developed on buildable lands within the 20-year planning period based on the land’s comprehensive plan designation and capacity for housing development and redevelopment.

*[(5)]* (6) “Housing production strategy” means a strategy adopted by a local government to promote housing production under ORS 197.290.

*[(6)]* (7) “Manufactured dwelling,” “manufactured dwelling park,” “manufactured home” and “mobile home park” have the meanings given those terms in ORS 446.003.

*[(7)]* (8) “Periodic review” means the process and procedures as set forth in ORS 197.628 to 197.651.

*[(8)]* (9) “Prefabricated structure” means a prefabricated structure, as defined in ORS 455.010, that is relocatable, more than eight and one-half feet wide and designed for use as a single-family dwelling.

**SECTION 9.** Section 13, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 13.** (1) At the time that a city is required to inventory its buildable lands under ORS 197.297 (1) or section 21 or 22, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), the city shall inventory its development-ready lands.** *[of this 2023 Act, the local government shall determine the amount of development-ready lands buildable lands that are likely to support the production of housing during the period of their housing production target under section 3 (1) of this section, because the lands are:]*

*[(a) Currently annexed and zoned to allow housing through clear and objective standards and procedures;]*

*[(b) Readily served through adjacent public facilities or identified for the near-term provision of public facilities through an adopted capital improvement plan; and]*

*[(c) Not encumbered by any applicable local, state or federal protective regulations or have appropriate entitlements to prepare the land for development.]*

(2) If the total housing production target is greater than the housing capacity of development-ready lands, the local government shall take any actions in ORS 197.290 (3) that demonstrably prepare lands for development or redevelopment or increase the housing capacity of existing development-ready lands.

**SECTION 10.** ORS 197.293, as amended by section 14, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.293. (1) In developing and implementing this section and performing its duties under ORS 197.319 (4), the Department of Land Conservation and Development shall be guided by section 8

(1), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, [of this 2023 Act] and the following principles:

- (a) Increasing housing production;
- (b) Developing affordable and equitable housing;
- (c) Forming partnerships with cities and with other public bodies;
- (d) Responding proportionately to housing underproduction;
- (e) Escalating enforcement to address persistent, repeated or deliberate noncompliance with housing production [targets] **strategies and action items**; and
- (f) Considering the availability of state resources to support housing production.

(2)(a) In determining whether a city should be referred under subsection (3) of this section, the department may base its evaluation on the [relative performance of a city based] **city's relative performance with consideration of its region, as established in the Oregon Housing Needs Analysis under section 1 (1), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, on any one of, or any combination of, the following:

(A) A city's progress, proportionate to its population size, [as demonstrated by the statewide housing production dashboard under section 4 of this 2023 Act.] **toward the total housing production target under section 3 (2)(a), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**.

(B) **A city's progress, proportionate to its population size, toward the housing production targets for those affordability levels for families making less than 80 percent of median family income under section 3 (2)(b), chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**.

[B] (C) The city's performance as demonstrated by a statewide housing equity indicator under section 5, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(b) The department may not base a determination made under this subsection solely on a city's performance on any single equity indicator.

(3) Each year, the department shall refer into its housing acceleration program, under subsection (4) of this section:

(a) [For each region, as established in the Oregon Housing Needs Analysis under section 1 (1) of this 2023 Act,] Of those cities that adopted a housing production strategy more than three but less than four years ago, including as required by subsection (7)(a) of this section, the lowest performing cities, if any exist, as determined under subsection (2) of this section;

(b) Each city that has failed to adopt a housing production strategy by the deadline under ORS 197.290 (1);

(c) Each city that has failed to undertake actions in its housing production strategy by the deadline under ORS 197.290 (4); and

(d) Cities referred under ORS 197.319 (4).

(4) For each city referred to the housing acceleration program, within six months, the department shall, in cooperation with the city, complete an audit of specific housing barriers, that must include an analysis of the following factors affecting housing production, affordability and choice:

(a) The existing housing production strategy and the documents and record supporting the strategy;

(b) Public written comments and invited stakeholder feedback received by a date specified by the department;

(c) Land use planning regulations, including zoning and development code;

(d) Permitting and approval processes relating to development of housing and infrastructure supporting housing;

(e) Required fees, exactions and improvements;

(f) Actions and inactions that can impact fair and equitable housing outcomes, environmental justice, climate resilience and location choice;

(g) Local resource deficiencies, including staffing, public facilities, capital improvements to infrastructure, availability of buildable lands and actions or investments to prepare land for development;

- (h) Specific additional state resources that could support housing production;
  - (i) Changes to state laws or rules or the regulations, policies, actions or inactions of any public body, as defined in ORS 174.109, as that could impact housing production; and
  - (j) Other factors limiting housing that are not within the city's control.
- (5) In performing an audit under subsection (4) of this section, the department:
- (a) May request concurrent review of the city's *[affordability policies]* **measures and housing production strategies** under ORS 197.637; and
  - (b) Shall notify any public body identified under subsection [(4)(j)] **(4)(i)** of this section.
  - (6) Within six months following an audit under subsection (4) of this section, the city and the department must enter into a housing acceleration agreement that is based on and proportionate to the city's basis for referral under subsection (3) of this section and informed by the audit under subsection (4) of this section.
  - (7) Under the housing acceleration agreement, the department shall agree to provide:
    - (a) Specified technical assistance, regulatory support and other assistance, to assist the city in performing its agreement under subsection (8) of this section;
    - (b) Specific funding under the department's control; and
    - (c) Specified assistance in pursuing other state or public funds.
  - (8) Under the housing acceleration agreement, the city shall agree to:
    - (a) If the department determines that the factors affecting housing production, affordability and choice are a consequence of policies and practices that are directly within the city's control, adopt an amended housing production strategy within six months that includes:
      - (A) A timeline for performance under ORS 197.290 (4) of no less than one year; and
      - (B) Specified actions which may include, but are not limited to:
        - (i) Actions under ORS 197.290 (3);
        - (ii) Dedicating funds for increased local capacity to facilitate housing production, affordability and choice;
        - (iii) Dedicating funds for public facilities and infrastructure necessary to support housing production;
        - (iv) Taking measures that increase the availability of development-ready land *[as described in section 13 of this 2023 Act]*;
        - (v) Amending the development code, approval criteria or procedures to reduce cost or delay to housing production; and
        - (vi) Taking emergency temporary measures to support housing production; and
      - (b) Join any department initiated interagency mediation to identify policies and resources that would support housing production in the city.
    - (9) The department may require that a city that is not required to adopt an amendment to its housing production strategy under subsection (8)(a) of this section include findings at the time that the city is next required to adopt a housing production strategy under ORS 197.290 (1) that describe how the city has addressed the audit's findings and any suggested actions.
    - (10) The department may grant limited extensions to deadlines under subsections (3)(b) and (c) and (8)(a) of this section for emergencies, good cause or other factors outside of the city's control.
    - (11) The actions by a city or department under this section are not land use decisions and are not subject to appeal or review.
    - (12) All public bodies, as defined in ORS 174.109, are directed to assist cities and the department in the performance of their duties under this section and to take timely action to ensure that the agency's rules or policies do not unduly delay implementation of a housing acceleration agreement under this section.

**SECTION 11.** ORS 197.320, as amended by section 16, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.320. The Land Conservation and Development Commission shall issue an order requiring a local government, state agency or special district to take action necessary to bring its comprehensive plan, land use regulation, limited land use decisions or other land use decisions or actions into

compliance with the goals, acknowledged comprehensive plan provisions, land use regulations, housing production strategy or housing acceleration agreements if the commission has good cause to believe:

(1) A comprehensive plan or land use regulation adopted by a local government not on a compliance schedule is not in compliance with the goals by the date set in ORS 197.245 or 197.250 for such compliance.

(2) A plan, program, rule or regulation affecting land use adopted by a state agency or special district is not in compliance with the goals by the date set in ORS 197.245 or 197.250 for such compliance.

(3) A local government is not making satisfactory progress toward performance of its compliance schedule.

(4) A state agency is not making satisfactory progress in carrying out its coordination agreement or the requirements of ORS 197.180.

(5) A local government has no comprehensive plan or land use regulation and is not on a compliance schedule directed to developing the plan or regulation.

(6) A local government has engaged in a pattern or practice of decision making that violates an acknowledged comprehensive plan or land use regulation. In making its determination under this subsection, the commission shall determine whether there is evidence in the record to support the decisions made. The commission shall not judge the issue solely upon adequacy of the findings in support of the decisions.

(7) A local government has failed to comply with a commission order entered under ORS 197.644.

(8) A special district has engaged in a pattern or practice of decision-making that violates an acknowledged comprehensive plan or cooperative agreement adopted pursuant to ORS 197.020.

(9) A special district is not making satisfactory progress toward performance of its obligations under ORS chapters 195 and 197.

(10) A local government's approval standards, special conditions on approval of specific development proposals or procedures for approval do not comply with ORS 197.307 (4) or (6).

(11) A local government is not making satisfactory progress toward meeting its obligations under ORS 195.065.

(12) A local government within the jurisdiction of a metropolitan service district has failed to make changes to the comprehensive plan or land use regulations to comply with the regional framework plan of the district or has engaged in a pattern or practice of decision-making that violates a requirement of the regional framework plan.

(13) A city with a population of 10,000 or greater that:

(a) Has a pattern or practice of violating housing-related statutes or implementing policies that create *[additional, unnecessary cost or delay to affordable or market-rate housing production]* **unreasonable cost or delay to the production of housing as described in ORS 197.307 (4);**

(b) Has a pattern or practice of creating adverse disparate impacts to state or federal protected classes or inhibiting equitable access to housing choice, as described in ORS 197.290 (2)(b) to (d);

(c) Has failed to enter into a housing acceleration agreement as required under ORS 197.293 (6);  
or

(d) Has materially breached a term of a housing acceleration agreement under ORS 197.293 (8), including a failure to meet the timeline for performance under ORS 197.293 (8)(a)(A).

**SECTION 12.** Section 22, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 22.** (1) This section applies only to local governments with jurisdiction over lands inside the urban growth boundary of:

(a) Cities located outside Metro with a population of 25,000 or greater; and

(b) Cities that meet factors established by Land Conservation and Development Commission in consideration of the city's size, rate of population growth or proximity to another city with a population of 25,000 or greater or to Metro.



(2) A local government shall determine its needed housing under section 23, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)**, [of this 2023 Act] and inventory its buildable lands and determine the lands' housing capacity under this section:

(a) At periodic review under ORS 197.628 to 197.651;

(b) As scheduled by the commission at least once each eight years; or

(c) At any other legislative review of the comprehensive plan that concerns the urban growth boundary and requires the application of a statewide planning goal related to buildable lands for residential use.

(3) For the purpose of determining housing capacity and inventory of buildable lands under subsection (2) of this section:

(a) "Buildable lands" includes:

(A) Vacant lands planned or zoned for residential use;

(B) Partially vacant lands planned or zoned for residential use;

(C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and

(D) Lands that may be used for residential infill or redevelopment.

(b) The local government shall consider:

(A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;

(B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and

(C) The presence of a single family dwelling or other structure on a lot or parcel.

(c) Except for land that may be used for residential infill or redevelopment, the local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

(4)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity must be based on data related to land within the urban growth boundary that has been collected since the last review under subsection (2)(b) of this section. The data must include:

(A) The number, density and average mix of housing types of urban residential development that have actually been developed;

(B) Trends in density and average mix of housing types of urban residential development;

(C) Market factors that may substantially impact future urban residential development;

(D) The number, density and average mix of housing types that have been developed on buildable lands;

(E) Consideration of the effects of the adopted housing production strategy and measures taken and reasonably anticipated to be taken to implement the strategy; and

(F) Consideration of factors that influence available housing supply, including short-term rentals, second homes and vacation homes.

(b) A local government shall make the determination described in paragraph (a) of this subsection using data from a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity. The shorter time period may not be less than three years.

(c) A local government shall use data from a wider geographic area or use a time period longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of data from a longer time period will provide more accurate, complete and reliable data related to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

(5) If the needed housing is greater than the housing capacity, the local government shall take one or both of the following actions to accommodate allocated housing need for **which there is insufficient housing capacity to accommodate over** the next 20 years:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate allocated housing need for the next 20 years consistent with the requirements of ORS 197A.320 and statewide planning goals. As part of this process, the local government shall consider the effects of actions taken pursuant to paragraph (b) of this subsection. The amendment must include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities must be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary.

(b) Take any action under ORS 197.290 (3), whether or not the action was described in an approved housing production strategy, that demonstrably increases housing capacity or produces additional needed housing. Actions under this paragraph may include amending a comprehensive plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate needed housing for the next 20 years without expansion of the urban growth boundary.

(6) A local government that takes any actions under subsection (5) of this section shall:

(a) Demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission.

(b) Adopt findings regarding the changes in housing capacity assumed to result from actions adopted based on data collected under subsection (4)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. A quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level, as defined in ORS 227.175, within the local government's jurisdiction or a jurisdiction in the same region.

(c) In establishing that actions adopted under subsection (5) of this section demonstrably increase housing capacity, ensure that buildable lands are in locations appropriate for needed housing, are zoned at density ranges that are likely to be achieved by the housing market and are in areas where sufficient urban services are planned to enable the higher density development to occur over the 20-year period.

**SECTION 13.** ORS 197.296, as amended by section 25, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.296. (1) This section applies only to Metro.

(2)(a) Metro shall demonstrate that its regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years:

(A) At periodic review under ORS 197.628 to 197.651;

(B) As scheduled by the Land Conservation and Development Commission at least once each six years; or

(C) At any other legislative review of the regional framework plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use.

(b) The 20-year period shall commence on the date initially scheduled for completion of the review under paragraph (a) of this subsection.

(3) In performing the duties under subsection (2) of this section, Metro shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

(b) Conduct an analysis of existing and projected housing need by type and density range, in accordance with all factors under ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, "buildable lands" includes:

- (A) Vacant lands planned or zoned for residential use;
- (B) Partially vacant lands planned or zoned for residential use;
- (C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and
- (D) Lands that may be used for residential infill or redevelopment.

(b) For the purpose of the inventory and determination of housing capacity described in subsection (3)(a) of this section, Metro must demonstrate consideration of:

- (A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;
- (B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to Metro;
- (C) The presence of a single family dwelling or other structure on a lot or parcel; and
- (D) Factors that influence available housing supply, including short-term rentals, second homes and vacation homes.

(c) Except for land that may be used for residential infill or redevelopment, Metro shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Market factors that may substantially impact future urban residential development; and
- (D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) Metro shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if Metro finds that the shorter time period will provide more accurate and reliable data related to housing capacity. The shorter time period may not be less than three years.

(c) Metro shall use data from a wider geographic area or use a time period longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. Metro must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, Metro shall take one or both of the following actions to accommodate the additional housing need:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, Metro shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and Metro that has the authority to approve the urban growth boundary.

(b) Amend its regional framework plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. If Metro takes this action, Metro shall adopt findings regarding the density expectations assumed to result from measures adopted under this paragraph based upon the factors

listed in ORS 197.303 (2) and data in subsection (5)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. A quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas within Metro that are zoned to allow no greater than the same authorized density level, as defined in ORS 227.175.

(7) Using the housing need analysis conducted under subsection (3)(b) of this section, Metro shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, Metro, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

*[(8)(a) If Metro takes any actions under subsection (6) or (7) of this section, Metro shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.286 to 197.314.]*

*[(b)]* (8) Metro shall determine the density and mix of housing types anticipated as a result of actions taken under subsections (6) and (7) of this section and monitor and record the actual density and mix of housing types achieved following the adoption of these actions. Metro shall compare actual and anticipated density and mix. Metro shall submit its comparison to the commission at the next review of its urban growth boundary under subsection (2)(a) of this section.

(9) In establishing that actions and measures adopted under subsections (6) and (7) of this section demonstrably increase the likelihood of higher density residential development, Metro shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section, is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section and is in areas where sufficient urban services are planned to enable the higher density development to occur over the 20-year period. Actions or measures, or both, may include those actions listed in ORS 197.290 (3).

**SECTION 14.** ORS 197.303, as amended by section 27, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.303. (1) As used in ORS 197.296 and this section, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

(a) Attached and detached single-family housing, middle housing types as described in ORS 197.758 and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; **and**

(e) Agriculture workforce housing[;].

*[(f) Housing for individuals with a variety of disabilities related to mobility or communications that require accessibility features;]*

*[(g) Housing for older persons, as defined in ORS 659A.421; and]*

*[(h) Housing for college or university students, if relevant to the region.]*

(2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), Metro shall adopt findings and perform an analysis that estimates each of the following factors:

- (a) Projected needed housing units over the next 20 years;
- (b) Current housing underproduction;
- (c) Housing units needed for people experiencing homelessness; and
- (d) Housing units projected to be converted into vacation homes or second homes during the next 20 years.

[(3) *At the time Metro performs the analysis under subsection (2) of this section, Metro shall allocate a housing need for each city within Metro.*]

[(4) *In making an allocation under subsection (3) of this section, Metro shall consider:*]

[(a) *The forecasted population growth under ORS 195.033 or 195.036;*]

[(b) *The forecasted regional job growth;*]

[(c) *An equitable statewide distribution of housing for income levels described in section 2 (4) of this 2023 Act.*]

[(d) *The estimates made under subsection (2) of this section; and*]

[(e) *The purpose of the Oregon Housing Needs Analysis under section 1 (1) of this 2023 Act.*]

[(5)] (3) Metro shall make the estimate described in subsection (2) of this section using a shorter time period than since the last review under ORS 197.296 (2)(a)(B) if Metro finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.

[(6)] (4) Metro shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to subsection (2) of this section. Metro must clearly describe the geographic area, time frame and source of data used in an estimate performed under this subsection.

[(7)] (5) Subsection (1)(a) and (d) of this section does not apply to a city with a population of less than 2,500.

[(8)] (6) Metro may take an exception under ORS 197.732 to the definition of “needed housing” in subsection (1) of this section in the same manner that an exception may be taken under the goals.

**SECTION 15.** ORS 197.290, as amended by section 28, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.290. (1) A city with a population of 10,000 or greater shall develop and adopt a housing production strategy under this section no later than the latter of the date:

(a) One year after the city’s deadline for completing a housing capacity determination under ORS 197.297 (1) or section 21 (2) or 22 (2), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act]; or

(b) If the city [has adopted a housing production strategy previously] **was referred to the housing acceleration program under ORS 197.293**, three years following the most recent adoption of a strategy.

(2) A housing production strategy must include a list of specific actions, including the adoption of measures and policies, that the city shall undertake to promote:

(a) The development of needed housing;

(b) The development and maintenance of housing that is of diverse housing types, high-quality, affordable and accessible;

(c) Housing with access to economic opportunities, services and amenities; and

(d) Affirmatively furthering fair housing.

(3) Actions that may be included in a housing production strategy include:

(a) The reduction of financial and regulatory impediments to developing needed housing, including removing or easing approval standards or procedures for needed housing at higher densities or that is affordable;

(b) The creation of financial and regulatory incentives for development of needed housing, including creating incentives for needed housing at higher densities or that is affordable;

(c) The development of a plan to access resources available at local, regional, state and national levels to increase the availability and affordability of needed housing;

(d) Target development on **identified development-ready** lands [*identified under section 13 (1) of this 2023 Act*];

(e) Actions that affirmatively further fair housing;

(f) Actions that:

(A) Increase housing diversity, efficiency and affordability, including new construction and the preservation of naturally occurring affordable housing;

(B) Allow greater housing choice for households and greater flexibility in location, type and density;

(C) Reduce cost or delay and increase procedural certainty for the production of housing; or

(D) Prepare land for development or redevelopment, including:

(i) Public facilities planning and other investment strategies that increase the readiness of land for development for housing production;

(ii) Site preparation, financial incentives or other incentive-based measures that increase the likelihood of development or redevelopment of land; or

(iii) The redevelopment of underutilized commercial and employment lands for housing or a mix of housing and commercial uses; or

(g) Any other actions identified by rule of the Land Conservation and Development Commission intended to promote housing production, affordability and choice.

(4) Actions proposed in a city's housing production strategy shall include clear deadlines by which the city expects to undertake the action.

(5) In creating a housing production strategy, a city shall review and consider:

(a) Socioeconomic and demographic characteristics of households living in existing needed housing;

(b) Market conditions affecting the provision of needed housing;

(c) Measures already adopted by the city to promote the development of needed housing;

(d) Existing and expected barriers to the development of needed housing; and

(e) For each action the city includes in its housing production strategy:

(A) The schedule for its adoption;

(B) The schedule for its implementation;

(C) Its expected magnitude of impact on the development of needed housing; and

(D) The time frame over which it is expected to impact needed housing.

(6) The housing production strategy must include within its index a copy of the city's most recently completed survey under section 37, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [*of this 2023 Act*].

(7) The adoption of a housing production strategy is not a land use decision and is not subject to appeal or review except as provided in ORS 197.291.

(8) A city with a population of less than 10,000 may develop a housing production strategy as provided in this section.

(9) As used in this section, "affirmatively furthering fair housing" means meaningful actions that, when taken together, address significant disparities in housing needs and access to opportunity and replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity and foster and maintain compliance with civil rights and fair housing laws.

**SECTION 16.** Section 30, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 30.** (1) Metro shall develop and adopt a housing coordination strategy under this section no later than one year after the deadline for completing a housing capacity determination under ORS 197.296.

(2) Regional governments other than Metro, including counties or intergovernmental entities described under ORS 190.003 to 190.130, may adopt a housing coordination strategy as provided in this section.

(3) A housing coordination strategy must include a list of actions, including the adoption of measures and policies or coordinating actions among local governments and other entities within a region, that the regional entity shall undertake to promote:

(a) The development of needed housing;

(b) The development and maintenance of housing that is of diverse housing types, high-quality, physically accessible and affordable;

(c) Housing with access to economic opportunities, services and amenities; and

(d) *[Development patterns that replace segregated housing patterns with racially integrated housing and that transform racially and ethnically concentrated areas of poverty into areas of opportunity in compliance with fair housing laws]* **Actions that affirmatively further fair housing as defined in ORS 197.290.**

(4) Actions constituting a housing coordination strategy may include:

(a) The identification or coordination of resources that support the production of needed housing, including funding, staff capacity or technical support at the regional or state level;

(b) The identification of local or regional impediments to developing needed housing, including financial, regulatory or capacity-related constraints;

(c) Regional strategies that coordinate production of needed housing between local governments within a region and that are developed in consultation with impacted local governments;

(d) The identification of specific actions that cities in the region may consider as part of a housing production strategy under ORS 197.290; and

(e) Any other actions identified by rule of the Land Conservation and Development Commission that may promote the quantity or quality of developed housing in the region.

(5) A housing coordination strategy does not include changes to the amount of buildable lands under ORS 197.296.

(6) In creating a housing coordination strategy, a regional government shall review and consider:

(a) Socioeconomic and demographic characteristics of households living in existing needed housing;

(b) Market conditions affecting the provision of needed housing;

(c) Measures already implemented by the regional entity to promote the development of needed housing;

(d) Existing and expected barriers to the planning or development of needed housing; and

(e) For each action the regional entity includes in its housing coordination strategy:

(A) The schedule for its adoption, if applicable;

(B) The schedule for its implementation, if applicable;

(C) Its expected magnitude of impact on the development of needed housing; and

(D) The time frame over which it is expected to impact needed housing.

(7) The adoption of a housing coordination strategy is not a land use decision and is not subject to appeal or review except as provided in ORS 197.291.

**SECTION 17.** ORS 197.291, as amended by section 31, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

197.291. (1) No later than 20 days after a city's adoption or amendment of a housing production strategy under ORS 197.290, a city shall submit the adopted strategy or amended strategy to the Department of Land Conservation and Development.

(2) The submission under subsection (1) of this section must include copies of:

(a) The signed decision adopting the housing production strategy or amended strategy;

(b) The text of the housing production strategy clearly indicating any amendments to the most recent strategy submitted under this section; and

(c) A brief narrative summary of the housing production strategy.

(3) On the same day the city submits notice of the housing production strategy or amended strategy, the city shall provide a notice to persons that participated in the proceedings that led to the adoption of the strategy and requested notice in writing.

(4) Within 10 days of receipt of the submission under subsection (1) of this section, the department shall provide notice to persons described under ORS 197.615 (3).

(5) The notices given under subsections (3) and (4) of this section must state:

(a) How and where materials described in subsection (2) of this section may be freely obtained;

(b) That comments on the strategy may be submitted to the department within 45 days after the department has received the submission; and

(c) That there is no further right of appeal.

(6) Based upon criteria adopted by the Land Conservation and Development Commission the department shall, within 120 days after receiving the submission under subsection (1) of this section:

(a) Approve the housing production strategy;

(b) Approve the housing production strategy, subject to further review and actions; or

(c) Remand the housing production strategy for further modification as identified by the department.

(7) A determination by the department under subsection (6) of this section is not a land use decision and is final and not subject to appeal.

(8) The Land Conservation and Development Commission may adopt rules describing circumstances in which a city's amendment to a comprehensive plan or adoption of a land use regulation is not subject to review, including under ORS 197.610 to 197.625, for compliance with a statewide land use planning goal related to transportation or economic development if the amendment or adoption is included within a housing production strategy that has been approved under subsection (6) of this section. **In establishing circumstances under this subsection, the commission shall provide equal weight to housing, economic and transportation statewide land use planning goals as required under ORS 197.340.**

**SECTION 18.** ORS 195.145, as amended by section 33, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

195.145. (1) To ensure that the supply of land available for urbanization is maintained:

(a) Local governments may cooperatively designate lands outside urban growth boundaries as urban reserves subject to ORS 197.610 to 197.625 and 197.626.

(b) Alternatively, Metro and a county **or a city and a county** may enter into a written agreement pursuant to ORS 190.003 to 190.130, 195.025 or 197.652 to 197.658 to designate urban reserves. A process and criteria developed pursuant to this paragraph are an alternative to a process or criteria adopted pursuant to paragraph (a) of this subsection.

(2) The Land Conservation and Development Commission may require a local government to designate urban reserves pursuant to subsection (1)(a) of this section during its periodic review in accordance with the conditions for periodic review under ORS 197.628.

(3) In carrying out subsections (1) and (2) of this section:

(a) Within an urban reserve, a local government may not prohibit the siting on a legal parcel of a single family dwelling that would otherwise have been allowed under law existing prior to designation as an urban reserve.

(b) The commission shall provide to local governments a list of options, rather than prescribing a single planning technique, to ensure the efficient transition from rural to urban use in urban reserves.

(4) Urban reserves designated under this section must be planned to accommodate population and employment growth for:

(a) At least 40 years and not more than 50 years; or

(b) At least 20 years, and not more than 30 years, after the 20-year period for which the local government has inventoried buildable lands under ORS 197.296 or section 21 or 22, **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].



(5) Urban reserves may be established at any time without regard to a schedule under ORS 197.296 (2) or section 21 (2) or 22 (2), **chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001)** [of this 2023 Act].

(6) The designation of urban reserves under **subsection (1)(b)** of this section must be based upon consideration of factors including, but not limited to, whether land proposed for designation as urban reserves, alone or in conjunction with land inside the urban growth boundary:

(a) Can be developed at urban densities in a way that makes efficient use of existing and future public infrastructure investments;

(b) Includes sufficient development capacity to support a healthy urban economy;

(c) Can be served by public schools and other urban-level public facilities and services efficiently and cost-effectively by appropriate and financially capable service providers;

(d) Can be designed to be walkable and served by a well-connected system of streets by appropriate service providers;

(e) Can be designed to preserve and enhance natural ecological systems; and

(f) Includes sufficient land suitable for a range of housing types.

(7) A county may take an exception under ORS 197.732 to a statewide land use planning goal to allow the establishment of a transportation facility in an area designated as urban reserve under this section.

(8) The commission shall adopt by goal or by rule a process and criteria for designating urban reserves pursuant to this section.

**SECTION 19.** Section 47, chapter 13, Oregon Laws 2023 (Enrolled House Bill 2001), is amended to read:

**Sec. 47.** (1) The Housing and Community Services Department shall provide grants or loans to entities to begin or expand production capacity for the development of modular housing and components to support home builders and developers in meeting housing demand.

[2] *The department shall establish a temporary advisory committee under ORS 285A.060 to advise the department on providing grants or loans under this section.*

[3] (2) The department shall establish the terms for any loans under this section.

[4] (3) Entities receiving loans or grants under this section must agree to terms established by the department requiring that the entities prioritize supplying modular housing components to meet demand from:

(a) First, state and local governments following a wildfire or other disaster;

(b) Second, low income housing construction in this state; and

(c) Third, middle income housing construction in this state.

[5] (4) The department may enter into a contract with a third party to award or administer grants under this section.

[6] (5) Loan proceeds and other moneys recovered under this section shall be paid to the Housing and Community Services Department and deposited with the State Treasury for credit to the General Fund and are available for general governmental expenses.

**SECTION 20.** **This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.**

**Passed by House April 14, 2023**

.....  
Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

**Passed by Senate June 21, 2023**

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Rob Wagner, President of Senate

**Received by Governor:**

.....M,....., 2023

**Approved:**

.....M,....., 2023

.....  
Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2023

.....  
Secretary of State