

House Bill 3174

Sponsored by Representative MARSH, Senator ANDERSON; Representatives HARTMAN, OWENS, Senator WEBER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Department of Administrative Services to provide grants to local governments for regional housing coordinators.

Requires department to provide grants to Association of Oregon Counties and League of Oregon Cities for specific purposes relating to planning for housing.

Requires department to analyze local governments' costs in planning for housing.

Appropriates moneys to department to award grants and conduct analysis.

Sunsets January 2, 2034.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to housing; and prescribing an effective date.

3 Whereas providing sufficient housing to people currently experiencing homelessness in Oregon
4 would require the production of 29,000 additional units annually within this state; and

5 Whereas the lack of an adequate supply of housing disproportionately disadvantages and bur-
6 dens households that are Black, Indigenous, People of Color, low-income or otherwise historically
7 disadvantaged; and

8 Whereas an analysis from the Office of Economic Analysis of the Oregon Department of Ad-
9 ministrative Services estimates that in order to address this state's existing housing shortfall, local
10 governments will need 400 to 500 additional professional planning, public works and building staff
11 to review and approve the needed housing; and

12 Whereas local governments are under significant financial and staff capacity constraints; and

13 Whereas the timeliness of the local government residential building permit review and approval
14 processes is an identified constraint on the production of housing in this state; now, therefore,

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

16 **SECTION 1. (1) The Oregon Department of Administrative Services, in consultation with**
17 **the Department of Land Conservation and Development and the Housing and Community**
18 **Services Department, shall provide 12 grants, with one for each region as described in ORS**
19 **285A.116 (1), to establish a regional housing coordinator for each region.**

20 **(2) A regional housing coordinator shall partner and consult with local governments, de-**
21 **velopers, financiers, the Department of Land Conservation and Development, the Housing**
22 **and Community Services Department, other relevant state agencies and other interested**
23 **partners to enable local governments throughout the region to encourage the development**
24 **of needed housing as defined in ORS 197.303 by:**

25 **(a) Bridging any information gaps;**

26 **(b) Identifying and securing needed resources;**

27 **(c) Connecting producers of needed housing with consumers of needed housing; and**

28 **(d) Working with representatives of historically underrepresented groups to overcome**

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 community-specific barriers to obtaining housing.

2 (3) Grants under this section may be awarded to cities or counties within the region or,
3 with the support of cities and counties within a region, to a council of governments as de-
4 fined in ORS 294.900 or to a partnership among local governments.

5 (4) A partnership among local governments is eligible for grants under this section only
6 if all participating governments have executed agreements memorializing their partnership.

7 **SECTION 2.** (1) The Oregon Department of Administrative Services, in consultation with
8 the Department of Land Conservation and Development and Housing and Community Ser-
9 vices Department, shall provide grants to cities or counties or, with the support of cities and
10 counties within a region, to a council of governments as defined in ORS 294.900 or to a
11 partnership among local governments.

12 (2) Grants under this section must be used to support the administration, planning, per-
13 mitting, land use approval, public works, building code, inspecting and compliance needs of
14 the city to review and approve needed housing development.

15 (3) A recipient receiving a grant under this section shall agree to:

16 (a) Regardless of population, provide the Housing and Community Services Department
17 with the report described in ORS 456.586 (4); and

18 (b) Within two years of receiving the grant:

19 (A) If the applicant is a city with an approved housing production strategy under ORS
20 197.290, implement one or more components of the strategy; or

21 (B) If the applicant does not have an approved housing production strategy, take other
22 steps to address housing deficiencies identified in the city's most recent housing capacity
23 analysis.

24 (4) A partnership among governments is eligible for grants under this section only if all
25 participating governments have:

26 (a) Executed agreements memorializing their partnership; and

27 (b) Adopted resolutions declaring a commitment to use the grant to facilitate the devel-
28 opment of needed housing.

29 **SECTION 3.** Grants under section 2 of this 2023 Act must be awarded based on:

30 (1) The number of residential building permits approved within the jurisdiction of the
31 applicant in the most recent two-year period for which data is available under ORS 456.586
32 (4); or

33 (2) If data under subsection (1) of this section is unavailable, the most recently calculated
34 estimated needed housing as defined in ORS 197.303.

35 **SECTION 4.** The Oregon Department of Administrative Services shall provide grants in
36 equal amounts to the Association of Oregon Counties and the League of Oregon Cities for
37 the purposes of:

38 (1) In consultation with the Department of Land Conservation and Development, coordi-
39 nating with each other to create a statewide education program designed to explain Oregon's
40 unique land use system, as well as the causes of Oregon's housing crisis and the potential
41 solutions to it, for delivery to the governing body and staff of local governments; and

42 (2) Each recruiting and hiring a state housing liaison, who shall:

43 (a) Serve as a conduit of information among the state housing liaison's respective local
44 government members, housing coordinators, state agencies, the regional solutions centers
45 described in ORS 284.754, the Governor's office and the Legislative Assembly on matters re-

lated to housing production; and

(b) Encourage the development of needed housing by facilitating communication, coordinating activities and maintaining mutually beneficial relationships among the persons described in paragraph (a) of this subsection.

SECTION 5. (1) On or before July 1 of each year:

(a) Recipients of grants under section 1 of this 2023 Act shall submit a report to the Oregon Department of Administrative Services describing the steps regional housing coordinators took to encourage the development of needed housing;

(b) Recipients of grants under section 2 of this 2023 Act shall submit a report to the Oregon Department of Administrative Services and the Department of Land Conservation and Development on the activities funded by the grant, including the types of tasks staff performed and the number of housing permits facilitated; and

(c) Recipients of grants under section 4 of this 2023 Act shall submit a report to the Oregon Department of Administrative Services describing the education programs and the activities of the state housing liaisons.

(2) On or before December 31 of each year, the Oregon Department of Administrative Services shall compile the reports received by the department under this section and transmit the reports to an interim committee of the Legislative Assembly relating to housing.

SECTION 6. Section 5 of this 2023 Act becomes operative on January 1, 2024.

SECTION 7. If House Bill 2889 becomes law, section 3 of this 2023 Act is amended to read:

Sec. 3. Grants under section 2 of this 2023 Act must be awarded based on[.] **the housing production targets, as described in section 4, chapter __, Oregon Laws 2023 (Enrolled House Bill 2889), within the jurisdiction of the applicant.**

[(1) The number of residential building permits approved within the jurisdiction of the applicant in the most recent two-year period for which data is available under ORS 456.586 (4); or]

[(2) If data under subsection (1) of this section is unavailable, the most recently calculated estimated needed housing as defined in ORS 197.303.]

SECTION 8. If House Bill 2889 becomes law, the amendments to section 3 of this 2023 Act by section 7 of this 2023 Act become operative on January 1, 2026.

SECTION 9. The division of the Oregon Department of Administrative Services that serves as the office of economic analysis, in consultation with the Department of Land Conservation and Development and Housing and Community Services Department, shall:

(1) Develop a survey of local governments' use of staff time that is required to produce housing, including the time spent to process appeals of quasi-judicial or legislative decisions of the local government related to housing and to review housing permits, building inspections for housing, needed comprehensive plan revisions or amendments to land use regulations related to housing required by changes to law, and adoption of conditional use permits for housing; and

(2) On or before September 15 of each year, conduct the survey, collect survey results and provide a report to an appropriate interim committee of the Legislative Assembly in the manner provided in ORS 192.245 on the office's summary and analysis of the survey and any other data collected or used in the analysis.

SECTION 10. Sections 1 to 5 and 9 of this 2023 Act are repealed on January 2, 2034.

SECTION 11. If House Bill 2889 becomes law, section 10 of this 2023 Act is amended to read:

Sec. 10. (1) Sections 1, 2, 4, [to] 5 and 9 of this 2023 Act are repealed on January 2, 2034.

1 (2) Section 3, as amended by section 7 of this 2023 Act, is repealed on January 2, 2034.

2 **SECTION 11.** In addition to and not in lieu of any other appropriation, there is appro-
3 priated to the Oregon Department of Administrative Services, for the biennium beginning
4 July 1, 2023, out of the General Fund:

5 (1) The amount of \$3,600,000, to provide grants under section 1 of this 2023 Act.

6 (2) The amount of \$45,000,000, to provide grants under section 2 of this 2023 Act.

7 (3) The amount of \$500,000, to provide grants under section 4 (1) of this 2023 Act.

8 (4) The amount of \$600,000, to provide grants under section 4 (2) of this 2023 Act.

9 (5) The amount of \$100,000, to perform the analysis and provide the report required under
10 section 9 of this 2023 Act.

11 (6) The amount of \$250,000, to administer grants and reports under sections 1 to 5 of this
12 2023 Act.

13 **SECTION 12.** This 2023 Act takes effect on the 91st day after the date on which the 2023
14 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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