

HB 4063 B STAFF MEASURE SUMMARY
Senate Committee On Housing and Development

Carrier: Sen. Anderson

Action Date: 02/29/24

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 5-0-0-0

Yeas: 5 - Anderson, Jama, Knopp, Patterson, Sollman

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

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Meeting Dates: 2/27, 2/29

WHAT THE MEASURE DOES:

The measure incorporates planning responsibilities for unincorporated areas of Metro into the Oregon Housing Needs Analysis. It allows applicants for the development of housing to opt-in to amended development regulations. It removes statutory language prohibiting buyer-provided non-customary documents in a real estate transaction. It allows middle housing partitions to be further partitioned during the same calendar year. It allows a city to administratively approve or terminate an eligible property tax exemption for single-unit housing. It clarifies language regarding Metro and the Oregon Housing Needs Analysis.

Detailed Summary:

Needed Housing Planning in Unincorporated Metro (Sections 1 – 6)

Defines city as including a county with respect to its jurisdiction over Metro urban unincorporated lands. Defines “Metro urban unincorporated lands” as lands within the Metro urban growth boundary (UGB) that are not within a city; are zoned for urban development; are within the boundaries of specified sanitary and water districts; and are not zoned with an interim designation. Defines “Metro urbanizable lands” as lands within the Metro UGB outside cities and which are not Metro urban unincorporated lands. Allows local governments to plan for Metro urbanizable lands using intergovernmental agreements. Directs Department of Land Conservation and Development (DLCD) to request appropriations for technical assistance to counties, local governments, and special districts. Directs the Oregon Department of Administrative Services (DAS) to include, as part of a statewide housing analysis, one allocation for Metro urban unincorporated lands for each county in Metro.

Opting In to Amended Housing Development Regulations (Sections 7 – 8)

Allows applicants for permits, limited land use decisions, and zone changes for the development of housing to request their application be reviewed using standards and criteria that become operative while their application is pending. Restarts application timelines for the purposes of this Act if a review under different standards is requested. Allows cities and counties to require a fee covering costs incurred by the request, to require additional information if the request changes the application or needs context, or to deny a request in specified conditions.

Realtor Rejection of Documents (Section 9)

Removes language from statute requiring that a seller reject non-customary documents provided by a buyer in a real estate transaction.

Middle Housing Partitions (Sections 10 – 13)

Allows vacant parcels of partitioned land to be further divided into at most three parcels through a middle housing land division with specified conditions. Modifies exceptions to the sale or lease of subdivided or series partitioned lands, to include exceptions for planned community subdivisions of manufactured dwellings or mobile homes; lots or parcels created from expedited land divisions; or lots or parcels created from middle housing land divisions.

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Single-Unit Housing Property Tax Exception Approval (Sections 25 – 28)

Allows a city to administratively approve or terminate an eligible property tax exemption for single-unit housing. Requires a city, upon application approval, to provide the county assessor with specified information about the application prior to the April 1 filing deadline for the tax exemption. Applies provisions to applications approved and notices given on or after the Act's effective date.

House Bill 2001 (2023) Technical Fixes (Section 29 – 44)

Clarifies that applicable Metro local governments determine needed housing similar to non-Metro cities, using Oregon Housing Needs Analysis (OHNA) allocations.

ISSUES DISCUSSED:

- Future funding for local government technical support and capacity building
- Metro "grand bargain" lands and rural reserves
- Land availability for housing needs

EFFECT OF AMENDMENT:

Removes provisions related to manufactured structure documentation (Sections 17 - 20).

BACKGROUND:

In the 2023 session, the Legislative Assembly enacted [House Bill 2001](#), establishing the Oregon Housing Needs Analysis (OHNA) as a new framework by which local governments must determine housing need and establish housing production goals across income levels and for various housing types. The OHNA framework focused on cities with a population over 10,000 and did not include urban unincorporated areas within the Portland Metro area. House Bill 4063 B applies OHNA directives to urban unincorporated lands within the Metro urban growth boundary. The measure further clarifies that cities within Metro may utilize needed housing allocations from DAS and are not required to complete a separate, local projection of needed housing.

For an in-progress application for housing development, the state "goal post" rule in ORS 215.427 may be utilized by an applicant when a city has tightened its land use or development rules, and the applicant wants to rely on the older, less stringent standards that were in place at the time an application was submitted. In other instances, if a local government adopts more lenient rules during the time a development project is under review, the applicant is currently required to resubmit a new application to be reviewed under the new standards. Developers have reported that the application process has potential adverse impacts on a project's cost and timeline, potentially delaying residential projects for needed housing. House Bill 4063 B allows an applicant of a current residential development project to opt in to amended local standards without repeating the full application process.

[House Bill 2001 \(2019\)](#) required cities and counties to allow the development of middle housing on lands zoned for detached single-family residential use within an urban growth boundary. The measure allowed local governments to regulate the siting and design of middle housing, but did not address regulatory barriers to dividing or partitioning middle housing lots. In 2021, [Senate Bill 458](#) clarified the conditions under which local governments must approve divisions of real property for new middle housing development. House Bill 4063 B allows middle housing partitions to be further partitioned within the same calendar year.

[House Bill 2550](#), enacted by the Legislative Assembly in 2021, required sellers' agents in residential real estate transactions to reject non-customary communications to avoid the potential for unlawful selection of a buyer based on race, color, religion, sex, sexual orientation, national origin, marital status, or familial status. The provisions of what became known as the "Homebuyer Love Letter" bill were ruled unconstitutional by a U.S. District Judge in May 2022. In practice the provisions of what became ORS 696.805(7) are no longer valid, and House Bill 4063 B deletes this language from statute.

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Property owners of certain rehabilitated or newly constructed single-unit housing may apply for tax exemptions granted by cities under ORS 307.664. [House Bill 2080 \(2023\)](#) extended the program sunset from January 1, 2025, to January 1, 2030, as the date by which a city must approve an application for exemption. ORS 307.674 describes procedures a local government must follow to approve or deny an application for a tax exemption. Currently, the law requires approval by a city's governing body through an ordinance or resolution, and requires similar action for a termination of an exemption for failure to meet requirements (ORS 307.681). House Bill 4063 B allows cities to expedite the approval or termination process through administrative approval.