

SB 974 -1 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Meeting Dates: 3/17

WHAT THE MEASURE DOES:

The measure reduces to 45 days the amount of time, following receipt of a complete application, a city or a county has to make a decision on a land-use application for single-family dwellings.

Detailed Summary:

Requires a city or a county to take final action on a complete application for a permit, limited land use decision, or zone change within the timeframe of:

- 150 days if a county;
- 120 days if a city, or if the application is for land within the urban growth boundary (UGB) or for mineral extraction;
- 100 days if the application is for the development of affordable multifamily housing; or
- 45 days if the application is for the development of a single-family dwelling.

Takes effect on 91st day sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment makes local government decisions about residential land-use within an urban growth boundary (UGB) an "urban housing application," and considers it a limited land-use decision. The amendment states that applications for a final engineering review or land partition as part of an urban housing application that are not rejected within 120 days of receipt of a complete application are approved. The amendment states that a local government cannot make approval by a design review process a requirement for the approval of an urban housing application. The amendment directs the Land Use Board of Appeals to award attorney fees and engineering costs to the prevailing party in a dispute concerning an urban housing application.

Detailed Summary:

Adds "approval or denial of an urban housing application" to the actions constituting a Limited Land Use Decision. Defines "urban housing application" as an application to a local government seeking approval of any aspect of land for residential use within a UGB, including to:

- Amend a comprehensive plan or land use regulation;
- Adopt a planned unit development or concept plan;
- Plat, partition or subdivide;
- Provide for provision of utilities or other urban services; and
- Site a dwelling structure.

Excludes from the definition of "urban housing application" an application that would reduce minimum residential density.

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Requires that a local government or special district complete a final engineering review and be ready to issue all necessary permits for the construction of improvements—including grading, water, sewer, stormwater, transportation systems, utilities, and landscaping—within 120 days after the submission of a complete final review application that is part of an urban housing application. States that unless an application for final engineering review as part of an urban housing application is rejected within 120 days of receipt of a complete application, that application is considered approved. States that unless an application for a subdivision or partition as part of an urban housing application is rejected within 120 days of receipt of a complete application, that application is considered approved.

Stipulates that a local government may not require compliance with any design review process—including relating to aesthetics, landscaping, building orientation, parking or building design— as a condition of approval of an urban housing application. Allows limitations of building size to be considered in a design review process.

Directs the Land Use Board of Appeals to award attorney fees and engineering costs to the prevailing party, be it the applicant or the local government, in a dispute surrounding an urban housing application.

BACKGROUND:

Under Oregon's system of Land Use Planning, the Land Conservation and Development Commission, or LCDC, defines land use goals and the Department of Land Conservation and Development (DLCD) facilitates and assists local governments in carrying out these goals through their comprehensive plans. [Local comprehensive plans address the statewide goals and a variety of local planning priorities](#). New land-use applications are reviewed and screened for compliance with comprehensive plans. Oregon Law currently mandates that the deciding body on a land use decision return their decision no later than 150 days (if a county) or 120 days (if a city, or for mineral extraction) after receipt of a complete application.

Local planning and zoning decisions balance the needs of the locality with the need for housing within the state, underproduction of which has contributed to the declaration of [housing and homelessness emergencies](#) by Governor Tina Kotek. Documented underproduction of housing in Oregon since the financial crisis of 2008 coupled with high population growth (nearly 11% between 2010 and 2020), has led to upward market pressure on housing costs, which is the major [driver of homelessness](#) in Oregon and increasing economic concern. According to [ECONorthwest](#), Oregon now has the second most constrained housing market in the country. According to a [study](#) undertaken by the housing data firm ResiClub, the average home price in Oregon has increased nearly 700 percent between 1984 and 2024. The mismatch of supply of housing and demand for it has increased the gap between average renter-income and housing costs, such that between 2020 and 2022, an additional \$2 of income went towards rent for ever additional \$1 wage increase. Because of these factors, Oregon Governor Tina Kotek declared a state of emergency and issued Executive Order 23-04, which established a statewide housing production goal and housing production advisory council. According to the order and to the [Oregon Housing Needs Analysis](#), Oregon needs to build an additional 29,500 homes per year. According to the Oregon Office of Economic Analysis, builders in the state requested 20,000 residential permits in 2022, fewer than 18,000 in 2023, and just over 13,000 by November 2024.