

HB 2258 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 3/17, 4/2, 4/7

WHAT THE MEASURE DOES:

Directs the Housing and Community Services Department to study housing and report to the legislature by September 15, 2026. Sunsets study on January 2, 2027.

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

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

ISSUES DISCUSSED:

- Cost of construction of affordable housing and transferring savings to home buyers
- Incentives for cities that are already developing middle housing

EFFECT OF AMENDMENT:

-1 Replaces the measure.

Defines “minimum dwelling units per acre” as a land use regulation that establishes the minimum number of residential dwelling units that must be developed on a site, calculated by dividing the total number of dwelling units by the gross acreage of the development parcel or parcels.

Defines “minimum floor area ratio” as a land use regulation that establishes a dwelling’s minimum amount of enclosed interior habitable floor space, not including garages or unfinished basements, as a ratio of the area of the lot or parcel on which the dwelling is located.

Allows the Land Conservation and Development Commission (LCDC) to adopt rules requiring local governments to issue a land use decision, notwithstanding any comprehensive plan or land use regulations or statewide land use planning goals, approving the development of specified residential development types on certain lots or parcels under specified conditions.

Clarifies that rules can only pertain to lots or parcels that are: lawfully established units of land; within an urban growth boundary; zoned to allow residential use; at least 1,500 square feet; not larger than 20,000 square feet; not covered by slopes averaging more than 15 percent; not within an area identified in an inventory or map that is part of the local government’s comprehensive plan as: environmentally sensitive or containing significant natural resources, open space or scenic areas, or natural hazard areas; and vacant (including a lot or parcel created by a division specifically to qualify for residential development, on which is sited a nonresidential structure that is nonconforming or not suitable for any lawful use, for which residential units were demolished more than five years prior, for which residential units were demolished within the previous five years, provided that the approved development would create net additional units and would use a building construction plan).

Permits only the following residential development types:

- Attached or detached housing, including accessory dwelling units or prefabricated or modular housing.
- Types with a buildable area of an average per-unit size of not more than 2,200 square feet for a single-unit dwelling, accessory dwelling unit, duplex, triplex, quadplex or townhouse; and not more than 1,400 square feet for cottage clusters or a multiunit dwelling.
- A multiunit dwelling with more than six and fewer than 12 units.

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- A single-unit dwelling with a minimum floor area ratio of 0.35 or a minimum dwelling units per acre of 7.
- A duplex or triplex with a minimum floor area ratio of 0.8 or a minimum dwelling units per acre of 23.
- A quadplex with a minimum floor area ratio of 1.5 or a minimum dwelling units per acre of 33.
- Townhouses with a minimum floor area ratio of 1.5 or a minimum dwelling units per acre of 40.
- Cottage clusters with a minimum floor area ratio of 0.8 or a minimum dwelling units per acre of 35.
- A multiunit dwelling with a minimum floor area ratio of 2.0 or a minimum dwelling units per acre of 87.

Permits LCDC to specify the following:

- land use permit costs;
- requirements for analysis of impact on public utilities or transportation;
- design standards and the scope of design review, which may include requiring the approval of the use of any material, design or method of construction that is approved under the applicable building code;
- Allowable variations or adjustments, or variation or adjustment types, from the specific approval; and
- limits on land use, including establishing appropriate minimum or maximum setbacks, parking requirements, building lot coverage, building heights or standards for tree removal, replacement, or planting.

Requires standards for tree removal to include:

- prohibiting the removal of heritage trees or trees with a DBH of 20 inches or more; and
- requiring the replacement or replanting of every removed tree that is: locally designated as a protected species, healthy and with a DBH of 12 inches or more, and within an area locally designated as an urban heat island.

Directs LCDC to adopt initial rules for issuing land use decisions by January 1, 2027.

Allows DCBS to designate a process by which an applicant for a building permit for a residential structure may receive building construction plan approval from the municipality, including through the use of typical drawings and specifications created by the department; review of plans and specifications approved by the department.

Allows DCBS to coordinate with approvals of land use plans by LCDC.

Declares emergency, effective on passage.

BACKGROUND:

The Oregon Land Conservation and Development Commission (LCDC), with support from the department, sets state land-use objectives, develops regulatory guidelines, ensures local plans comply with these targets, coordinates planning at both state and local levels, and manages the coastal zone program. The commission consists of seven volunteer citizen members, who are nominated by the Governor and confirmed by the Senate. They serve four-year terms, with a limit of two full terms. Under ORS 197.030—the law that created the commission—its members must represent different regions of the state. Additionally, at least one member must be a current or former elected city official, and another must be an elected county official at the time of their appointment.

The Community Services Division provides comprehensive technical support to both local governments and state agencies. Its functions include reviewing local plans to ensure they align with statewide planning objectives and awarding planning grants to local jurisdictions. The division also employs regional representatives who work closely with county and city planners in their designated areas.

A central responsibility for these regional representatives is to review every comprehensive plan proposal and adoption submitted to the DLCD in accordance with state law. In Oregon, the term “Periodic Review” refers to the scheduled evaluation and update of a local comprehensive plan. Cities and counties are required to periodically reassess their plans by addressing key components such as housing, economic development, transportation, public facilities and services, and urban land supply. To assist in this process, DLCD collaborates with local

jurisdictions to identify their unique planning and development needs and to develop a corresponding work program. Once approved, a city submits its specific planning tasks for further review and approval by the department or the LCDC.

PRELIMINARY