

SB 974 -1, -3 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Meeting Dates: 3/17, 3/19, 4/7

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 following adjournment 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 An explanation of the -1 amendment is available on the [staff measure summary](#) for the public hearing for Senate Bill 974 on 3/17/25.

-3 Replaces the measure.

The amendment defines the timeline in which a local government or special district must return a decision on final engineering plans for residential development within urban growth boundaries. The amendment defines and adds "urban housing application" to actions constituting a limited land use decision.

Detailed Summary:

Defines 'urban housing application' as an application to a local government for a quasi-judicial decision seeking approval of any aspect of the development of lands zoned, or planned, for residential use or mixed-use within an urban growth boundary (UGB), including an application to:

- amend a comprehensive plan or seek variance from a land use regulation;
- adopt a planned development;
- tentatively plat, partition, or subdivide the land;
- approve any preliminary engineering or design plans relating to utilities, road, or other urban services;
- site a dwelling structure.

An urban housing application does not include:

- an application that would have the effect of reducing minimum residential density of land;
- an application for a residential construction permit;

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- a final decision on whether a subdivision or partition substantially conforms to the tentative subdivision or partition plan.
- a final review of engineering plans within a UGB; and
- a decision made by a ministerial or other expedited approval procedure.

Makes an urban housing application a limited land use decision, meaning a final decision made by a local government pertaining to a site within a UGB.

Requires that, for any urban housing application for a development of 20 or more residential lots or parcels, a local government waive requirements for any design review process related to aesthetics, landscaping, building orientation, parking, or building design; but not including design review for size limitations, applicable building codes, fire codes or public health and safety regulations. States that a local government may waive the design review requirements related to aesthetics, landscaping, building orientation, parking, or building design for an application relating to a smaller number of lots or parcels.

Requires that a local government or special district confirm receipt, or specify all additional materials that must be provided to complete an application, of a completed final engineering plan application for a residential development within a UGB within 14 days of submittal. Defines this 14-day period as on-hold, or "tolled," for the period of time between when the government or special district has specified additional materials are required to complete the application, and when the applicant returns those materials. Requires that a local government or special district return a decision on a complete application—one which includes all applicable fees, forms, and bonds—of final engineering plans for residential development within a UGB, and be ready to issue all necessary permits, including utilities, within 90 days after the date on which:

- the application is deemed complete;
- the applicant has supplied all materials necessary to complete an initially incomplete application; or
- the applicant states that they are not providing additional materials.

Allows the applicant and the reviewing local government or special district to agree to extend the 90-day deadline by 30-day periods.

Provides that an applicant is entitled to an award, including of the applicant's reasonable engineering costs and attorney fees, if the local government or special district fails to meet the deadline for final action of:

- the above-specified 90-day period for final engineering plan application within a UGB;
- an urban housing application;
- a permit, limited land use decision, or zone change application for land within a UGB within 120 days after the application is deemed complete (as provided by ORS 215.427 if a county, and ORS 227.178 if a city).

Defines 'attorney fees' as including prelitigation legal expenses, such as the cost of preparing and processing the application, and supporting the application in hearings. Defines 'engineering costs' as including costs to prepare the preliminary plat, to calculate, draft, and design infrastructure plans, and to submit and process the application and consult with relevant local government officials.

Takes effect on the 91st day following adjournment sine die.

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. A quasi-judicial decision in the context of land use in Oregon is a decision that applies existing rules and policies to a specific factual situation, such as a development proposal, requiring a hearing and findings of fact and conclusions of law.

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. According 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.