

## SB 974 A -A5 STAFF MEASURE SUMMARY

### House Committee On Housing and Homelessness

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**Meeting Dates:** 5/5, 5/12, 5/19, 5/19

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#### WHAT THE MEASURE DOES:

The measure creates deadlines for local review of residential engineering plans. It defines “urban housing application”. It also makes aesthetic design review mandatory for large-scale housing subdivisions while giving cities and counties flexibility to keep or drop such review for smaller projects.

#### Detailed Summary:

##### **Expedited Engineering-Plan Review and Permit Issuance**

- Establishes timelines for local governments and special districts reviewing final engineering plans for residential development located inside an urban growth boundary.
- Requires reviewing body to either confirm the application is complete or list all additional materials needed within 14 days of submittal.
- Requires reviewing body to finish its review and be prepared to issue all site-development permits (grading, water, sewer, stormwater, transportation, utilities, landscaping) upon receipt of required fees, forms, and bonds no later than 90 days after the application is deemed complete—or the applicant says no further materials will be supplied.
- Allows applicant and reviewing local government to agree to one or more 30-day extensions of the 90-day deadline.

##### **Missed Deadlines**

- Grants applicants a right to recover reasonable engineering costs and attorney fees (including appeal costs) if they prevail on a claim that a local government or special district failed to meet:
  - the new deadlines for site development permits, or
  - existing statutory deadlines for urban housing applications.
- Clarifies definitions of “attorney fees”, “engineering costs”, and “claim”.

##### **Urban Housing Application Definition**

- Creates a statutory definition of the term “urban housing application”.
- Specifies the kinds of quasi-judicial land-use filings that fall under the definition of urban housing application.
- Carves specific categories not treated as urban housing applications.

##### **Design Review Process or Requirements Related to Aesthetics, Landscaping, Building Orientation, Parking, or Building Design**

- Directs local governments to waive otherwise applicable aesthetic-based design-review process or requirements if an urban housing application proposes 20 or more lots or parcels.
- Authorized local government to waive said design-review steps for developments with fewer than 20 lots or parcels.

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

*Fiscal impact: Fiscal impact issued*

*Revenue impact: No revenue impact*

*SENATE VOTE: Ayes, 29.*

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*This summary has not been adopted or officially endorsed by action of the committee.*

**ISSUES DISCUSSED:**

- Implementation timelines and effective dates of the measure
- Senate Bill 1537 (2024) interactions and expansion
- Limited land use decision process and public comments

**EFFECT OF AMENDMENT:**

-A5 The amendment defines “final engineering plans” and gives local governments 30 days to deem an application complete and 120 days to approve or deny it, with extensions controlled by the applicant and a capped timeline. The amendment also limits any fee award to the applicant’s legal costs and modifies the definition of “urban housing application”.

Detailed Summary:

- Introduces a definition of “final engineering plans” and lengthens both the completeness window (from 14 to 30 days) and the final decision deadline (from 90 to 120 days).
- Tolls the review period only when a direction to correct or supplement is sent until resubmittal, permits extensions only at the applicant’s written request, and caps applicant-initiated extensions at 245 days.
- Allows applicants to file a petition for a writ of mandamus in circuit court if the local government does not take final action on the application within the specified deadlines.
- Directs the courts to issue a peremptory writ unless the local government (or an intervenor) proves the plans would violate substantive regulations.
- Removes automatic fee-and-engineering-cost award whenever a deadline suit succeeds and directs applicants to file a mandamus petition before the city issues its decision and, if they win, they may recover only legal fees.
- Modifies the definition of “urban housing application” to include captures variances, site and design reviews, and mixed-use areas, while eliminating preliminary engineering or design approvals and site-specific dwelling type list.
- Recasts the framework to focus on discretionary land-use actions that shape residential density, layout, or design.
- Clarifies that when a local government rezones land under an *urban housing application*, it need not apply the very regulation it is in the process of amending.
- Replaces the standard post-acknowledgment amendment hearing process with a notice requirement.
- Prohibits governments from imposing aesthetics-oriented design reviews on projects with more than 20 residential units.
- Expands and clarifies which functional and safety-related regulations remain fully enforceable and defines “residential design standard.”
- Removes prohibition on applying aesthetic design standards to large housing projects from ORS 197A.400.
- Modifies operative dates and makes the provisions on awarding attorney fees and limited land use decisions operative on July 1, 2026; and the provisions on clear and objective standards, conditions, and procedures regulating the development of housing operative on January 2, 2033.

**BACKGROUND:**

Oregon law does not have a statewide deadline for a city or county’s final review of subdivision-level engineering or “public-works” plans (grading, utility, street and landscaping drawings). Local governments adopt their own processes under ORS §92.044, so review timelines vary by city or county. Existing state deadlines cover earlier land-use approvals and later building-code plan checks. Unlike the various building codes which outline safety, durability, and efficiency, aesthetic mandates only impact the appearance of homes. These mandates are often tied to land use decisions made at the local level (Housing Affordability Institute’s Affordability Roadblocks series).