



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to land use; declaring an emergency.

Government Unit(s) Affected: Department of Administrative Services, Cities, Counties, Department of Land Conservation and Development, Department of Consumer and Business Services, Employment Department, Judicial Department, Land Use Board of Appeals, Metro, Special Districts

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Land Conservation and Development	\$ 3,891,599	\$ -	\$ -	\$ -	\$ 3,891,599	3	2.63
Total Fiscal Impact	\$ 3,891,599	\$ -	\$ -	\$ -	\$ 3,891,599	3	2.63

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Land Conservation and Development	\$ 2,563,903	\$ -	\$ -	\$ -	\$ 2,563,903	3	3.00
Total Fiscal Impact	\$ 2,563,903	\$ -	\$ -	\$ -	\$ 2,563,903	3	3.00

Measure Description

The measure requires the Land Conservation and Development Commission to adopt rules by January 1, 2028, related to siting and design standards, model system development charges, procedures to estimate the reasonable zoned housing capacity of an area, and other provisions to support housing development. The Department of Administrative Services (DAS) is required to annually publish regional affordability thresholds used to define affordable housing. Cities, counties, and Metro must update local codes and comprehensive plans to align with the expanded requirements for middle housing and land use review procedures. The Department of Land Conservation and Development (DLCD) is authorized to grant timeline extensions to jurisdictions under specific deadlines.

The measure expands where middle housing must be allowed, including in urban unincorporated areas, and updates definitions and land use processes. Local governments must allow additional housing units on qualifying lots when affordable or accessible units are included, accommodate single room occupancies, and apply only clear and objective standards in specified areas. The measure prohibits local governments from imposing certain traffic-related requirements or reducing residential densities unless consistent with statewide planning goals. Restrictive covenants and governing document provisions that limit housing types or land divisions are rendered unenforceable, with retroactive application and an operative date of January 1, 2027.

Fiscal Analysis

The fiscal impact is estimated at \$3.9 million General Fund and 2.63 FTE in the 2025-27 biennium and \$2.6 million General Fund and 3.00 FTE in the 2027-29 biennium.

Department of Land Conservation and Development

DLCD is required to adopt new administrative rules and update middle housing model codes by January 1, 2028.

To meet these responsibilities, DLCDC expects to hire three permanent full-time Planner 3 positions in the 2025-27 biennium to support rulemaking, lead a Rulemaking Advisory Committee (RAC), and assist local governments in aligning code updates with statutory requirements. DLCDC would also reclassify one existing permanent full-time Planner 3 to a Planner 4 to support expanded responsibilities related to public works planning. Position costs and associated services and supplies are estimated at \$941,599 General Fund in the 2025-27 biennium and \$1.1 million General Fund in the 2027-29 biennium.

There are also estimated costs of \$1.5 million in the 2025-27 biennium for public engagement and RAC activities, including facilitation, consultation, and legal review.

DLCD estimates additional costs of \$1.5 million which will be provided as technical assistance grants to local governments to contract for help with code and procedural updates.

Local Governments

The measure is anticipated to have an indeterminate fiscal impact on cities and counties. Local governments are expected to incur costs related to drafting and reviewing code amendments, holding public hearings, and updating local regulations to align with state requirements. Additional workload is also anticipated during and after DLCDC rulemaking through 2027, particularly in implementing the rulemaking outcomes. The specific fiscal impact will vary by jurisdiction and is indeterminate at this time.

Other entities

The measure is anticipated to have minimal impact on the Oregon Employment Department, Oregon Judicial Department, Department of Consumer and Business Services, Land Use Board of Appeals, DAS, Special Districts, and Metro.

Relevant Dates

Local governments must implement new single room occupancy requirements by January 1, 2027.

DLCD must adopt new rules and update middle housing model codes by January 1, 2028.

DLCD is to report to the interim committees of the Legislative Assembly related to land use by July 1, 2028 on if it is feasible and advisable to provide safe harbor protections for cities that use the commission's model system development charges, or otherwise incentivizing the use of the models.

The measure declares an emergency and takes effect on passage.