

House Bill 3708

Sponsored by Representative EVANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act relaxes the rules that relate to home prices for lands that are being added to a smaller city's UGB through a temporary program. (Flesch Readability Score: 63.0).

Allows a city with a population of 20,000 or fewer to bring lands into its urban growth boundary, under a temporary program, under lower requirements for the percentage of affordable housing.

A BILL FOR AN ACT

1
2 Relating to modifications to an urban growth boundary; amending sections 55, 56 and 60, chapter
3 110, Oregon Laws 2024.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 55, chapter 110, Oregon Laws 2024, is amended to read:

6 **Sec. 55.** (1) As used in this section:

7 (a) "Affordable units" means residential units described in subsection (3)(f)(A), **(4) or (5)** [*or*
8 *(4)*] of this section.

9 (b) "Market rate units" means residential units other than affordable units.

10 (2) Before adopting an urban growth boundary amendment under section 50, **chapter 110,**
11 **Oregon Laws 2024,** [*of this 2024 Act*] or petitioning Metro under section 51, **chapter 110, Oregon**
12 **Laws 2024** [*of this 2024 Act*], for a site larger than 15 net residential acres, a city shall adopt a
13 binding conceptual plan as an amendment to its comprehensive plan.

14 (3) The conceptual plan must:

15 (a) Establish the total net residential acres within the site and must require for those residential
16 areas:

17 (A) A diversity of housing types and sizes, including middle housing, accessible housing and
18 other needed housing;

19 (B) That the development will be on lands zoned for residential or mixed-use residential uses;
20 and

21 (C) **That** the development will be built at net residential densities not less than:

22 (i) Seventeen dwelling units per net residential acre if sited within the Metro urban growth
23 boundary;

24 (ii) Ten units per net residential acre if sited in a city with a population of 30,000 or greater;

25 (iii) Six units per net residential acre if sited in a city with a population of 2,500 or greater and
26 less than 30,000; or

27 (iv) Five units per net residential acre if sited in a city with a population less than 2,500;

28 (b) Designate within the site:

29 (A) Recreation and open space lands; and

30 (B) Lands for commercial uses, either separate or as a mixed use, that:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (i) Primarily serve the immediate surrounding housing;
- 2 (ii) Provide goods and services at a smaller scale than provided on typical lands zoned for
3 commercial use; and
- 4 (iii) Are provided at the minimum amount necessary to support and integrate viable commercial
5 and residential uses;
- 6 (c) If the city has a population of 5,000 or greater, include a transportation network for the site
7 that provides diverse transportation options, including walking, bicycling and transit use if public
8 transit services are available, as well as sufficient connectivity to existing and planned transporta-
9 tion network facilities as shown in the local government's transportation system plan as defined in
10 Land Conservation and Development Commission rules;
- 11 (d) Demonstrate that protective measures will be applied to the site consistent with the state-
12 wide land use planning goals for:
 - 13 (A) Open spaces, scenic and historic areas or natural resources;
 - 14 (B) Air, water and land resources quality;
 - 15 (C) Areas subject to natural hazards;
 - 16 (D) The Willamette River Greenway;
 - 17 (E) Estuarine resources;
 - 18 (F) Coast shorelands; or
 - 19 (G) Beaches and dunes;
- 20 (e) Include a binding agreement among the city, each owner within the site and any other nec-
21 essary public or private utility provider, local government or district, as defined in ORS 195.060, or
22 combination of local governments and districts that the site will be served with all necessary urban
23 services as defined in ORS 195.065, or an equivalent assurance; and
- 24 (f) Include requirements that ensure that:
 - 25 (A) At least 30 percent of the residential units are subject to affordability restrictions, including
26 but not limited to affordable housing covenants, as described in ORS 456.270 to 456.295, that require
27 for a period of not less than 60 years that the units be:
 - 28 (i) Available for rent, with or without government assistance, by households with an income of
29 80 percent or less of the area median income as defined in ORS 456.270; or
 - 30 (ii) Available for purchase, with or without government assistance, by households with an in-
31 come of 130 percent or less of the area median income;
 - 32 (B) The construction of all affordable units has commenced before the city issues certificates
33 of occupancy to the last 15 percent of market rate units;
 - 34 (C) All common areas and amenities are equally available to residents of affordable units and
35 of market rate units and properties designated for affordable units are dispersed throughout the site;
36 and
 - 37 (D) The requirement for affordable housing units is recorded before the building permits are is-
38 sued for any property within the site, and the requirements contain financial penalties for noncom-
39 pliance.
- 40 (4) A city may require greater affordability requirements for residential units than are required
41 under subsection (3)(f)(A) of this section, provided that the city significantly and proportionally off-
42 sets development costs related to:
 - 43 (a) Permits or fees;
 - 44 (b) System development charges;
 - 45 (c) Property taxes; or

1 (d) Land acquisition and predevelopment costs.

2 (5) **Notwithstanding the requirement under subsection (3)(f)(A) of this section that the**
3 **affordability restrictions apply to at least 30 percent of residential units, a city outside of**
4 **Metro with a population of 20,000 or fewer may allow only 20 percent of residential units to**
5 **be subject to such affordability restrictions.**

6 **SECTION 2.** Section 56, chapter 110, Oregon Laws 2024, is amended to read:

7 **Sec. 56.** (1) A city that intends to add 15 net residential acres or less is not required to adopt
8 a conceptual plan under section 55, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] if the city
9 has entered into:

10 (a) Enforceable and recordable agreements with each landowner of a property within the site
11 to ensure that the site will comply with the affordability requirements described in section 55
12 (3)(f), **(4) or (5), chapter 110, Oregon Laws 2024** [of this 2024 Act]; and

13 (b) A binding agreement with each owner within the site and any other necessary public or
14 private utility provider, local government or district, as defined in ORS 195.060, or combination of
15 local governments and districts to ensure that the site will be served with all necessary urban ser-
16 vices as defined in ORS 195.065.

17 (2) This section does not apply to a city within Metro.

18 **SECTION 3.** Section 60, chapter 110, Oregon Laws 2024, is amended to read:

19 **Sec. 60.** (1) Sections 49 to [59] **54, chapter 110, Oregon Laws 2024**, [of this 2024 Act] are re-
20 pealed on January 2, 2033.

21 **(2) Section 55, chapter 110, Oregon Laws 2024, as amended by section 1 of this 2025 Act,**
22 **is repealed on January 2, 2033.**

23 **(3) Section 56, chapter 110, Oregon Laws 2024, as amended by section 2 of this 2025 Act,**
24 **is repealed on January 2, 2033.**

25 **(4) Sections 57 to 59, chapter 110, Oregon Laws 2024, are repealed on January 2, 2033.**

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