

SB 49-1

Six "housing production accelerator" concepts

Michael Andersen, Sightline Institute
Senate Committee on Housing & Development
Wednesday, March 5, 2025

Goals for items in SB 49

Goals for items in SB 49

- **Reduce regulatory barriers** to housing production

Goals for items in SB 49

- **Reduce regulatory barriers** to housing production
- **"Shovel-ready" policy change:** either already developed or conceptually simple

Goals for items in SB 49

- **Reduce regulatory barriers** to housing production
- **"Shovel-ready" policy change:** either already developed or conceptually simple
- **No fiscal** cost to state

Goals for items in SB 49

- **Reduce regulatory barriers** to housing production
- **"Shovel-ready" policy change:** either already developed or conceptually simple
- **No fiscal** cost to state
- **Light touch** on local jurisdictions

Component 1: Legalizing incremental development



26 dwellings per net acre



52 dwellings per net acre



52 dwellings per net acre



zero dwellings per net acre



26 dwellings per net acre

SB 49-1: Cities with more than **10,000 population** would need to **remove mandatory minimum densities** at some point in their next scheduled housing planning cycle (between 6 and 16 years).

Being considered for future amendments: scale back or remove.

Component 2: Applying model zoning codes

Zone: "High-density high-rise residential"

Zone: "High-density high-rise residential"

Description: "Suitable for high-density apartment or condominium towers"

Zone: "High-density high-rise residential"

Description: "Suitable for high-density apartment or condominium towers"

Maximum homes allowed on a 20,000 square foot lot:

Zone: "High-density high-rise residential"

Description: "Suitable for high-density apartment or condominium towers"

Maximum homes allowed on a 20,000 square foot lot: 10

Zone: "High-density high-rise residential"

Description: "Suitable for high-density apartment or condominium towers"

Maximum homes allowed on a 20,000 square foot lot: 10



Enrolled
Senate Bill 1564

Sponsored by Senators ANDERSON, KNOPP, Representative BREESE-IVERSON; Senator SMITH
DB, Representative WRIGHT (Pre-session filed.)

CHAPTER

AN ACT

Relating to housing; creating new provisions; amending ORS 197A.400 and 227.175; and declaring an emergency.

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

SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 197A.

SECTION 2. (1)(a) On or before January 1, 2026, the Land Conservation and Development Commission shall adopt three model ordinances providing clear and objective standards for the development of various housing types within an urban growth boundary, including single-family detached housing, middle housing, as defined in ORS 197A.420, accessory dwelling units, as defined in ORS 197A.425, and multifamily housing, that may be readily adopted by a local government in compliance with the requirements of ORS 197.610.

- (b) Among the three model ordinances adopted under this section:
 - (A) One must be targeted toward cities with a population of 25,000 or greater.
 - (B) One must be targeted toward cities with a population of 2,500 or greater and less than 25,000; and
 - (C) One must be targeted toward cities with a population of 25,000 or greater.
- (c) In adopting model ordinances under this section, the commission:
 - (A) May consider geographic location and other regional factors; and
 - (B) May allow a city to adopt, in whole or in part, a model ordinance targeted toward a larger city.

(2) A model ordinance adopted under this section is presumed to have clear and objective standards.

(3) In adopting model ordinances under this section, the commission may adopt principles and considerations under section 9 (2), chapter 13, Oregon Laws 2023.

SECTION 3. ORS 197A.400 is amended to read:

197A.400. (1) Except as provided in subsection (3) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of housing, including needed housing, on land within an urban growth boundary. The standards, conditions and procedures:

- (a) May include, but are not limited to, one or more provisions regulating the density or height of a development.
- (b) May not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

82nd OREGON LEGISLATIVE ASSEMBLY—2024 Regular Session

Enrolled
Senate Bill 1564

Sponsored by Senators ANDERSON, KNOPP, Representative BREESE-IVERSON; Senator SMITH
DB, Representative WRIGHT (Pre-session filed.)

CHAPTER

AN ACT

Relating to housing; creating new provisions; amending ORS 197A.400 and 227.175; and declaring an emergency.

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

SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 197A.

SECTION 2. (1)(a) On or before January 1, 2026, the Land Conservation and Development Commission shall adopt three model ordinances providing clear and objective standards for the development of various housing types within an urban growth boundary, including single-family detached housing, middle housing, as defined in ORS 197A.420, accessory dwelling units, as defined in ORS 197A.425, and multifamily housing, that may be readily adopted by a local government in compliance with the requirements of ORS 197.610.

- (b) Among the three model ordinances adopted under this section:
 - (A) One must be targeted toward cities with a population of 2,500 or greater and less than 25,000; and
 - (B) One must be targeted toward cities with a population of 25,000 or greater.
- (c) One must be targeted toward cities with a population of 25,000 or greater.
- (d) In adopting model ordinances under this section, the commission:
 - (A) May consider geographic location and other regional factors; and
 - (B) May allow a city to adopt, in whole or in part, a model ordinance targeted toward a larger city.

(2) A model ordinance adopted under this section is presumed to have clear and objective standards.

(3) In adopting model ordinances under this section, the commission shall prioritize the principles and considerations under section 9 (2), chapter 13, Oregon Laws 2023.

SECTION 3. ORS 197A.400 is amended to read:
SECTION 3. (1) Except as provided in subsection (3) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of housing, including needed housing, on land within an urban growth boundary. The standards, conditions and procedures:

- (a) May include, but are not limited to, one or more provisions regulating the density or height of a development.
- (b) May not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

"Model ordinances providing clear and objective standards for the development of various housing types."

SB 49-1: During next planning cycle, cities with over 25,000 population would identify at least one zone on their books **at least as flexible as** each of the state's existing model codes.

SB 49-1: During next planning cycle, cities with over 25,000 population would identify at least one zone on their books **at least as flexible as** each of the state's existing model codes.

Must allow that zone **somewhere** in town; cities control where and how much land.

Local zones

low-density

mid-density

high-density

central city

Local zones

low-density

mid-density

high-density

central city

State model codes

ADU

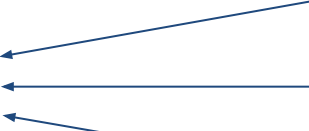
single-dwelling

middle housing

multifamily

Local zones

- low-density
- mid-density
- high-density
- central city



State model codes

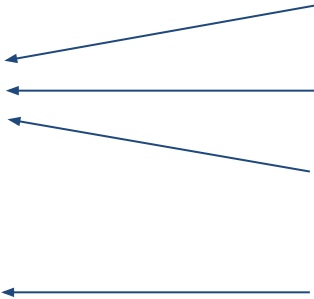
- ADU
- single-dwelling
- middle housing
- multifamily

Local zones

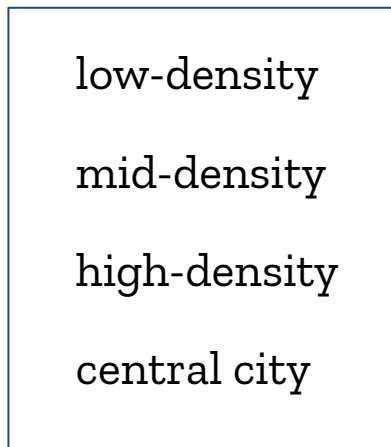
- low-density
- mid-density
- high-density
- central city

State model codes

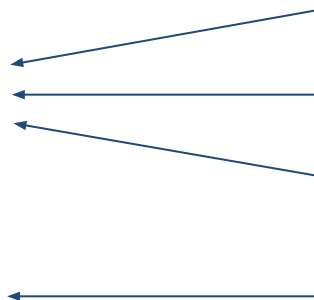
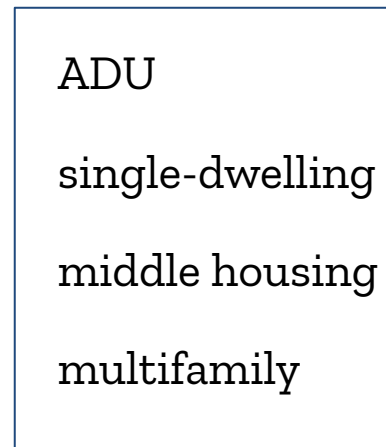
- ADU
- single-dwelling
- middle housing
- multifamily



Local zones



State model codes



"At least as flexible as"

Intent of SB 49-1:

- **Predictability** for larger cities interfacing with DLCD

Intent of SB 49-1:

- **Predictability** for larger cities interfacing with DLCD
- **Lower administrative burden** for OHNA compliance

Intent of SB 49-1:

- **Predictability** for larger cities interfacing with DLCD
- **Lower administrative burden** for OHNA compliance

Being considered for future amendments:

Delay effective date.

Component 3: Streamlining upzones



Downzones push infrastructure needs elsewhere and **sometimes** increase total needs; upzones **sometimes** reduce overall infrastructure needs

New option for jurisdictions when upzoning:

New option for jurisdictions when upzoning:

- Cities and counties **may** defer Goal 10 (housing), 11 (pipes), or 12 (transportation) analysis until next planning cycle

New option for jurisdictions when upzoning:

- Cities and counties **may** defer Goal 10 (housing), 11 (pipes), or 12 (transportation) analysis until next planning cycle
- Creates **more parity** with downzoning

New option for jurisdictions when upzoning:

- Cities and counties **may** defer Goal 10 (housing), 11 (pipes), or 12 (transportation) analysis until next planning cycle
- Creates **more parity** with downzoning

Being considered for future amendments: remove Goal 11; defer until TSP update for goal 12.

Component 4: Protecting council-approved zoning



Proposed: 214 homes



Proposed: 214 homes



Approved: 121 homes



Proposed: 165 homes



Proposed: 165 homes



Approved: 148 homes

SB 49-1: **Narrow the carveout** from state's "clear and objective" standards:

SB 49-1: **Narrow the carveout** from state's "clear and objective" standards:

- **Discretionary design review remains** for historic districts, Portland design districts

SB 49-1: **Narrow the carveout** from state's "clear and objective" standards:

- **Discretionary design review remains** for historic districts, Portland design districts
- But discretionary design review cannot have the effect of forcing residential density below **council-approved zoning**

SB 49-1: **Narrow the carveout** from state's "clear and objective" standards:

- **Discretionary design review remains** for historic districts, Portland design districts
- But discretionary design review cannot have the effect of forcing residential density below **council-approved zoning**

Being considered for future amendments: Add height, FAR.

Component 5: Flexible and productive inclusionary zoning options

Applies only to **mandatory** IZ programs,
which only one city has ever created under
current statute: Portland

Set local mandatory IZ programs up for success with:

Set local mandatory IZ programs up for success with:

1. More local **flexibility** in program design

Set local mandatory IZ programs up for success with:

1. More local **flexibility** in program design
2. Regular check-ins on **program balance**

Set local mandatory IZ programs up for success with:

1. More local **flexibility** in program design
2. Regular check-ins on **program balance**

Set local mandatory IZ programs up for success with:

1. More local **flexibility** in program design
2. Regular check-ins on **program balance**

Set local mandatory IZ programs up for success with:

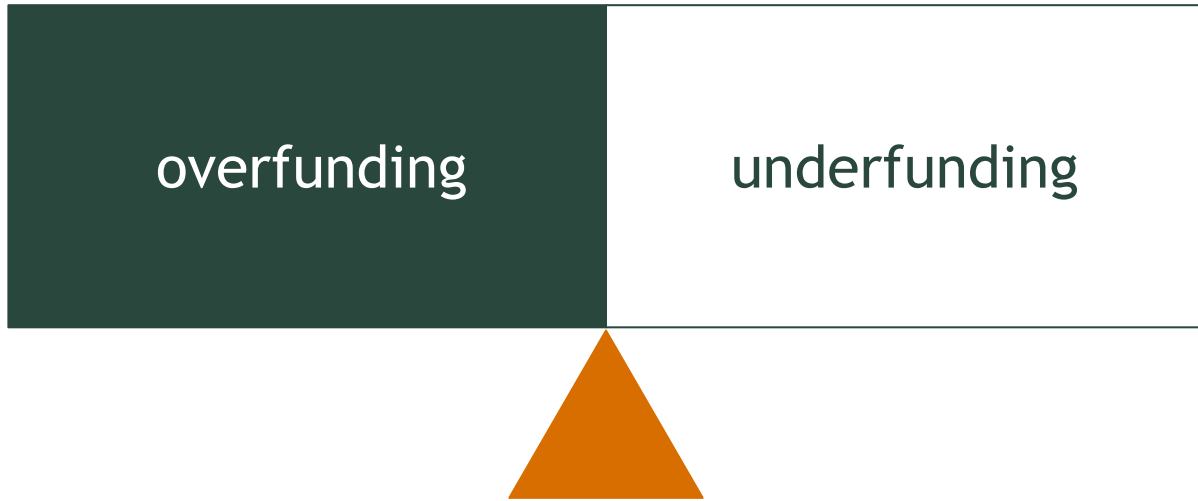
1. More local **flexibility** in program design
2. Regular check-ins on **program balance**

Two IZ mistakes to avoid

overfunding

underfunding

Two IZ mistakes to avoid



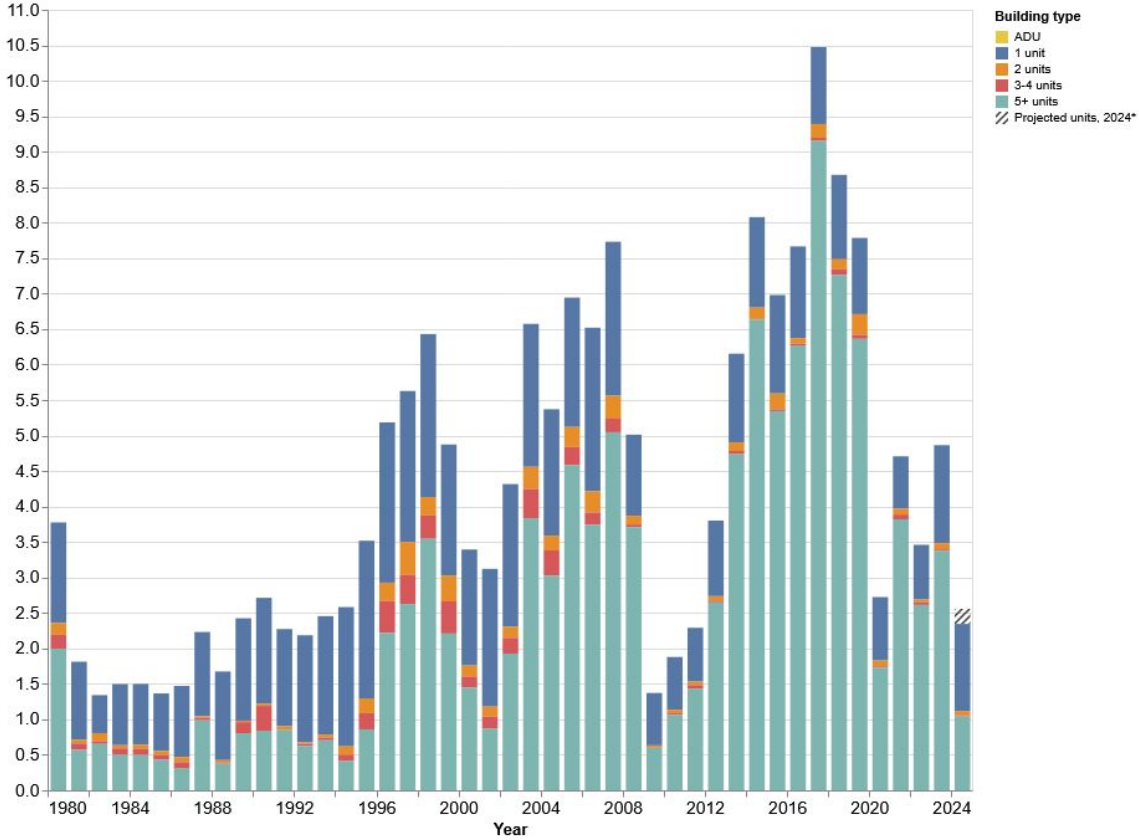


overfunding



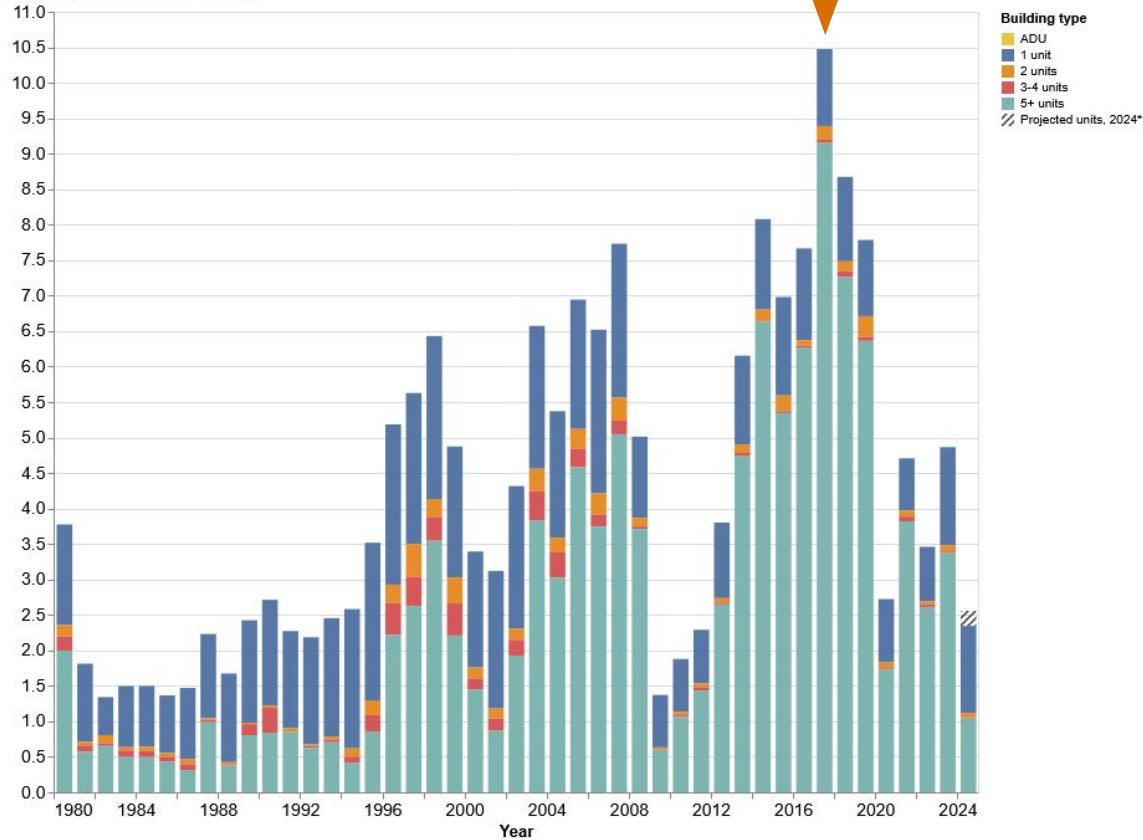
underfunding

Units permitted per 1000 residents



Source: housingdata.app

Units permitted per 1000 residents

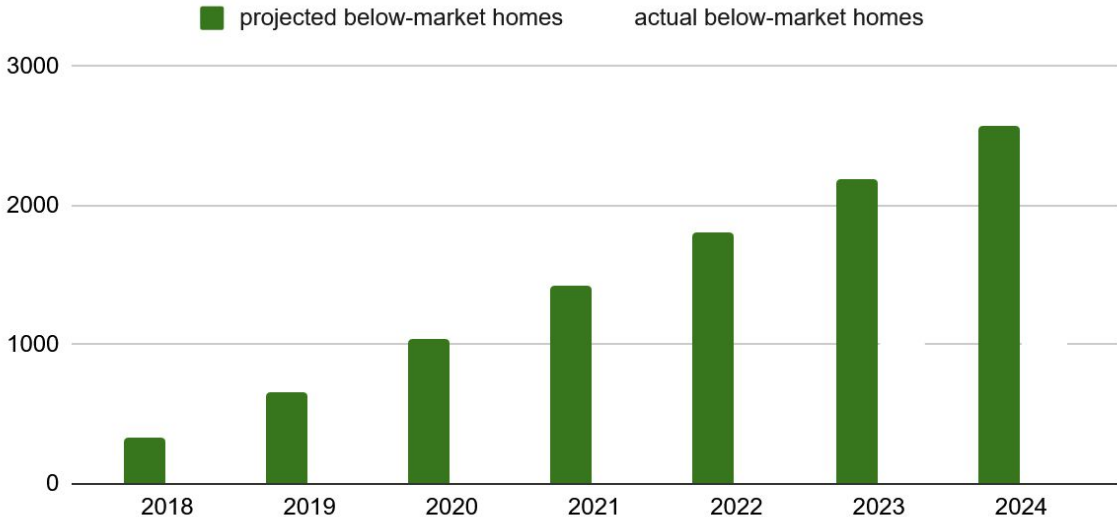


Source: housingdata.app

Underfunding = underperformance

Projected inclusionary homes (from comprehensive plan) vs.
actual inclusionary homes permitted

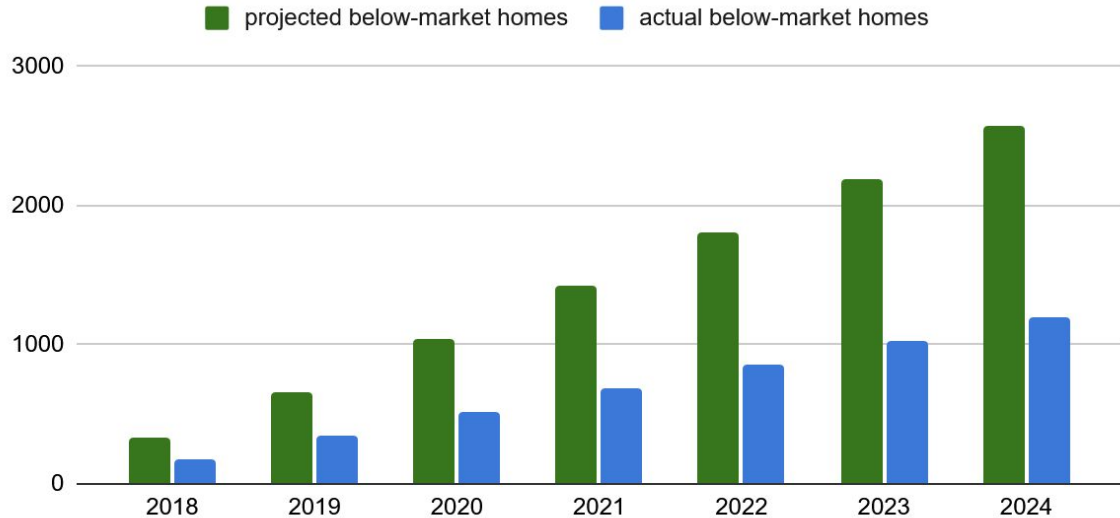
Annualized across period



Underfunding = underperformance

Projected inclusionary homes (from comprehensive plan) vs.
actual inclusionary homes permitted

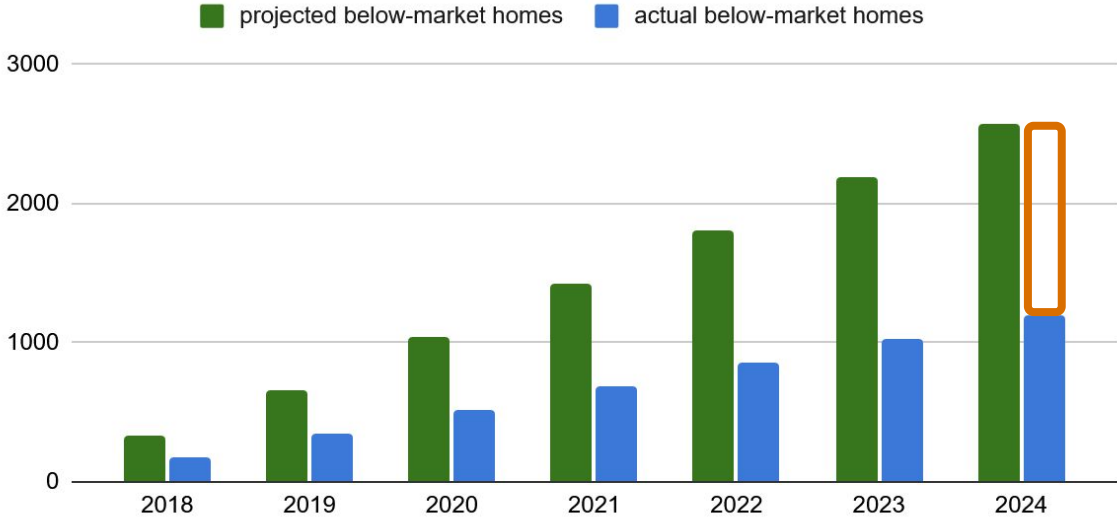
Annualized across period



Underfunding = underperformance

Projected inclusionary homes (from comprehensive plan) vs.
actual inclusionary homes permitted

Annualized across period



With full funding, success

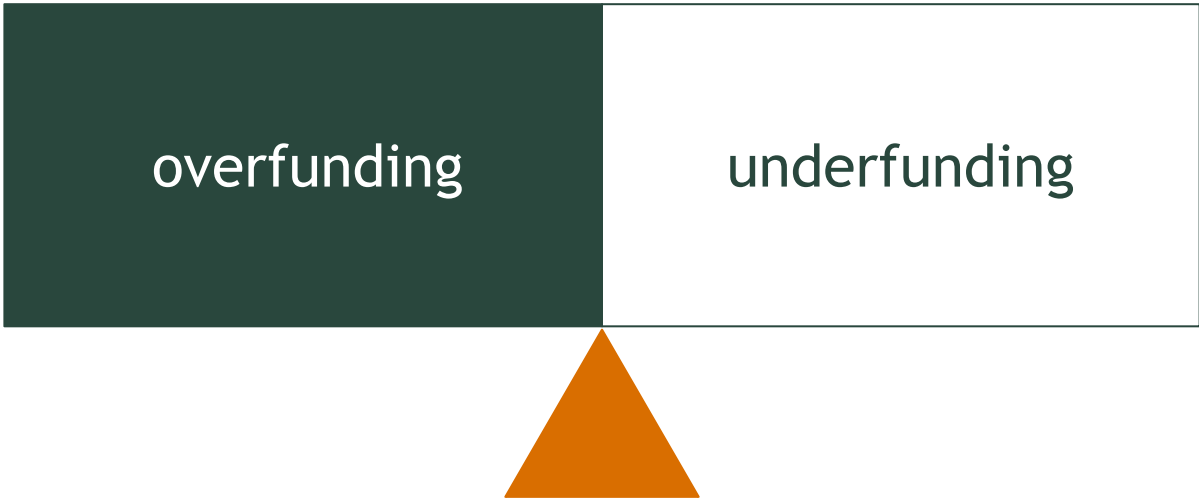
20-146519	Koz on Interstate	Approved	FINAL	Changed option post issuance	154
20-203458	Cap Hill Apartments A	Approved	FINAL	Changed option post issuance	24
20-211439	Cap Hill Apartments B	Approved	FINAL	Changed option post issuance	27
20-212156	Tabor Heights	Approved	FINAL	Changed option post issuance	78
21-096326	Killingsworth Apartments	Approved	FINAL	Changed option post issuance	69
21-105873	Laurel Lofts	Approved	FINAL	Changed option post issuance	62
19-217418	Vibrant Cities Fargo	In Process	Issued, under construction	Changed option post issuance	100
20-218783	Davis Apartments	In Process	Issued, under construction	Changed option post issuance	20
23-091717	Pettygrove Apartments	Approved	Issued, under construction	Changed option- Amended approval	24
20-213134	Burnside Apartments	In Process	FINAL	Extended exemption- no change in option	29
21-087403	Brooklyn Apartments	Approved	FINAL	Extended exemption- no change in option	120
19-250217	West Hill Heights	In Process	Issued, under construction	Extended exemption- no change in option	34
20-129170	Pepsi Blocks (A) - aka Splash	Approved	Issued, under construction	Extended exemption- no change in option	219
20-145803	Wheelhouse II	Approved	Issued, under construction	Extended exemption- no change in option	31
20-167723	Alberta 29	In Process	Issued, under construction	Extended exemption- no change in option	29
21-069762	SW Park Avenue Apartments	Eligible	Issued, under construction	Extended exemption- no change in option	98
21-117297	SE 27th & Division Street	Approved	Issued, under construction	Extended exemption- no change in option	52
22-212375	Graham Street Apartments	In Process	Issued, under construction	Extended exemption- no change in option	29
23-054847	Russell Street Apartments	In Process	Permit Review Process	Submitted application post 3/1/24	154
24-039925	Pepsi B	In Process	Permit Review Process	Submitted application post 3/1/24	160
24-029720	Kiley40	In Process	Permit Review Process	Submitted application post 3/1/24	29

With full funding, success

20-146519	Koz on Interstate	Approved	FIN.		
20-203458	Cap Hill Apartments A	Approved	FIN.		
20-211439	Cap Hill Apartments B	Approved	FIN.		
20-212156	Tabor Heights	Approved	FIN.		
21-096326	Killingsworth Apartments	Approved	FIN.		
21-105873	Laurel Lofts	Approved	FIN.		
19-217418	Vibrant Cities Fargo	In Process	Issu		
20-218783	Davis Apartments	In Process	Issu		
23-091717	Pettygrove Apartments	Approved	Issu		
20-213134	Burnside Apartments	In Process	FIN.		
21-087403	Brooklyn Apartments	Approved	FIN.		
19-250217	West Hill Heights	In Process	Issu		
20-129170	Pepsi Blocks (A) - aka Splash	Approved	Issu		
20-145803	Wheelhouse II	Approved	Issu		
20-167723	Alberta 29	In Process	Issu		
21-069762	SW Park Avenue Apartments	Eligible	Issu		
21-117297	SE 27th & Division Street	Approved	Issued, under construction	Extended exemption- no change in option	32
22-212375	Graham Street Apartments	In Process	Issued, under construction	Extended exemption- no change in option	29
23-054847	Russell Street Apartments	In Process	Permit Review Process	Submitted application post 3/1/24	154
24-039925	Pepsi B	In Process	Permit Review Process	Submitted application post 3/1/24	160
24-029720	Kiley40	In Process	Permit Review Process	Submitted application post 3/1/24	29

First six months:

- 20 mixed-income projects
- 1,542 total homes
- >120 below-market homes
- ~\$220,000 waived revenue per 60% AMI home
- ~\$77,000 from city per home



Details proposed for future amendments:

- Cut unit threshold outside Portland from 20 to 10
- Additional price flexibility for local programs
- Check-in on program balance every six years
- Study of prototypical projects must find 1:1 offset for lost revenue

Component 6: Housing expertise in commercial building code

SB 49-1: Specify that the architect on state commercial building code board must have **residential expertise.**

Amend various seat descriptions to add more flexibility.

SB 49-1: Specify that the architect on state commercial building code board must have **residential expertise**.

Amend various seat descriptions to add more flexibility.

Being considered for future amendments:
Expand board instead.