

Enrolled House Bill 4035

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Housing and Homelessness for Representative Pam Marsh)

CHAPTER

AN ACT

Relating to land use; creating new provisions; amending ORS 197.045 and sections 49, 50, 51, 52, 53, 54, 55, 56 and 60, chapter 110, Oregon Laws 2024, and section 2, chapter 341, Oregon Laws 2025; and declaring an emergency.

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

SECTION 1. Section 49, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 530, Oregon Laws 2025, is amended to read:

Sec. 49. As used in sections 49 to 59, chapter 110, Oregon Laws 2024:

(1) “Net [*residential*] **buildable** acre” means an acre of [*residentially*] designated buildable land, **including for residential uses or uses designated under section 55 (3)(b), chapter 110, Oregon Laws 2024, but** not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints.

(2) “Site” means a lot or parcel or any combination of lots and parcels that are contiguous or separated from one another by a street or road with or without common ownership.

SECTION 2. Section 50, chapter 110, Oregon Laws 2024, is amended to read:

Sec. 50. (1) Notwithstanding any other provision of ORS chapter 197A, a city outside of Metro may add a site to the city’s urban growth boundary under sections 49 to 59, **chapter 110, Oregon Laws 2024 [of this 2024 Act]**, if:

(a) The site is adjacent to the existing urban growth boundary of the city or is separated from the existing urban growth boundary by only a street or road;

(b) The site is:

(A) Designated as an urban reserve under ORS 197A.230 to 197A.250, including a site whose designation is adopted under ORS 197.652 to 197.658;

(B) Designated as nonresource land; [*or*]

(C) Subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland; **or**

(D) Other land, only if:

(i) Resource land constitutes more than 80 percent of the land area lying within a quarter mile outside the city’s urban growth boundary;

(ii) Upon the city’s review under section 54 (1), chapter 110, Oregon Laws 2024, there were no qualified applications for lands described in subparagraphs (A) to (C) of this paragraph; and

(iii) Of the qualified applications received by the city, the site is the highest priority, based on the prioritization described in ORS 197A.285;

(c) The city has not previously adopted an urban growth boundary amendment or exchange under sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act];

(d) The city has demonstrated a need for the addition under section 52, **chapter 110, Oregon Laws 2024** [of this 2024 Act];

(e) The city has requested and received an application as required under sections 53 and 54, **chapter 110, Oregon Laws 2024** [of this 2024 Act];

(f) The total acreage of the site:

(A) For a city with a population of 25,000 or greater, [does not exceed 100] **includes up to 150** net [residential] **buildable** acres; or

(B) For a city with a population of less than 25,000, [does not exceed] **includes up to 50** net [residential] **buildable** acres; and

(g)(A) The city has adopted a binding conceptual plan for the site that satisfies the requirements of section 55, **chapter 110, Oregon Laws 2024** [of this 2024 Act]; or

(B) The added site does not exceed 15 net [residential] **buildable** acres and satisfies the requirements of section 56, **chapter 110, Oregon Laws 2024** [of this 2024 Act].

(2) A county shall approve an amendment to an urban growth boundary made under this section that complies with sections 49 to 59, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] and shall cooperate with a city to facilitate the coordination of functions under ORS 195.020 to facilitate the city's annexation and the development of the site. The county's decision is not a land use decision.

(3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to 59, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] is not a land use decision as defined in ORS 197.015.

SECTION 3. Section 51, chapter 110, Oregon Laws 2024, is amended to read:

Sec. 51. (1) A city within Metro may petition Metro to add a site within the Metro urban growth boundary if the site:

(a) Satisfies the requirements of section 50 (1), **chapter 110, Oregon Laws 2024** [of this 2024 Act]; and

(b) Is designated as an urban reserve.

(2)(a) Within 120 days of receiving a petition under this section, Metro shall determine whether the site would substantially comply with the applicable provisions of sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act].

(b) If Metro determines that a petition does not substantially comply, Metro shall:

(A) Notify the city of deficiencies in the petition, specifying sufficient detail to allow the city to remedy any deficiency in a subsequent resubmittal; and

(B) Allow the city to amend its conceptual plan and resubmit it as a petition to Metro under this section.

(c) If Metro determines that a petition does comply, notwithstanding any other provision of ORS chapter 197A, Metro shall adopt amendments to its urban growth boundary to include the site in the petition, unless the amendment would result in more than 300 total net [residential] **buildable** acres added under this subsection.

(3) If the net [residential] **buildable** acres included in petitions that Metro determines are in compliance on or before July 1, 2025, total less than 300 net [residential] **buildable** acres, Metro shall adopt amendments to its urban growth boundary under subsection (2)(c) of this section:

(a) On or before November 1, 2025, for all petitions deemed compliant on or before July 1, 2025; or

(b) Within 120 days after a petition is deemed compliant after July 1, 2025, in the order in which the petitions are received.

(4) If the net [residential] **buildable** acres included in petitions that Metro determines are in compliance on or before July 1, 2025, total 300 or more net [residential] **buildable** acres, on or before January 1, 2027, Metro shall adopt amendments to its urban growth boundary under subsection (2)(c) of this section to include the sites in those petitions that Metro determines will:

(a) Best comply with the provisions of section 55, **chapter 110, Oregon Laws 2024** [of this 2024 Act]; and

(b) Maximize the development of needed housing.

(5) Metro may not conduct a hearing to review or select petitions or adopt amendments to its urban growth boundary under this section.

SECTION 4. Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530, Oregon Laws 2025, is amended to read:

Sec. 52. A city may not add, or petition to add, a site under sections 49 to 59, chapter 110, Oregon Laws 2024, unless:

(1) The city has demonstrated a need for additional land based on the following factors:

(a)(A) In the previous 20 years there have been no urban growth boundary expansions for residential use adopted by a city or by Metro in a location adjacent to the city; and

(B) The city does not have within the existing urban growth boundary a tract that:

(i) Is larger than 20 net [residential] **buildable** acres;

[(ii) Is undeveloped; and]

(ii) Contains no permanent buildings;

(iii) Is not adjacent to improved public utilities that are suitable for immediate connection at the property line;

(iv) Has not received final approval of any land use entitlements, development approvals, subdivision plats, site plans or building permits; and

[(iii)] (v) Consists of one or more lots or parcels with or without common ownership and that abut each other or are separated by only a street or a road; or

(b) Within urban growth boundary expansion areas for residential use adopted by the city over the previous 20 years, or by Metro in locations adjacent to the city, 75 percent of the lands either:

(A) Are developed; or

(B) Have an acknowledged comprehensive plan with land use designations in preparation for annexation and have a public facilities plan and associated financing plan.

(2) The city has demonstrated a need for affordable housing, based on:

(a) Having a greater percentage of [severely] cost-burdened households than the average for this state based on the [Comprehensive Housing Affordability Strategy data from the United States Department of Housing and Urban Development] **most recent American Community Survey five-year estimate data from the United States Census Bureau**; or

(b) At least 25 percent of the renter households in the city being [severely] rent burdened as indicated under the most recent [housing equity indicator data under ORS 456.602 (2)(g)] **American Community Survey five-year estimate data from the United States Census Bureau**.

(3) The evaluation of the demonstrations required under this section and the evaluation of criteria in an application under sections 49 to 59, chapter 110, Oregon Laws 2024, must be based on the evidence, data and factors as of the time a public notice is issued under section 53 (1), chapter 110, Oregon Laws 2024.

SECTION 5. Section 53, chapter 110, Oregon Laws 2024, is amended to read:

Sec. 53. (1) Before a city may select a site for inclusion within the city's or Metro's urban growth boundary under sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act], a city must provide public notice that includes:

(a) The city's intention to select a site for inclusion within the city's urban growth boundary.

(b) Each basis under which the city has determined that it qualifies to include a site under section 52, **chapter 110, Oregon Laws 2024** [of this 2024 Act].

(c) A deadline for submission of applications under this section that is at least 45 days following the date of the notice.

(d) Additional substantive requirements, including a minimum size for a site, as established by the city and not incompatible with sections 49 to 59, chapter 110, Oregon Laws 2024.

[(d)] (e) A description of the information, form and format required of an application, including the requirements of section 55 (2), **chapter 110, Oregon Laws 2024** [of this 2024 Act].

- (2) A copy of the notice of intent under this section must be provided to:
- (a) Each county in which the city resides;
 - (b) Each special district providing urban services within the city's urban growth boundary;
 - (c) The Department of Land Conservation and Development; and
 - (d) Metro, if the city is within Metro.

SECTION 6. Section 54, chapter 110, Oregon Laws 2024, is amended to read:

Sec. 54. (1) After the deadline for submission of applications established under section [55 of this 2024 Act] **53, chapter 110, Oregon Laws 2024**, the city shall:

(a) Review applications filed for compliance with sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act].

(b) For each completed application that complies with sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act], provide notice to the residents of the proposed site area who were not signatories to the application.

(c) Provide opportunities for public participation in selecting a site, including, at least:

(A) One public comment period;

(B)(i) One meeting of the city's planning commission at which public testimony is considered;

(ii) One meeting of the city's council at which public testimony is considered; or

(iii) One public open house; and

(C) Notice on the city's website or published in a paper of record at least 14 days before:

(i) A meeting under subparagraph (B) of this paragraph; and

(ii) The beginning of a comment period under subparagraph (A) of this paragraph.

(d) Consult with, request necessary information from and provide the opportunity for written comment from:

(A) The owners of each lot or parcel within the site;

(B) If the city does not currently exercise land use jurisdiction over the entire site, the governing body of each county with land use jurisdiction over the site;

(C) Any special district that provides urban services to the site; and

(D) Any public or private utility that provides utilities to the site.

(2) An application filed under this section must:

(a) Be completed for each property owner or group of property owners that are proposing an urban growth boundary amendment under sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act];

(b) Be in writing in a form and format as required by the city;

(c) Specify the lots or parcels that are the subject of the application;

(d) Be signed by all owners of lots or parcels included within the application; and

(e) Include each owner's signed consent to annexation of the properties if the site is added to the urban growth boundary.

(3) If the city has received approval from all property owners of such lands, in writing in a form and format specified by the city, the governing body of the city may select an application and the city shall adopt a conceptual plan as described in section 55, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] for all or a portion of the lands contained within the application.

(4) A conceptual plan adopted under subsection (3) of this section must include findings identifying reasons for inclusion of lands within the conceptual plan and reasons why lands, if any, submitted as part of an application that was partially approved were not included within the conceptual plan.

SECTION 7. Section 55, chapter 110, Oregon Laws 2024, as amended by section 6, chapter 530, Oregon Laws 2025, is amended to read:

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

(a) "Affordable units" means residential units described in subsection (3)(f)(A) or (4) of this section.

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

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

(3) The conceptual plan must:

(a) Establish the total net *[residential]* **buildable** acres within the site and must require for those residential areas:

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

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

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

(i) Seventeen dwelling units per net *[residential]* **buildable** acre if sited within the Metro urban growth boundary;

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

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

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

(b) Designate within the site:

(A) Recreation and open space lands; and

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

(i) Primarily serve the immediate surrounding housing;

(ii) Provide goods and services at a smaller scale than provided on typical lands zoned for commercial use; and

(iii) Are provided at the minimum amount necessary to support and integrate viable commercial and residential uses;

(c) If the city has a population of 5,000 or greater, include a transportation network for the site that provides diverse transportation options, including walking, bicycling and transit use if public transit services are available, as well as sufficient connectivity to existing and planned transportation network facilities as shown in the local government's transportation system plan as defined in Land Conservation and Development Commission rules;

(d) Demonstrate that protective measures will be applied to the site consistent with the state-wide land use planning goals for:

(A) Open spaces, scenic and historic areas or natural resources;

(B) Air, water and land resources quality;

(C) Areas subject to natural hazards;

(D) The Willamette River Greenway;

(E) Estuarine resources;

(F) Coast shorelands; or

(G) Beaches and dunes;

(e) Include assurances that the site will be served with all necessary urban services as defined in ORS 195.065, including through:

(A) Agreements among the city, each owner within the site and any other necessary public or private utility provider, local government or district, as defined in ORS 195.060, or combination of local governments and districts;

(B) Letters from utility providers showing a capacity and willingness to provide services; or

(C) Equivalent assurances; and

(f) Include requirements that ensure that:

(A) At least 30 percent of the residential units are subject to affordability restrictions, including but not limited to affordable housing covenants, as described in ORS 456.270 to 456.295, that require for a period of not less than 60 years that the units be:

(i) Available for rent, with or without government assistance, by households with an income of 80 percent or less of the area median income as defined in ORS 456.270; or

(ii) Available for purchase, with or without government assistance, by households with an income of 130 percent or less of the area median income;

(B) The construction of all affordable units has commenced before the city issues certificates of occupancy to the last 15 percent of market rate units;

(C) All common areas and amenities are equally available to residents of affordable units and of market rate units and properties designated for affordable units are dispersed throughout the site; and

(D) The requirement for affordable housing units is recorded before the building permits are issued for any property within the site, and the requirements contain financial penalties for noncompliance.

(4) A city may require greater affordability requirements for residential units than are required under subsection (3)(f)(A) of this section, provided that the city significantly and proportionally offsets development costs related to:

(a) Permits or fees;

(b) System development charges;

(c) Property taxes; or

(d) Land acquisition and predevelopment costs.

SECTION 8. Section 56, chapter 110, Oregon Laws 2024, is amended to read:

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

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

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

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

SECTION 9. Section 2, chapter 341, Oregon Laws 2025, is amended to read:

Sec. 2. (1) In lieu of amending its urban growth boundary under any other process provided by sections 49 to 59, chapter 110, Oregon Laws 2024, the City of Monmouth may amend its urban growth boundary to add one or more sites to the urban growth boundary and to remove one or more tracts of land from the urban growth boundary as provided in this section.

(2) The area to be removed under this section:

(a) May not exceed 90 acres;

(b) Must have more than one-quarter of its acreage within an area mapped as flood hazard or wetland;

(c) May not have been annexed by the city;

(d) Must be designated for residential use on the city's comprehensive plan map; and

(e) May not be currently served by city sewer service.

(3) The site to be added under this section:

(a) May not exceed 75 net [*residential*] **buildable** acres;

(b) Must be contiguous to the boundary of the city and the city's existing urban growth boundary;

(c) May not have more than 25 percent of its acreage within an area mapped as a flood hazard or wetland;

- (d) Must be able to connect to nearby water and sewer services; and
- (e) Must be owned by owners that have consented to having the site:
 - (A) Added to the urban growth boundary; and
 - (B) Annexed by the city.

(4) Land may be removed from an urban growth boundary under this section without landowner consent. ORS 195.305 to 195.336 do not apply to the removal of land from the urban growth boundary under this section.

(5) Review of an exchange of lands made under this section may only be made by the county as provided in section 50 (2), chapter 110, Oregon Laws 2024, and by the Department of Land Conservation and Development, subject to judicial review, as provided in section 57, chapter 110, Oregon Laws 2024.

(6)(a) Sections 52, 53, 54, 55 and 56, chapter 110, Oregon Laws 2024, do not apply to a site addition made under this section.

(b) A site addition made under this section is not required to meet the conditions listed in section 50 (1)(a) to (g), chapter 110, Oregon Laws 2024.

SECTION 10. Section 11 of this 2026 Act is added to and made a part of sections 49 to 59, chapter 110, Oregon Laws 2024.

SECTION 11. (1) The City of Woodburn, when adding a site to the city's urban growth boundary under sections 49 to 59, chapter 110, Oregon Laws 2024:

(a) Is not required to comply with the selection conditions in section 50 (1)(b)(D)(ii) or (iii), chapter 110, Oregon Laws 2024.

(b) Is not required to solicit submission of applications or otherwise comply with section 50 (1)(e) or 53, chapter 110, Oregon Laws 2024, provided that the city deliver a notice to Marion County, the Department of Land Conservation and Development and any special district providing urban services within the city's urban growth boundary upon receipt of an application.

(c) May demonstrate need under section 52, chapter 110, Oregon Laws 2024, as of the date of the delivery of the notice under paragraph (b) of this subsection.

(d) May approve a site upon receipt of an application without subjecting the site to any of the processes under section 54 (1), chapter 110, Oregon Laws 2024.

(e) Is not required to adopt a binding conceptual plan under section 50 (1)(g), 54 (3) or 55 (2), chapter 110, Oregon Laws 2024, before adding a site to the city's urban growth boundary under paragraph (f) of this subsection.

(f) May select a site application that complies with section 54 (2), chapter 110, Oregon Laws 2024, and, following submission under paragraph (h)(A) of this subsection and approval under subsection (2) of this section, add the site to the city's urban growth boundary.

(g) For a site added under paragraph (f) of this subsection, shall adopt a master plan that, following submission under paragraph (h)(B) of this subsection and approval under subsection (2) of this section, must be applied to the site upon annexation of the site. The master plan must:

(A) Meet any requirements applicable to a conceptual plan under section 55 (3), chapter 110, Oregon Laws 2024; and

(B) Require no fewer than 600 residential units to be developed on the site.

(h) Shall have the city's site selection reviewed, in lieu of the approval procedures set forth in section 57, chapter 110, Oregon Laws 2024, by submitting to the department:

(A) The selected site application and proposed amendment to the city's urban growth boundary under paragraphs (c) to (f) of this subsection at least 30 days prior to the adoption of the amendment.

(B) A master plan for the site described in paragraph (g) of this subsection at least 30 days prior to an annexation hearing for any property included in the site.

(i) Shall comply with an order by the department under subsection (2) of this section.

(2)(a) The department shall review the submittals under subsection (1)(h) of this section for compliance with the provisions of sections 49 to 59, chapter 110, Oregon Laws 2024, and:

(A) If a submittal substantially complies with the provisions of sections 49 to 59, chapter 110, Oregon Laws 2024, issue an order approving the submittal; or

(B) If a submittal does not substantially comply with the provisions of sections 49 to 59, chapter 110, Oregon Laws 2024, issue an order remanding the submittal to the city with a specific determination of deficiencies in the submittal and with sufficient detail to identify a specific remedy for any deficiency in a subsequent resubmittal.

(b) The department must issue an order within 30 days of the delivery of a submittal under subsection (1)(h) of this section.

(c) An order issued by the department under this subsection is subject to appeal as described in section 57 (4), chapter 110, Oregon Laws 2024.

SECTION 12. Section 60, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 341, Oregon Laws 2025, is amended to read:

Sec. 60. (1) [Sections] **Section 49** [to 56, 58 and 59], chapter 110, Oregon Laws 2024, [are] as amended by section 4, chapter 530, Oregon Laws 2025, and section 1 of this 2026 Act, is repealed on January 2, 2033.

(2) **Section 50, chapter 110, Oregon Laws 2024, as amended by section 2 of this 2026 Act, is repealed on January 2, 2033.**

(3) **Section 51, chapter 110, Oregon Laws 2024, as amended by section 3 of this 2026 Act, is repealed on January 2, 2033.**

(4) **Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530, Oregon Laws 2025, and section 4 of this 2026 Act, is repealed on January 2, 2033.**

(5) **Section 53, chapter 110, Oregon Laws 2024, as amended by section 5 of this 2026 Act, is repealed on January 2, 2033.**

(6) **Section 54, chapter 110, Oregon Laws 2024, as amended by section 6 of this 2026 Act, is repealed on January 2, 2033.**

(7) **Section 55, chapter 110, Oregon Laws 2024, as amended by section 6, chapter 530, Oregon Laws 2025, and section 7 of this 2026 Act, is repealed on January 2, 2033.**

(8) **Section 56, chapter 110, Oregon Laws 2024, as amended by section 8 of this 2026 Act, is repealed on January 2, 2033.**

[2] (9) **Section 57, chapter 110, Oregon Laws 2024, as amended by section 3 [of this 2025 Act], chapter 341, Oregon Laws 2025, and section 7, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.**

(10) **Section 58, chapter 110, Oregon Laws 2024, as amended by section 8, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.**

(11) **Section 59, chapter 110, Oregon Laws 2024, is repealed on January 2, 2033.**

[3] (12) **Section 2, chapter 341, Oregon Laws 2025, as amended by section 9 of this 2026 Act, [of this 2025 Act] is repealed on January 2, 2033.**

(13) **Section 11 of this 2026 Act is repealed on January 2, 2033.**

SECTION 13. ORS 197.045 is amended to read:

197.045. The Land Conservation and Development Commission may:

(1) Apply for and receive moneys from the federal government and from this state or any of its agencies or departments.

(2) Contract with **or issue grants to** any public agency for the performance of services or the exchange of employees or services by one to the other necessary in carrying out ORS chapters 195, 196, 197 and 197A.

(3) Contract for the services of and consultation with professional persons or organizations, not otherwise available through federal, state and local governmental agencies, in carrying out its duties under ORS chapters 195, 196, 197 and 197A.

(4) Perform other functions, **including issuing grants**, required to carry out ORS chapters 195, 196, 197 and 197A.

(5) Assist in development and preparation of model land use regulations to guide state agencies, cities, counties and special districts in implementing goals.

(6) Notwithstanding any other provision of law, review comprehensive plan and land use regulations related to the identification and designation of high-value farmland pursuant to chapter 792, Oregon Laws 1993, under procedures set forth in ORS 197.251.

SECTION 14. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.

Passed by House February 18, 2026

Received by Governor:

Repassed by House March 4, 2026

.....M.,....., 2026

Approved:

.....
Timothy G. Sekerak, Chief Clerk of House

.....M.,....., 2026

.....
Julie Fahey, Speaker of House

.....
Tina Kotek, Governor

Passed by Senate March 2, 2026

Filed in Office of Secretary of State:

.....M.,....., 2026

.....
Rob Wagner, President of Senate

.....
Tobias Read, Secretary of State