

HB 4037-9
(LC 222)
2/6/26 (RLM/ASD/ps)

Requested by HOUSE COMMITTEE ON HOUSING AND HOMELESSNESS (at the request of Representative Pam Marsh)

**PROPOSED AMENDMENTS TO
HOUSE BILL 4037**

- 1 On page 1 of the printed bill, line 3, delete “197A.805, 215.427, 227.178”.
- 2 On page 6, delete lines 40 through 45.
- 3 On page 7, delete lines 1 through 7 and insert:
 - 4 “(3)(a) Except as provided in paragraph (b) of this subsection, upon entering into a project funding agreement with a developer, a sponsoring jurisdiction shall adopt an ordinance or resolution setting forth the details of
 - 5 the eligible housing project that is the subject of the project funding agreement, including but not limited to:
 - 6 “(A) A description of the eligible housing project;
 - 7 “(B) A statement indicating whether the eligible housing project property
 - 8 is exempt from property taxation under ORS 307.227;
 - 9 “(C) An itemized description of the eligible costs;
 - 10 “(D) The amount and terms of the grant project award or project loan
 - 11 principal; and
 - 12 “(E) A statement declaring that the project funding has been awarded in
 - 13 response to the housing needs of communities within the sponsoring jurisdiction.
 - 14 “(b) A sponsoring jurisdiction is not required to adopt an ordinance or
 - 15 resolution under paragraph (a) of this subsection if:
 - 16 “(A) The ordinance or resolution adopted under ORS 307.214 delegates
 - 17 authority to review developer applications under ORS 307.216 to a designated

1 authority;

2 "(B) The sponsoring jurisdiction has agreed to repay the agency loan in
3 accordance with ORS 307.223; and

4 “(C) The eligible housing project property will not be exempt from prop-
5 erty taxation under ORS 307.227.”.

6 On page 12, line 7, delete “may” and insert “shall”.

7 In line 13, delete “low or moderate income household” and insert
8 “household with an income less than or equal to 120 percent and greater
9 than 60 percent of the area median income, as defined in ORS 456.270”.

10 Delete lines 18 through 45.

11 On page 13, delete lines 1 through 40 and insert:

12 “**NOTE:** Section 14 was deleted by amendment. Subsequent sections were
13 not renumbered.

18 On page 15, delete lines 16 through 45 and delete pages 16 through 20.

19 On page 21, delete line 1 and insert:

20 **“SECTION 17. ORS 197A.400 is amended to read:**

“197A.400. (1)(a) 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:

24 "(A) The development of housing; and

25 "(B) Tree removal [codes] related to the development of housing.

26 (b) The standards, conditions and procedures:

27 “(A) May include, but are not limited to, one or more provisions regu-
28 lating the density or height of a development.

29 “(B) May not have the effect, either in themselves or cumulatively, of
30 discouraging needed housing through unreasonable cost or delay.

1 “(C) May be contained in a comprehensive plan, land use regulation or
2 an ordinance relating to housing adopted by a city that adopts, including by
3 reference, a model ordinance adopted by the Land Conservation and Develop-
4 opment Commission that comports with any qualifications, conditions or
5 applicability of the model ordinance.

6 “(c) This subsection applies only within:

7 “(A) An urban growth boundary;

8 “(B) An unincorporated community designated in a county’s acknowledged
9 comprehensive plan after December 5, 1994;

10 “(C) Nonresource land; or

11 “(D) An area zoned for rural residential use as defined in ORS 215.501.

12 “(2) The provisions of subsection (1) of this section do not apply to:

13 “(a) An application or permit for residential development in an area
14 identified in a formally adopted central city plan, or a regional center as
15 defined by Metro, in a city with a population of 500,000 or greater.

16 “(b) An application or permit for residential development in historic areas
17 designated for protection under a land use planning goal protecting historic
18 areas.

19 “(3) In addition to an approval process for needed housing based on clear
20 and objective standards, conditions and procedures as provided in subsection
21 (1) of this section, a local government may adopt and apply an alternative
22 approval process for applications and permits for residential development
23 based on approval criteria that are not clear and objective if:

24 “(a) The applicant retains the option of proceeding under the approval
25 process that meets the requirements of subsection (1) of this section;

26 “(b) The approval criteria for the alternative approval process comply
27 with applicable statewide land use planning goals and rules; and

28 “(c) The approval criteria for the alternative approval process authorize
29 a density at or above the density level authorized in the zone under the ap-
30 proval process provided in subsection (1) of this section.

1 “(4) Subject to [subsection (1)] **subsections (1) and (5)** of this section,
2 this section does not infringe on a local government’s prerogative to:

3 “(a) Set approval standards under which a particular housing type is
4 permitted outright;

5 “(b) Impose special conditions upon approval of a specific development
6 proposal; or

7 “(c) Establish approval procedures.

8 **“(5) For applications subject to subsection (1) of this section, the
9 local government:**

10 **“(a) May provide notice of the application only to owners of record
11 of property on the most recent property tax assessment roll where
12 such property is located within 100 feet, or within 500 feet for devel-
13 opments of 20 units or more, of the property that is the subject of the
14 notice;**

15 **“(b) May not require a public hearing prior to making a decision
16 on the application; and**

17 **“(c) May provide an opportunity for a local appeal only to the ap-
18 plicant.**

19 **“(6) Notwithstanding ORS 197.825, only the applicant may appeal a
20 decision made under subsection (5) of this section to the Land Use
21 Board of Appeals.**

22 **“SECTION 18. The amendments to ORS 197A.400 by section 17 of
23 this 2026 Act become operative on July 1, 2026.**

24 **“NOTE: Section 19 was deleted by amendment. Subsequent sections were
25 not renumbered.”.**

26 On page 22, line 6, after “(2)” insert “To the extent consistent with ap-
27 plicable trust responsibilities.”.

28 In line 19, after “organizations” insert “or housing authorities as defined
29 in ORS 456.005”.

30 On page 23, line 22, delete “(4)”.

1 In line 34, restore “ORS”.

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