2019 Legislative Session: A Focus on Housing Planning & Supply

Concerned about a statewide housing deficit, the 2019 Legislature focused much debate and effort on legislation relating to housing affordability and supply. Most notably for Oregon land use, House Bill 2001 requires cities with populations between 10,000 and 25,000 to allow duplexes on any lot zoned for single-family dwellings. In addition, in cities with populations over 25,000 or in local governments within the Metro region, the bill mandates that local governments allow multi-family development up to quadplexes in any areas zoned for single-family dwellings. The smaller cities must make these zoning changes by June 30, 2021, and the larger cities and Metro local governments must make these zoning changes by June 30, 2022. Finally, HB 2001 directs the Oregon Department of Land Conservation and Development (DLCD) to adopt a model middle housing ordinance no later than December 31, 2019. Local governments failing to meet the deadlines under HB 2001 must directly apply the model ordinance until they are able to adopt their own zoning codes.

Another significant housing bill, House Bill 2003, directs several agencies, including DLCD, to prepare and evaluate a regional housing needs methodology for the Legislature to consider during the 2021 legislative session. It also mandates DLCD to adopt a schedule for local governments to complete housing needs analyses (HNA). An HNA requires a local government to determine the amount of land, along with relevant zoning changes, necessary for a 20-year supply of housing. Finally, the bill directs local governments with populations over 10,000 to adopt a housing production strategy, which will identify measures beyond redevelopment, and zoning that can increase the supply of housing. Examples of such strategies could include bond referenda, reduced permitting fees and other regulatory incentives, or the sale of surplus publicly owned land.

The 2019-21 legislative budget also reflects greater investment in housing. To support local government efforts to implement HB 2001 and HB 2003, the Legislature appropriated $4.5 million to DLCD for technical assistance grants. In addition, to support program staffing and contracting needed to implement these bills, the Legislature appropriated another $2 million to DLCD for seven new positions (House Bill 5050).

DLCD expects this work to be a multi-year effort. We are actively recruiting talented planners, policy analysts and others interested in land use planning and housing issues. For more information, please use this link: https://oregon.wd5.myworkdayjobs.com/SOR_External_Career_Site

Other Notable Legislative Action

Outside of housing issues, Oregon’s land use laws and policies were not dramatically changed. Senate Bill 2 authorizes ten Eastern Oregon counties to zone up to a total of 50 acres for commercial, industrial and other employment uses outside of urban growth boundaries. Site(s) must be identified in an economic opportunity analysis included in the county’s comprehensive
plan. Additionally, the sites cannot be located in high-value farmland nor conflict with the Oregon Sage-Grouse Action Plan. DLCD plans to make grants available to these counties to assist in implementation.

House Bill 2573 temporarily reduces the level of qualifying income necessary for the owner or operator of a cranberry farm to construct a dwelling on the property. In addition, the bill requires the property owner to record deed restrictions prohibiting rental use of the dwelling.

House Bill 2225 attempts to prevent the overdevelopment of the state’s forestlands by preventing practices contrary to the intent of the 1993 forest template dwelling statute. That statute allowed, under certain conditions, the construction of one additional single-family dwelling in forest and mixed-forest use zones after January 1, 1993. Under HB 2225, property line adjustments may not be used to relocate parcels within a tract in order to qualify for additional template dwellings. A template dwelling cannot be approved if there was another dwelling on contiguous land under the same ownership on January 1, 2019, although the counties may approve one additional dwelling before November 2023.

House Bill 3309, on the other hand, represents a major change in the state’s current land use law. With the passage of this bill, new essential facilities (e.g., schools, fire and police stations, jails, and communication centers) are no longer prohibited within tsunami inundation zones. Local governments must consult with the Oregon Department of Geology & Mineral Industries on safety and evacuation.

Finally, DLCD’s budget reflects support for the agency’s mission (House Bill 5027). Perhaps most importantly, funding for the technical assistance grant program increased by 3% from 2017-19 levels, and several positions shifted from limited duration to permanent status. In addition, Legislature funded two of the three new budget requests for the 2019-21 biennium (Policy Option Package 102 – Climate Adaptation, and Policy Option Package 103 – Preparing for Natural Hazards). However, the request to fund a Development Readiness Program that would have helped local governments to plan for more jobs and housing was not adopted (Policy Option Package 101 and House Bill 2075).

The Land Conservation and Development Commission (LCDC) will receive an update on the 2019 Legislative Session at its next meeting in Condon, Oregon on Thursday, July 25, 2019. For information about the upcoming LCDC meeting, see the Commission Meetings web page.

Questions? Please contact Palmer Mason, Senior Policy Analyst, 503-934-0020, palmer.mason@state.or.us