

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form

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Land Conservation and Development Department
Agency and Division

660
Administrative Rules Chapter Number

Casaria Taylor

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Rules Coordinator

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Land Conservation and Development Department, 635 Capitol St. NE, Suite 150, Salem, OR 97301

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RULE CAPTION

Alternative, streamlined process for evaluation and amendment of urban growth boundaries (UGB)

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
12-3-15	8:00 a.m.	DLCD Basement Hearing Room, 635 Capitol St. NE, Salem, OR 97301	Land Conservation and

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

Rules under OAR chapter 660 division 24 and 38

AMEND:

OAR chapter 660, divisions 15 and 24

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 197.040, 197.235, ORS 197A.305

Other Authority:

ORS 195, 197; Statewide Planning Goals (OAR 660, div. 15)

Statutes Implemented:

ORS 197A.300 - 197A.325

RULE SUMMARY

The proposed new rules and rule amendments, and conforming amendments to statewide planning Goal 14, will establish an optional alternative, streamlined process for local governments outside of Metro to evaluate and amend urban growth boundaries (UGBs) and will implement related legislation enacted by the 2013 Oregon Legislature (HB 2254, codified as ORS 197A) which requires LCDC to adopt administrative rules establishing the new alternative UGB process by January 1, 2016. In addition, the new and amended rules will provide interpretive guidance to provisions at ORS 197A.320 that apply to both the existing UGB process described in OAR chapter 660, division 24 and the proposed new alternative process. The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

LCDC will hold a public hearing on the proposed rules at the time and locations indicated above. LCDC may adopt the rules after the hearing. The public is encouraged to provide comments prior to the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

12-03-2015 Close of Hearing
Last Day (m/d/yyyy) and Time

Casaria Taylor
Rules Coordinator Name

casaria.taylor@state.or.us
Email Address

for public comment

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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Land Conservation and Development Department
Agency and Division

660
Administrative Rules Chapter Number

Alternative, streamlined process for evaluation and amendment of urban growth boundaries (UGB)

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Adoption of new rules and amendments to current rules concerning the establishment of an alternative streamlined process for UGB amendment

Statutory Authority:

ORS 197.040, 197.235, ORS 197A.305

Other Authority:

ORS 195, 197; Statewide Planning Goals (OAR 660, div. 15)

Statutes Implemented:

ORS 197A.300 - 197A.325

Need for the Rule(s):

The proposed new rules, and changes to existing rules, are required by law at ORS 197A.300 - 197A.325. Those statutes require that LCDC adopt new rules establishing a streamlined UGB process by January 1, 2016.

Documents Relied Upon, and where they are available:

ORS chapter 197A; Statewide Planning Goals (OAR chapter 660, division 15). These documents are available on the Department of Land Conservation web site at <http://www.oregon.gov/LCD/index/shtml> or by contacting Casaria Taylor at the Department of Land Conservation and Development at 503-373-0050 ext. 322 or email at casaria.taylor@state.or.us.

Fiscal and Economic Impact:

The proposed rules are expected to have fiscal and economic impacts, as described below.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

Statutory provisions at ORS 183.335(2)(b)(E) and (G), and ORS 183.540, require agencies to consider whether a proposed rule amendment will have any significant economic impact on business and whether options should be considered to reduce any negative impacts of the rule on business. The proposed amended rules are intended to provide economic benefits to local governments due to the streamlining of UGB amendment requirements and procedures.

Statutory provisions also require agencies to "Assess what economic and property interests will be, or are likely to be, affected by the proposed rule;"... "Assess the likely degree of economic impact on identified property and economic interests;"... and ... "Assess whether alternative actions are available that would achieve the underlying lawful governmental objective and would have a lesser economic impact." The statute states that the requirements "shall not be interpreted as requiring an assessment for each lot or parcel that could be affected by the proposed rule." (ORS 197.040). The proposed and amended rules will result in the availability of an alternative, optional, streamlined process for local governments to use in considering UGB amendments. These rules will also provide clarity in interpreting new provisions applicable to both the new optional UGB process as well as the existing UGB process described under OAR chapter 660, division 24. In that regard, the proposal should ultimately benefit economic and property interests affected by UGB related laws and rules, especially those that benefit from an adequate supply of serviceable land inside UGBs. However, the department cannot compute the actual cost savings, since these are unpredictable and will vary widely among different urban areas throughout the state, different industries and different property interests.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

The proposed rules apply to local governments rather than to businesses and industries.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of

professional services:

The rules will authorize but not require an alternative UGB evaluation and amendment process for local governments outside of Metro. Portions of the new and amended rules will provide interpretive guidance to provisions at ORS 197A.320 that apply to both the existing UGB process described in OAR chapter 660, division 24 and the proposed new alternative process. The rules do establish requirements for reporting, recordkeeping and other administrative activities required for compliance. To a large extent, these costs are expected to be significantly lower for cities that decide to use the optional new UGB process. However, such costs, including costs of professional services, vary greatly depending on the size of cities, particular geographic circumstances, and other factors. As such, the department cannot estimate such costs.

c. Equipment, supplies, labor and increased administration required for compliance:

No costs "required for compliance" are anticipated with respect to equipment, supplies, labor and administration as a result of the proposed rules.

How were small businesses involved in the development of this rule?

These proposed rules were developed with the assistance of a work group that included a broad range of interests, including advocates for residential development, local governments, and others. Some work group members represent the interests of both large and small businesses. The department provided broad notice of the advisory work group meetings and LCDC meetings, including notices to a range of business interests. Amendments to UGBs are, in general, important to the growth and economic development of Oregon communities. Because the proposed amendments clarify and streamline existing provisions of UGB policy and the review and approval of UGB amendments, the department anticipates that small businesses will benefit from the rule proposals.

**Administrative Rule Advisory Committee consulted?: Yes
If not, why?:**

<u>12-03-2015 Close of Hearing</u>	<u>Casaria Taylor</u>	<u>casaria.taylor@state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

HOUSING COST IMPACT STATEMENT

FOR ESTIMATING THE EFFECT OF A PROPOSED RULE OR ORDINANCE ON THE COST OF DEVELOPING
A *TYPICAL 1,200 SQ FT DETACHED SINGLE FAMILY DWELLING ON A 6,000 SQ FT PARCEL OF LAND.
(ORS 183.534) FOR ADMINISTRATIVE RULES

AGENCY NAME:

Department of Land Conservation and Development

HEARING DATE:

December 3, 2015

ADDRESS: 635 Capitol Street NE

CITY/STATE: Salem, OR 97301

PHONE: (503) 373-0050

PERMANENT:

TEMPORARY:

EFFECTIVE DATE: January 1, 2016

**BELOW PLEASE PROVIDE A DESCRIPTION OF THE ESTIMATED SAVINGS OR ADDITIONAL COSTS THAT
WILL RESULT FROM THIS PROPOSED CHANGE.**

PROVIDE A BRIEF EXPLANATION OF HOW THE COST OR SAVINGS ESTIMATE WAS DETERMINED.
IDENTIFY HOW CHANGE IMPACTS COSTS IN CATEGORIES SPECIFIED

Description of proposed change: (Please attach any draft or permanent rule or ordinance)

Alternative, streamlined process for evaluation and amendment of urban growth boundaries (UGBs)

Description of the need for, and objectives of the rule: The proposed new rules and rule amendments, and conforming amendments to statewide planning Goal 14, will establish an optional alternative, streamlined process for local governments outside of Metro to evaluate and amend urban growth boundaries (UGBs) and will implement related legislation enacted by the 2013 Oregon Legislature (HB 2254, codified as ORS 197A) which requires LCDC to adopt administrative rules establishing the new alternative UGB process by January 1, 2016. In addition, the new and amended rules will provide interpretive guidance to provisions at ORS 197A.320 that apply to both the existing UGB process described in OAR chapter 660, division 24 and the proposed new alternative process.

List of rules adopted and/or amended:

Rules under OAR chapter 660 divisions 24 and 38

AMEND: OAR chapter 660, divisions 15 and 24

Materials and labor costs increase or savings: The proposed rules are not expected to affect housing materials or labor costs.

Estimated administrative, construction or other costs increase or savings: The proposals may reduce administrative, construction or other housing costs to the extent that those costs are affected by land supply inside UGBs, but it is not possible to estimate the amount of such reduction.

Land costs increase or savings:

The proposed amended rules may reduce housing land costs. A reduction in the the time and cost necessary for a local government to provide a supply of residential land capacity inside a UGB is expected to reduce the cost of such land. However, it is not possible to estimate the amount of this reduction.

Other costs increase or savings: None

*Typical-Single story 3 bedrooms, 1 ½ bathrooms, attached garage (calculated separately) on land with good soil conditions with no unusual geological hazards.

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