

HPAC Policy Recommendations

(By work group and order of preliminary adoption, not priority)

Availability of Land Work Group

1. Leverage State Owned and Leased Land for Housing Production

- a. Declare State of Emergency for Housing Production: expand and extend Executive Order 23-02 (merge with EO 23-04) to include production of 36,000 housing units annually as an emergency order.
- b. Authorize Oregon Emergency Management (OEM) to expand land inventory process in EO 23-02 1.a.vi to include property suitable for housing development an accessible as a public facing available tool.
- c. Authorize the Department of Administrative Services (DAS) to expand the Enterprise Asset Management process to include analysis for potential housing production and an equitable disposition process for divesting properties suitable for housing production.
- d. Expand and extend EO-23-03 (merge with 23-04) to include directing state agencies to prioritize production of 36,000 units annually as an emergency, including expediting processes.
- e. Authorize State of Emergency Siting Procedures to expedite housing production on State Owned property.

2. Provide Resources to Help Cities Overcome Infrastructure Barriers to Housing Production

- a. Identify new infrastructure funding source to support 10-year housing production horizon.
- b. Expand Business Oregon Infrastructure and Facilities Inventory to include critical housing infrastructure to include sewer, water and transportation. Use inventory to guide new Business Oregon Housing Infrastructure Fund program.
- c. Prioritize infrastructure funding to cities who are producing housing at 80% AMI for 30 or more years.
- d. Prioritize infrastructure funding to cities who have identified infrastructure needs in their Housing Production Strategies.
- e. Prioritize infrastructure funding to cities who have demonstrated implementation of multiple policy, regulatory, and funding tools to increase housing production.
- f. Develop streamlined and equitable funding application and distribution process to allow cities with limited staff capacity to participate (consider program tranches—cities 100-1000, cities 10,000-25,000, cities 25,000 and up).
- g. Limit eligible applicants to cities or counties, who can apply in partnership with special districts, private, or non-profit housing developers.

3. Expedited UGB Expansion

- a. Ask the Legislature to act urgently to allow cities an optional, one-time UGB amendment to provide additional land for housing to facilitate rapid housing production to meet the Governor's housing production goals of 36,000 per year for the next 10 years.
- b. Require DLCDD to invite members of each local government that opt to utilize the Expedited UGB Expansion to participate in OHNA rulemaking; either on the Rulemaking Advisory Committee, a Technical Advisory Committee, or in a stakeholder discussion.
- c. Encourage the Legislature to support the adoption of urban reserves: To include (1) appropriate funding to support establishing urban reserves and (2) provide prioritized support and direction to cities that opt into the one-time UGB amendment to

subsequently adopt urban reserves (to be established no later than 5 years) with funding and technical support from DLCD, if they have not yet done so.

- d. Utilize Framework for HB3414 (2023) Section 14-24 as the basis for this Legislative action but with the following alterations:
 - i. Land will be made “development-ready” (i.e. annexed/zoned, served with infrastructure, and not encumbered by protective regulations) and the minimum affordability and development parameters will be achieved as outlined in bill.
 - ii. Cities opting for a UGB expansion must show need by utilizing an objective metric that does not require a burdensome/onerous analysis.
 - iii. Encouraging cities to be modest in their expansion; communities requesting less than 35 acres are not required to complete a master plan. Allowing for a typical development plan process including appropriate covenants, annexation, zoning, comp plan designation and demonstration of property owner and local government that ensure the land will be developed as set forth in the policy.
 - iv. Commitment of partnership between permitting agencies and developers are a key component to an Expedited UGB Expansion. Required dialogue parameters to include; designating points of contact, required timelines for expedited review, expedited approval process of annexation/zoning, expedited land use approval, expedited public works review and expedited building permit reviews. Consolidated review and annexation procedures, including ministerial review is strongly suggested where appropriate.
- e. Change Section 15(2) to “Net residential acre” means an acre of residentially designated buildable land, not including nondevelopable rights of way for streets, roads or utilities. As used in this section, buildable land does not include land that:
 - i. Is encumbered by any applicable local, state or federal protective regulations;
 - ii. Is severely constrained by natural hazards, including lands in the Special Flood Hazard Area;
 - iii. Has slopes of 25 percent or greater
 - iv. Is economically feasible to serve with public facilities; or
 - v. Is parceled at or below two acres.
- f. Out of the 10 cities in Metro that would qualify for the Expedited Urban Growth Expansion, no less than 6 cities should be allowed to apply for a maximum of 150 acres each totaling no more than 900 acres within Metro.

4. **Wetlands** (*group A*)

- a. Enable DSL to support and create wetland mitigation opportunities throughout the state with a priority focus on serving urban growth where the local jurisdiction(s) can identify and justify the need for wetland credits to support housing production goals. Opportunities include establishment of additional mitigation banks, expanding the existing In-Lieu Fee (ILF) program by seeking approvals from the Army Corps of Engineers, and allowing use of the existing Payment-In Lieu program to the extent possible. Additional funding shall be provided to DSL to carry out this recommendation.
- b. As an emergency measure to support the establishment of new wetland mitigation banks, for the next 5 years DSL will pay new mitigation bankers for credit reductions that are due to the soil temporal loss adjustments under OAR 141-085-0692. DSL will standardize the credit price across a region. DSL will provide payment after the mitigation bank instrument has been approved and use funds allocated to DSL for this purpose. Additionally, during these 5 years, studies shall:
 - i. Evaluate how the rule affects economic feasibility of new mitigation banks.

- ii. Provide guidance for measuring soil functions over time (e.g., soil temporal loss needs to be evaluated for improved function over time).
 - iii. Evaluate whether the science behind the rule is consistent with the soil disturbance penalty.
 - iv. Additional funding shall be provided to DSL to carry out this recommendation.
 - c. As part of in-lieu fee programs outlined in 4.a. (ILF and PIL), DSL shall:
 - i. Utilize a competitive bidding process to the maximum extent possible for the building of wetland banks.
 - ii. Provide the option to existing wetland bankers in markets (basins) where in-lieu fee becomes available to sell existing credits to DSL at fair market value.
 - iii. To expedite the process and provide flexibility for DSL in the creation and management of new wetland banks and purchasing of existing banks, permit the agency to operate independent of the Department of Administrative Services (DAS).
 - iv. To expedite the process and provide flexibility for DSL to disperse funds collected under the ILF and PIL programs, provide the agency grant making authority in ORS 196.650.
 - v. Additional funding shall be provided to DSL to carry out this recommendation.
 - d. Direct DSL to remove obstacles and extend credits to projects to the maximum extent possible if allowable under the use of ORS 196.623, including funding programs under the Oregon Watershed Enhancement Board.
 - e. DLCD should analyze how the National Flood Insurance Program (NFIP) Federal Emergency Management Administration (FEMA) Biological Opinion (BiOp) will impact Oregon's housing production goals, including impacts to buildable lands. The Governor's Office should coordinate with Oregon's federal delegation to ensure FEMA considers impacts to housing development when implementing the BiOp.
 - f. Permit a city to exclude from the city's 20-year available land inventory all wetlands and adjacent appropriate buffer areas which property owners and the city both agree to map and dedicate for preservation for at least 20 years.
- 5. **Wetlands (group B)**
 - a. Through emergency order direct Department of State Lands (DSL) and the Department of Environmental Quality (DEQ) for a minimum of 5 years to adopt "Waters of the United States" (WOTUS) definition as the "Waters of the State" definition for residential properties within Urban Growth Boundaries of Cities. To assure water quality and mitigate environmental harm from loss of wetlands resulting from adoption of new "Waters of the State" definition, through DSL and DEQ, the state of Oregon at its own expense and discretion shall take measures which the state deems necessary to offset the loss of wetlands resulting from this recommendation.
- 6. **Wetlands (group C)**
 - a. Expand the existing Payment-In-Lieu (PIL) programs for wetland mitigation. Through DSL, expand PIL/mitigation bank programs for all wetlands not protected by federal regulations and administered by the DSL. Where DSL is the only jurisdiction over the wetland, emphasis should be given to replacing or enhancing FUNCTION within the basin, rather than focusing on not losing wetland area. Permit the PIL funds generated from wetlands protected only by state rules to be used for such activities as:
 - i. Funding of local stormwater treatment facilities in cities in which the wetland was mitigated.
 - ii. Flood control measures in regions where wetland mitigated.

- iii. Building of wetland banks.
 - iv. Wetland enhancement.
 - b. Additional funding shall be provided to DSL to carry out this recommendation.
- 7. **Public Owned Land (i.e., Special Districts, Ports, School Districts, Counties/Cities, etc.)**
 - a. Declare State of Emergency for Housing Production:
 - i. Expand and extend Executive Order 23-02 (merge with EO 23-04) to include production of 36,000 housing units annually as an emergency order.
 - ii. Authorize Oregon Emergency Management (OEM) to expand land inventory process in EO23-02 1.a.vi to include publicly owned parcels beyond those controlled by the State and are suitable for housing development.
 - iii. Authorize the Department of Administrative Services (DAS) to expand the Enterprise Asset Management process to include analysis for potential housing production, direction to seek co-location (i.e. public works) of state and local services and an equitable disposition process for divesting properties suitable for housing production.
 - iv. Allow affordable housing developers right of first option on publicly owned land.
 - v. Allow local agencies to write down the cost of the land to provide additional subsidy for affordable housing.
 - vi. Preclude municipalities, special districts, local governments, etc. from charter, ordinance or other local legislation that could require additional processes to surplus or lease public land for housing development.
 - vii. Ensure 'by-right' affordable housing on publicly owned land through legislation which also precludes municipalities from creating local legislation that could require additional processes to permit and approve housing development on publicly owned land.
- 8. **Expand Capacity of Oregon Brownfields Program to Encourage Housing Production**
 - a. Recapitalize Oregon Brownfields Redevelopment Fund (BRF) and Brownfields Properties Revitalization Funds (BPRF). Modify the BPRF statute, ORS 275A.193-198, to allow additional loan forgiveness for development of housing at 80% -120% AMI or below.
 - b. Modify the Brownfields Properties Revitalization Fund (BPRF) statute (ORS 285A 193 - 198) to make private prospective purchasers of brownfields eligible for BPRF forgivable loans.
 - c. Consider funding additional staff capacity to manage the increased program interest and projects' complexity, and to assist and conduct outreach to affordable housing developers.
 - d. Consider funding additional DEQ staff capacity to conduct necessary environmental review required to issue No Further Action Determinations as needed by developers and lenders.
 - e. Consider expansion of DEQ's consent judgment and administrative settlement program to focus on housing production to address third-party liability. This program allows the state, on behalf of all potential claimants in an environmental action, to reach a settlement where they acknowledge that the remediation efforts are sufficient to absolve the responsible party of liability.
 - f. Implement a Licensed Site Remediation Professional Program to supplement DEQ staff to review sites/plans for Brownfields. Allow qualified outside professionals to conduct and guarantee the review is to standard in order to facilitate faster turnaround of housing production on Brownfields sites.

- g. Convene multi-agency response teams that can facilitate equitable housing production on brownfield properties. In addition to Business Oregon and DEQ, include OHCS, DLCD, and OHA to address related environmental justice, land use, and community health concerns that may arise when developing housing on brownfield properties. This multi-agency response team should be housed in a Cabinet within the Executive Branch.

Land Development Permit Applications

1. **Expand the current Building Codes Division and local jurisdiction capacity for streamlining plan review and site inspections to accommodate increased levels of housing production at the local level.**
 - a. Fund additional resources plan reviewers/inspectors/support staff to increase "in-house" capacity at Building Codes.
 - b. Increase the number of qualified independent contractors (third parties) who are licensed by the state to provide plan review and inspection services for cities where capacity is not available.
 - c. Increase the number of qualified individuals or entities who are certified by the state to provide plan review and inspection services for local jurisdictions.
 - d. Tailor program to provide new state plan review and inspections services to:
 - i. Local jurisdictions which do not meet performance standards established by the Building Codes Division.
 - ii. Affordable Housing projects in excess of 20 housing units where the local jurisdiction cannot meet plan review timeline specified by the Building Codes Division.
 - e. Expand and fast-track the state's role in mediating disputes between design professionals and cities specifically relating to building, planning and public works.
 - f. Provide resources including education to maximize the potential for virtual inspections with a target of (1) business day inspection anywhere in the state.
2. **Rules governing cottage clusters as a current middle housing option should be modified as follows:**
 - a. Cottage cluster with five or less living units should not require a courtyard.
 - b. Cottage clusters should not be required to have separate utilities for each unit if the units sharing utilities are either:
 - i. Part of an HOA which assumes responsibility for maintenance and costs associated with use of the utility.
 - ii. Otherwise restricted by deed to assure maintenance and costs sharing associated with use of the utility.
3. **Plan review for site civil and building permits for residential construction (including higher density development) should be done in a way to promote the clear and objective criteria which are required under the needed housing statutes. In addition, responsibility for design of site civil work and building design should fall upon the stamping design professional (i.e., the civil engineer or architect of record). To comply with these standards:**
 - a. The first review is a thorough review, stating all the issues with all plans/reports submitted. All issues should clearly reference the standards applicable.
 - b. After the first round of comments are returned to the applicant, the jurisdiction and design team should meet to discuss all issues. This meeting is to be scheduled within 5 business days of returning the comments.

- c. All subsequent reviews can only address comments related to fire, life, safety. No new comments can be added unless they are directly related to substantial changes made after the previous revisions.
 - d. Small changes that don't result in a substantial change in design should be allowed to be address after construction permits are issued.
 - e. Reviewing jurisdictions are to develop clear and objective standards for plan review submittals.
 - f. Cities can only have plans for 120 days before permit issuance. The 120-day total only applies for the time the city is reviewing the plans (i.e., four 30-day reviews). All agencies under state jurisdictions should also be held to the 120-day standard. When multiple agencies are involved in the approval of a project, jurisdictions should have 120 days to approve the portions of the project under their control. Building permits and public works permits would have their own timelines.
 - g. Jurisdictions are to develop checklists which contain all the necessary paperwork, applications, signatures, documents, and submittals required to get through land use, construction permits, and building permits. Items can only be added to the list to address fire, life, safety requirements.
 - h. Checklists for land use can be given to the applicant with pre-app notes. If the application is within substantial conformance with the plan submitted at the pre-app, the pre-app checklist is binding. If the submittal is not within substantial conformance, a revised checklist can be given with completeness review.
 - i. Checklists for items required for construction permits/building permits are to be given after the first review, as previously outlined above.
4. **Local jurisdictions must allow an applicant, by right, adjustments of up to 20% from specified land use standards.**
- a. Adjustments are available only if all the following conditions are met:
 - i. Applications are for a building permit or a quasi-judicial, limited or ministerial land use decision.
 - ii. Development is on lands zoned for residential or mixed-use residential uses.
 - iii. Development is within an urban growth boundary, not including lands that have not been annexed by a city.
 - iv. Development is of net new housing units, including single-family or multifamily, mixed-use residential, manufactured dwelling parks, accessory dwelling units or middle housing as defined in ORS 197.758.
 - b. A local government may not approve more than 10 distinct adjustments. Each development standard described below is considered a distinct adjustment. Adjustments meeting the criteria under this section shall be granted by a local government and may be resolved through an existing or new administrative process of the local government that allows for flexibility in addressing development or design standards for residential development.
 - c. A local government shall grant an adjustment to the following development standards:
 - i. Side and rear setbacks and step backs, provided that the setbacks still comply with utility siting requirements.
 - ii. The amount of landscaped area, common area or open space area, for a reduction of up to 20 percent, provided that stormwater management requirements and tree codes are met and that there is no impact to tree canopy requirements or ground or surface water resources.
 - iii. Parking minimums.

- iv. Minimum or maximum lot sizes, for up to a 20 percent adjustment.
 - v. Minimum or maximum lot widths and depths, for up to a 20 percent adjustment.
 - vi. Minimum bicycle parking for up to a 20 percent adjustment.
 - vii. Minimum or maximum building lot coverage requirements:
 - 1. For up to a 20 percent adjustment, for accessory dwelling units with a single-family detached house.
 - 2. For up to a 20 percent adjustment, for multifamily, mixed-use residential and middle housing.
 - viii. FAR and unit density maximums.
 - ix. Building height maximums, in addition to existing applicable height bonuses, except for single-family detached houses or where denial of the variance is necessary to address a fire, life or safety issue, for an increase of the greater of:
 - 1. One story; or
 - 2. A 20 percent increase to base zone height with rounding consistent with methodology outlined in city code, if any.
 - x. Prohibitions, on the ground floor of a mixed-use building, against:
 - 1. Residential uses except for one face of the building that faces the street and is within 20 feet of the street.
 - 2. Nonresidential active uses that support the residential uses of the building, including lobbies, day care, passenger loading, community rooms, exercise facilities, offices, activity spaces or live-work spaces, except for active uses in specifically and clearly defined mixed use areas or commercial corridors designated by local governments.
 - d. A local government shall grant an adjustment to design standards that regulate:
 - i. Façade materials, articulation, color, or pattern.
 - ii. Roof forms and materials.
 - iii. Entry and garage door materials and patterns.
 - iv. Garage door orientation, except when the building is adjacent to or across from a school or public park.
 - v. Window material and design.
 - vi. Window size or total window area, for up to a 20 percent adjustment.
 - vii. Building orientation requirements, not including transit street orientation requirements.
 - viii. Building height transition requirements, for up to a 20 percent adjustment from the base zone, except where necessary to address a fire, life, or safety issue.
 - ix. Balconies, porches, recesses, and offsets.
- 5. Temporary Change to Land Use Review Process.**
- a. On a temporary basis, until Oregon emerges from the housing production emergency, all housing development will be exempt from public discretionary review or Type III Design Review or the review by the City Council, meanwhile providing a simplified Type II administrative process by the local jurisdiction to provide guaranteed approval of the design within the 120-day review period since the time of submittal.
 - b. While this exemption is in place the clear and objective pathways will be reviewed to reduce the number of requirements.
- 6. Require Plan Review with Private Utility Designs Delays.**
- a. Prohibit cities from suspending plan review processes due to delays in design submission from private utility companies.

7. **ODOT Immediate Opportunity Fund for Housing.**
 - a. ODOT to be additionally funded (\$20,000,000 per year) to create an “Immediate Housing Opportunity Fund” to support housing production through roadway improvements, to support the significant housing unit production over the next 10 years. Cost sharing with private developers and/or cities should be encouraged to leverage the fund to the maximum extent possible.
 - b. Actual dollar amount should be considered a placeholder until economic analysis indicate whether this level of funding is sufficient.
8. **ODOT Priority Review.**
 - a. All proposed housing projects which exceed 15 units, and which require ODOT design review as part of the development permit shall be elevated to “priority status” for prompt review. Additionally, residential projects which require ODOT review as part of a land use action (most often when exceeding a threshold of daily trips) shall be elevated to “priority status”.
 - b. “Priority status” means that ODOT will assign a focused and specialized team of engineers and reviewers to fast track the project review, with a single point of contact for fast and reliable customer service.
9. **Expedited Land Use Appeals for Housing.**
 - a. Create expedited appeals process for Limited Land Use Decisions (existing), Expedited Land Use Decisions (existing), and Urban Housing Decisions (new category).
 - b. An “Urban Housing Decision” shall be any land use action subject to LUBA review that meets all the following criteria:
 - i. Is wholly within an Urban Growth Boundary.
 - ii. Is on land that permits residential development.
 - iii. Primarily relates to the approval of residential development (such as plat approval, design review, CUP, etc.).
 - c. The expedited appeals process shall consist of the following rules (which supersede standard LUBA rules where in conflict):
 - i. No interventions allowed other than applicant; LUBA shall administratively consolidate all appeals related to same housing decision.
 - ii. Briefs to be limited to 250 words per assignment of error; filed and served electronically.
 - iii. Record to be transmitted within 7 days of NITA; record limited to final decision including approved site plan.
 - iv. Opening brief due within 7 days from record transmission; reply brief due within 7 days of opening brief; Oral argument at discretion of LUBA – to be ordered and held within 15 days of reply brief; decision within 21 days of oral argument.
 - v. Standard for review to be “obvious error which is substantially prejudicial to appellant.”
 - vi. Applicant may elect to proceed under standard LUBA rules by so stating in their NITA or by filing a notice within 15 days of appellant’s initial brief.
 - vii. Remands shall be administratively resolved by local jurisdiction within 15 days.
 - viii. Appeals to COA subject to surety posting of \$1,000 per dwelling unit in the subject application; award of same amount + attorney fees for affirmation on appeal.
10. **Electronic Filing at LUBA.**
 - a. Create electronic filing system for LUBA with one of the following options:
 - i. Adding LUBA to the Appellate Case Management System (ACMS).

- ii. Creating a new, standalone filing system for LUBA.
 - iii. Creating a new, state-managed filing system for all land use review bodies.
- 11. Early Feasibility Acceptance for Land Use Decisions.**
- a. Allow developers to seek Early Feasibility Acceptance prior to a complete application submittal. To apply, a developer must provide the following:
 - i. Specific list of all Early Feasibility Acceptance requests necessary for determining the viability of a project. Examples might be:
 - 1. Zone change (Type 2)
 - 2. Discretionary reviews
 - 3. Exceptions to public works standards
 - 4. Variances
 - 5. Fire department approvals
 - ii. Explanations of items listed to include:
 - 1. Written explanation of why Early Feasibility Acceptance is necessary
 - 2. Site plan (if required)
 - 3. Number of housing units to be built
 - 4. Supporting documents describing in detail each Early Feasibility Acceptance request
 - b. Any Early Feasibility Acceptance is specific to the project under consideration. These decisions are not transferrable to another project with a different design to be built on the same property. If the project does not move forward, any decision (e.g., zone change) will not be applicable to a different design. Such approvals are valid for final applications filed within 18 months. Applicants may request an extension of an Early Feasibility Acceptance.
 - c. Cities are permitted to request additional information from the applicant related to explanation requirements. Approved Feasibility Acceptance is subject to the adherence of the final application to the Early Feasibility Acceptance Application and any applicable code updates.
- 12. Establish 5-foot Wetland Buffer.**
- a. All non-federal jurisdictional wetlands shall be permitted a prescriptive path for soil disturbance within 5 feet of Waters of the State (not Waters of the US). Implementation of a prescriptive sediment reduction method shall rely on currently accepted practices necessary for the substantial reduction of sediment run-off into wetlands.
- 13. Statewide clarification and enforcement of ORS 227.178 (120/100-day approval).**
- a. Direct permitting jurisdictions that clear and objective checklist must be provided to applicant.
 - b. Once an application is submitted, it must be deemed complete within 30 days if all items on the checklist are provided.
 - c. No additional items can be requested from Applicant, nor influence denial, after initial 30-day completeness check.
 - d. Any item required by the jurisdiction that takes longer than the 30 days to complete, must be processed concurrently (submitted prior to completeness and reviewed within 120/100-day period) to the land use review.

Codes and Design

- 1. **Update existing regulations and requirements for condominiums to make them easier to build and expand the types of construction that qualify to include smaller middle housing concepts.**

- a. Reduce statute of ultimate repose to 6 years. BCD to develop on envelope inspection standards to be inspected by local jurisdictions as part of the building inspection process to help reduce risk of defects.
 - b. Clarify rules and roles for condominium documentation to keep out of local jurisdiction (HB3395 2023). Provide information to cities and help amending code to remove local guidance (Real Estate Agency).
 - c. Release of earnest money for construction.
 - d. Provide more state resources for approval and training/code amendment, including staff.
 - e. Do not require individual Limited Common Elements to be measured as part of the condo plat (outer boundary to be measured with individual elements within it to be listed, rather than measured).
 - f. Air space condominiums shall be permitted for detached single family and townhomes.
2. **Expand BCD's "Ready Build" plan program to include 4 market-driven housing types of varying densities suitable for typical +/- 5,000sf lot size and configurations across the State.**
- a. Develop permit-ready plans for smaller scale, fee-simple "starter homes" and partner with jurisdictions to adopt and incentivize.
 - b. Remove barriers and make it less complex to build smaller, more affordable homes.
 - c. Explore additional by right zoning options.
3. **Update the process for hearing appeals for residential housing development within UGBs.**
- a. Land Use procedures:
 - i. Require that appeals or call-up must be based on and required to state the specific approval criteria in question.
 - ii. Appeals should be directed to hearings officers, rather than planning commissions or city councils.
 - 1. In cities with no hearings officer, Council of Governments shall work to assign/contract hearings officers to provide the service around the state.
 - iii. Revise state law to remove requirement for one de novo hearing. Allow for jurisdictions to hear appeals either on the record or based on just the appeal issue(s).
 - iv. Previously approved applications under consideration with an appeal should have conditions of approval added/modified to address a denial/approval of the appeal issue, allowing an earlier approval of the project to still stand.
 - v. Legislature should define "adequate findings" to eliminate the need to respond endlessly to public comment/questions.
4. **Modify Hearing Time Standards.**
- a. In quasi-judicial land use hearings, the burden of proof falls on the applicant. To ensure housing projects can respond:
 - i. Allow equal time for applicant as staff gets (minimum 15 minutes).
 - ii. Minimum of 5 minutes for rebuttal. Additional 1 minute of rebuttal time allowed for each person who gives public testimony.
 - iii. If planning commission/city council ask questions of staff, the applicant also get a chance to answer the same questions during the hearing, even if the hearing has been closed.
5. **Modify Trees Codes in Development Situations.**
- a. On developed lots:
 - i. On platted less than 6,000 square feet where an increase in density from the current configuration of the lot is proposed. No city or jurisdiction shall deny a permit for the removal of trees less than 48" in diameter, nor shall they charge a

fee-in-lieu for the removal. For trees larger than 48" in diameter, if the city or jurisdiction has a code regulating the preservation of trees, the city or jurisdiction must offer a program that allows for replacement trees to be planted or for a fee in lieu option, with reasonable caps on fees, when the replacement tree option is not feasible.

- b. On larger development sites:
 - i. Inside an urban growth boundary where land has already been counted as part of a city or jurisdictions buildable land inventory, where multi-family development or single-family development on lots less than 6,000 sf per unit on average is proposed, no city or jurisdiction shall deny a permit for the removal of a tree less than 48" in diameter, nor shall they charge a fee-in-lieu for the removal. For trees larger than 48" in diameter, if the city or jurisdiction has a code regulating the preservation of trees, the city or jurisdiction must offer a program that allows for replacement trees to be planted or for a fee in lieu option, with reasonable caps on fees, when the replacement tree option is not feasible. Trees, regardless of size that are in areas of needed streets, utilities, topography, grading and density, shall not be required to be preserved regardless of size.
 - c. The above provisions shall not apply to trees in a riparian corridors or environmental protection areas.
 - d. Where tree preservation is chosen to protect the trees on a site, cities must develop a prescriptive tree protection plan as a first option but also allow for protection plans to be developed by a licensed arborist. The arborist plan shall supersede any prescriptive protection plan.
 - e. Nothing in this recommendation is intended to limit a jurisdiction's ability to require tree planting, landscaping, or irrigation, consistent with their local codes.
 - f. Sunset policy after 10 years in recognition of the emergency need for more housing in the state of Oregon.
- 6. **Allow use of a single stair for buildings up to 5 stories tall.**
 - a. The following implementation standards shall apply:
 - i. Sprinklered buildings only
 - ii. No more than 4 units per floor
 - iii. Distance requirements (farthest unit to stair 125')
 - iv. Operable windows required
 - b. Additional enhancement to be considered but not required:
 - i. Sprinkler upgrade from NFPR 13R to NFPR 13.
 - c. Fire, life, safety requirements to be considered including local jurisdictional response capacity (ex. volunteer fire vs. non etc.).
 - d. For implementation, avoid pressurization of exit stair as that leads to additional cost and decreases efficacy of production targets. Avoid discretionary sign off – allowed via objective standards.
- 7. **Allow BOLI prevailing wage rate exemption for affordable housing that are up to 5 stories.**
- 8. **Allow density swap when limitations render portions of sites undevelopable for housing.**
 - a. For the development of housing, allow the applicant to apply for density swap that shall be approved when limitations render portions of sites undevelopable (i.e. floodplain, landslide hazard areas, topography, wetlands, trees, etc.) at or above 15% of the total property. May be done through density swap allowable outright or an increase in building height. Applicant is not required to build up to the maximum allowable density.

- b. When density swap is applied for, dimensional lot standards shall no longer apply to allow for density to be achieved without the use of a PUD process.
9. **Update Middle Housing Statutes and Rules to:**
- a. Remove state code provision requiring single service for each lot.
 - i. Allow for multiple water meters to be served off a single water tap, still allowing for one meter per lot.
 - ii. Allow for shared sewer lateral.
 - iii. Both can have maintenance agreements or other deed restrictions/escrow accounts for shared maintenance issues.
 - iv. Allow for utility easements on private property.
 - b. On a new subdivision using Middle Housing, jurisdiction shall allow for those to be included in the recording of the final subdivision plat, prior to construction of any homes at the request of the applicant.
 - c. Cities to look at ability to provide maintenance on shared sewer lateral and charge owners.
 - d. Middle housing to have the same setback/requirements as single-family housing.
10. **Promote visitability and access to accessible living units.**
- a. Provide incentives to single family/middle housing developments that provide visitability:
 - i. One time tax benefit/credit to the homeowner.
 - ii. Reductions in rear and front yard setbacks.
 - iii. Increase in lot coverage/FAR allowance.
 - b. For multi-family development:
 - i. Increase the required percentage of Type A units to 5%
 - c. Cities to report as part of their OHNA reporting the location and number of accessible units in each housing development. Cities also to keep track of new builds that would meet the visitability requirements. State to provide database of accessible units based on location and unit type (not availability).
 - d. State database to provide connection between those with accessibility needs and landlords with accessible units. Examples of this might be providing a database people with accessibility needs can apply to that landlords can access when an accessible unit is available.
 - e. Amend the building code to require backing be installed in all bathrooms on the ground floor of housing units for future installation of grab bars.
 - f. Visitability is defined by having a zero-step entry, accessible route to the front door, doors with 36" opening, and a maneuverable bathroom on the first floor.
11. **Establish required timelines for franchise utilities in housing projects exceeding 10 housing units.**
- a. Electrical: A Final Electrical Design shall be provided to an applicant within 60 days of receipt of civil engineering design.
 - b. Natural Gas: A Final Natural Gas Design shall be provided to an applicant within 45 days of receipt of Final Electrical Design and civil engineering design.
 - c. Communications: A Final Communications Design shall be provided to an applicant 45 days of receipt of Final Electrical Design and civil engineering design.
 - d. Note: This recommendation generally applies to joint trench franchise utility installations.
12. **Request that the Governor's Office engage an objective third-party facilitator to assess CFEC-OHNA rules implementation.**

- a. Request that the Governor’s Office engage an objective third-party facilitator to work with DLCD, impacted jurisdictions and housing developers to (1) examine the impacts of CFEC rules on housing policy; and (2) identify which CFEC rules could potentially conflict with objectives of OHNA, and stay those rules pending the completion of the OHNA rulemaking and subsequent agency action.
- b. Areas in the rules to examine include, but should not be limited to:
 - i. Whether there should be greater flexibility and/or clarity in land use regulations required of cities, so as not to interfere with affordable housing production goals and homeownership opportunities.
 - ii. Whether there are ways to simplify the rules so that they can be implemented without taking time away from essential housing production planning and approvals.
 - iii. Whether the rules related to transportation planning, performance standards for VMT reduction, and major TSP updates may create barriers to needed housing development and community growth.
 - iv. Whether the land use rules increase risk of gentrification and displacement, and stronger requirements for mitigation.

13. Establish 180-day Timeline for Annexation and Comprehensive Plan Changes.

- a. Annexations and Comprehensive Plan Changes/Zone Changes shall have a statutory timeline similar to the statutory timeline for limited land use cases. Instead of 120 days (as is the case for limited land use cases), timelines would be as follows:
 - i. Annexations shall have decisions and have paperwork forwarded to the State within 180 days.
 - ii. Comprehensive plan map amendments shall have a timeline of 180 days.
- b. Annexations of land within UGB that meeting the criteria of ORS 222.127, Section (2) shall be a Type II review.
- c. Enclave annexations shall have a 120-day statutory timeline.
- d. LUBA shall have the right to review all annexation decisions.
- e. Direct a state entity to develop a set of broader recommendations to comprehensively reform annexation statutes (ORS 222), in consultation with developers, local governments, etc., with the goal to reduce the cost/delay to housing production associated with annexation.

14. Modify Transportation Impact Analysis and Proportionate Share for Housing

- a. For the purposes of this recommendation, housing is defined as single-family, middle housing, townhomes, condos, cottages, apartments, mixed use.
- b. Traffic Impact Analysis (TIA) practices for residential development shall be allowed to include the following:
 - i. Jurisdictions to develop and allow use of volume adjustment factors for when data is collected outside of school schedule. ODOT’s Seasonal Adjustment Factor could be used or, if the city determines these factors don’t adequately represent their system, the city to determine adjustment factors that can be used. Allow for traffic consultants to choose between collecting traffic count data when school is in session or choosing the adjustment factor for background counts.
 - ii. When intersections don’t meet operational standards, Cities to work with traffic consultant to determine what is causing the failure and determine if the failure is truly a safety issue or delay.

1. Develop standard of “severe operational or safety impact” such as unprotected left turn with insufficient gap.
 2. Allow consultants to propose interim mitigations.
 - a. Interim mitigations shall be allowed if they provide a means for safe movement of traffic. Interim mitigations shall not have an arbitrary time limit if they allow safe movement.
 - c. When a TIA is required for land use, the submission of the document shall satisfy the completeness review requirement. The review of the TIA is to occur during the 120-day land use process.
 - d. When offsite mitigation is needed but is not determined to be an immediate safety issue or interim mitigation measures would satisfy the safety need, the developer shall be able to proceed with the development of housing while either working out the construction plans for the mitigation or pay their proportional share to the city.
 - e. When offsite mitigation is needed because of severe operational impact/safety, the development of the housing project should proceed while the traffic mitigation construction plans/construction are being finalized. This includes recording of the plat and/or issuing of building permits. The developer shall post security of 200% of the estimated construction costs (based on the City accepted Engineer of Record’s Engineer’s Estimate). The security can be released when the mitigation is constructed. No certificates of occupancy will be issued until the mitigation is constructed.
 - i. Applicant shall be allowed to perform a sensitivity analysis to determine the number of units that can be occupied prior to the completion of the mitigation.
 - f. When acquisition of property is required to service a public facility outside of the city limits (i.e., in the neighboring County), the city shall be able to acquire the property without the cooperation of the neighboring County. This only applies to property for public use and public ownership.
 - g. When traffic mitigation is necessary, reimbursement for the project shall be completed within five years of the project completion. Proportional share can be dealt with via SDC credits or considered of the reimbursement at the request of the developer.
 - h. When a reimbursement district is used to fund any infrastructure improvement, the reimbursement district shall have no expiration date.
- 15. Legislation training and LUBA Case review to be provided to both the public and private section annually.**
- a. Training will cover:
 - i. For new legislation, the information should be focused on the purpose behind the legislation, an overview of the legislation, and the implementation moving forward.
 - ii. For LUBA cases, the information should be focused on an overview of the LUBA case and the issues raised on appeal, a summary of LUBA’s findings, and implications for case law moving forward.
 - iii. New administrative rules.
 - b. The training to be offered for both city planning/community development departments as well as land use attorneys, land use planners, developers, and engineers. Cities with populations over 10,000 shall have one representative attend the training (either in-person or virtual). Incentivize all cities to attend.
 - c. Training summary to be sent to all cities. Online viewing of training to be considered.
- 16. Update Standards for Stormwater Permitting.**
- a. DEQ to provide clear and objective criteria for cities applying for MS4 permits.

- b. Stormwater standards shall not limit methods used for providing water quality and quantity controls unless specifically required by DEQ.
- c. On infill and middle housing subdivision lots, stormwater facilities shall be allowed to deviate from geometric dimensional standards to provide stormwater treatment and detention.

17. Allow for General Contractor Utility Hookup.

- a. Update Statute to include the following: A General Contractor (RSG) CGC1), (CGC2) shall be licensed, authorized, and permitted to install onsite water lines, sewer lines and electrical conduit to a point that terminates not more than three feet into the building footprint.
- b. This proposal, specifically, does not allow the connection to or the installation of plumbing or electrical systems within the structure. Such installations shall continue to be installed by the appropriately licensed individuals.

Financing

1. State of Oregon Infrastructure Fund

- a. Create a State of Oregon Revolving Infrastructure Loan Fund that finances critical, local infrastructure through conditionally forgivable loans investing in public facilities that support the development of housing. Critical Infrastructure shall mean any improvements which will ultimately be dedicated to the public or transferred to a public utility in such a manner that is critical to housing development.

2. Create a subsidized funding instrument at the State level to allow cities to borrow against future revenues generated through SDC's for infrastructure projects which will increase future production and/or lead to greater affordability.

- a. The program would consist of the following:
 - i. Long term loan low or no-interest loans from the state to cities for essential infrastructure projects.
 - ii. Repayment would be from of the following depending on the preference of the city:
 - 1. A deeded property tax assessment for each new home monitored by and paid to the state over the course of 20 years.
 - a. State tax credit annually available for residents restricted at 120% AMI and below.
 - 2. SDC's upon construction of the building unit.
 - iii. State would incentivize Cities through the following:
 - 1. Reduce interest rate on loans to cities that achieve production/affordability targets—first 5 years of all loans to be interest free.
 - 2. Provide state grants for all engineering design work required for construction of the project scope specified in the loan agreement between the city and state.
 - iv. Further, the program would:
 - 1. Immediately reduce cost of housing.
 - 2. Incentivize housing production through increased affordability and city incentives to pay back loans.

- i. Revenue Source and Annual Revenue Generated (Legislative Revenue Office, 2023, p. B7, FY 23-24 dollars).
 - 1. Increase all personal income tax brackets by ½ percentage point.
 - a. \$699 Million
 - 2. Establish Special \$1 per \$1,000 real property tax assessment outside of Measure 5.
 - a. \$504 Million
 - 3. Implement 0.5% Retail Sales Tax.
 - a. \$501 Million
 - 4. Implement 0.5% Payroll Tax.
 - a. \$620 Million
 - 5. Double Fuel Tax.
 - a. \$686 Million
8. **Catalyzing Portland Investments.**
- a. This recommendation, Catalyzing Portland, recognizes that Portland is a, if not the, determining factor in meeting the state’s housing goals. The recommendation consists of 5 parts:
 - i. Expand use of the Multiple Unit Limited Tax Exemption (MULTE).
 - ii. Expand the applicability of Systems Development Charge (SDC) and Construction Excise Tax (CET) Waivers.
 - iii. Suspend Type III Design Review, except for appeals of Type II decisions.
 - iv. Consolidate and expedite permitting functions into one Bureau or Office.
 - v. Provide expedited permitting and permit and fees waivers for the conversion of office to residential in the Central City.
 - b. State to provide COP with funding support for implementation.
 - c. This should be a Statewide recommendation and not limited to Portland.
9. **Create an independent or semi-independent Housing Finance Agency (HFA) governed and led by a commission of experts appointed by the Governor, and transfer OHCS’s existing housing finance programs to the HFA for administration.**
- a. Transferred programs to include all those related to the financing of real estate.
 - i. Single-family mortgage programs
 - 1. Down payment assistance programs
 - 2. Manufactured home replacement programs
 - 3. Wildfire survivor home loans funded by federal disaster relief funds (CDBG-DR)
 - ii. Multifamily rental housing programs
 - 1. State and federal tax credits
 - 2. Bond and loan programs
 - a. Conduit bonds
 - b. Elderly and disabled bonds
 - 3. Gap financing programs and funding sources
 - a. LIFT
 - b. GHAP
 - c. Document recording fees
 - d. HOME
 - 4. Manufactured housing park finance programs
 - 5. Wildfire-related housing production funded with federal disaster relief funds (CDBG-DR)

- iii. Loan servicing and asset management
 - b. This recommendation, which would require considerable analysis, study, and stakeholder engagement in order to carry out, would essentially split OHCS as it's known today into two separate entities: one focused on the specialized housing finance arena with a mandate to expedite production of low- and moderate-income housing of all types; and the other providing grant funding to anti-poverty and homeless services programs, which requires its own focus and expertise. It would eliminate the need for a separate disaster recovery division within OHCS.
 - c. The thesis for how this recommendation would serve to expedite housing production is provided in the body of this document. The Finance Workgroup identified some key questions for additional study but recognized that fuller analysis falls outside the scope of what the HPAC workgroup process can reasonably provide.
- 10. **Reform Oregon's tax system to encourage development of needed housing and provide adequate revenue for local governments to support housing production.**
 - a. Taxes are both a tool to raise revenue for government and to shape taxpayer behavior. Attaining the Governor's desired housing production goals will require significant new revenue; this recommendation highlights actions that can address revenue shortfalls and encourage a shift in taxpayer behavior to support housing production.
 - b. Potential actions include (but are not limited to):
 - i. Targeted Measure 50 Reform:
 - 1. Increase annual Maximum Assessed Value change to 5%.
 - 2. Authorize voters to increase the permanent levy of their local jurisdiction.
 - 3. Exempt Cities and Counties from compression.
 - ii. Adopt Land Value Tax
 - iii. Eliminate Mortgage Interest Deduction for Second Homes (i.e., abolish income tax deduction for interest paid on second homes).
 - iv. Enact temporary property tax exemption for new housing at 120% AMI or below.
 - v. Reduce or Eliminate Tax Expenditures (i.e., tax exemptions) not related to housing.
- 11. **Incentivize Modular Housing.**
 - a. State fund a \$20,000/unit modular housing rebate program to catalyze in-State manufacturing of modular units.
- 12. **Fund a Housing Cash Bounty.**
 - a. To financially assist and incentivize cities to build more housing units, the state will pay cities \$10,000 for every housing unit built within the annexed city limits over the next 10 years. Use of the funds will be unrestricted but are intended to accommodate housing growth.
- 13. **Establish a Low-interest Loan Fund.**
 - a. Create a new revolving loan fund with below-market interest rates to lower borrowing costs on needed housing development up to 120% AMI and soften the impact of rising interest rates charged by traditional private sector lenders.
 - b. The fund should also be structured with slightly less stringent underwriting standards than regulated banks to counter the impact of tightening private sector credit availability.
- 14. **Authorize Outside Transaction Counsel for OHCS.**

- a. Require that OHCS utilize outside legal counsel with experience in affordable housing finance to prepare, negotiate, and close all affordable rental housing transactions rather than relying on Oregon DOJ attorneys.
 - b. Include attorneys' fees in closing costs.
15. **Capitalize a Housing Pre-development Program.**
- a. Create a pre-development grant program - up to \$250,000 per award - to advance deed restricted affordable housing production that may ultimately be funded through OHCS resources.

Workforce Shortages

1. **Modify Apprenticeship Ratio Standards.**
 - a. Expand licensed construction trade apprenticeship opportunity by establishing state-wide minimum standards for apprenticeship ratios of no less than two apprentices per one journey-level worker.
 - b. Establish state-wide standards allowing ratios of up to four apprentice-level workers who hold an Indirect Supervision card, to one journey-level worker.
2. **5-year construction workforce development program connecting workers with jobs.**
 - a. Invest \$77 million over five years to generate 6,000 new trained, skilled construction workers around the state whose participation in the construction workforce to fill in 50% of the gap identified by the state's Office of Economic Analysis of construction workers to meet the Exec Order housing production goals.
 - b. Adoption of BOLI curriculum statewide. Develop a statewide standardized curriculum for construction trades training through adoption of BOLI-approved curriculum for apprenticeships and pre-apprenticeship programs.
 - c. Create new curriculum to support related fields. Create a curriculum for construction related jobs such as surveyors, building inspectors, permit technicians, etc., to build this secondary workforce necessary for rapid housing production.
 - d. Local Workforce Development Boards responsible for statewide program. Fund and use the state's 9 local Workforce Development Boards to serve as hubs of coordination, recruitment, and administration of regional construction workforce development training programs. The boards will be responsible for partnering with local employers, community colleges, ESD and regional construction programs (i.e., Youthbuild, Adjudicated Youth, etc.), to coordinate, recruit, and connect the governmental agencies (HECC, BOLI and Department of Education), to ensure that the community-based organizations/regional needs are met. Boards will hire state and regional program coordinators and be the funnel for direct funding to local pre-apprenticeship and apprenticeship programs.
 - e. Fund workers to build affordable housing. Provide dollars to local contractors to encourage affordable housing to be built by hiring apprenticeship students and pay them a living wage. The contractors will receive a wage reimbursement fund to encourage hiring apprenticeships to work on affordable housing projects increasing the number of apprentices.
 - f. Support community colleges directly. Pay for creation of mobile construction training units, staffing, and consumables for construction trade and pre-/apprenticeship related education for community college in rural areas.
 - g. Support education service districts and CTE classes. Fund high school level programs with capital for staffing, consumables, equipment, and facility needs.

3. **Require housing insecurity metric and plan from Oregon Community Colleges.**
 - a. The Oregon Legislature shall expand the Oregon Housing Needs Analysis to include specific analysis related to student housing at Oregon's 17 Community colleges. Community Colleges shall be specifically considered in Regional Housing Needs Analysis, Housing Production Strategies, and Funding and Finance Strategies within their local jurisdictional and state-wide analyses.
4. **Establish a Coordinating Body for Housing Production Related Workforce Initiatives.**
 - a. Establish a multi-agency public private partnership coordinating body to identify, promote, implement, and direct housing production related workforce initiatives. This coordinating body shall investigate current workforce development strategies, pathways, partners, funding streams, and any other components related to housing production workforce development, to identify and resolve barriers, silos, failure points, and missed opportunities. The coalition shall convene related and supporting agencies to identify and resolve redundancies and gaps to ensure a streamlined and straight forward system of workforce development pipelines which can optimize use of federal, state, and local resources to build a robust workforce.
 - b. Participant agencies shall include, but shall not be limited to: HECC, BOLI, Department of Education, DLCD, Workforce Development Boards, WorkSource Oregon, Trade Associations, CBOs focused on economic and workforce development, OSATC.
 - c. Housing Production Workforce shall include, but shall not be limited to, fields such as trades and construction, architects and engineers, planners, community development specialists, appraisers, building inspectors, land surveyors, and any other fields related to housing production.
 - d. This body or advisory council shall provide high-level oversight, cross-collaboration, and coordination between state agencies, non-profit organizations, and private sector. This body will also take the lead in marketing and promotion of career pathways in K-12 settings.
5. **Increase capacity and participation of employers who are committed to hiring underrepresented and/or underserved populations in licensed trade apprenticeships by prioritizing investments in firms that demonstrate need and commitment to successful employment for underrepresented populations.**
 - a. Establish financial subsidy to compensate minority owned, women owned, rural, small and emerging businesses as Apprenticeship Sponsors and Employers who have identified financial barriers for first and second-year Apprentice worker wages.
 - b. Establish financial subsidy to compensate minority owned, women owned, rural, small and emerging business Apprenticeship Sponsors and Employers for administrative burdens and expenses experienced as a result of employing Apprentice level workers and/or for employee participation in JATC, TATC, OSATC, or other Apprenticeship related administrative capacities.
6. **Establish a Housing Production Corps.**
 - a. A workforce development "boot camp" to fast-track potential workers into productive jobs within all areas of the housing production related work industry.
 - b. The state may work with the US Department of Labor to expand Job Corps programming, and/or build/expand existing programs within the State such as Constructing Hope, OregonServes, Reentry programs, and reemployment programs.
 - c. Job training opportunities shall include career options which fast-track candidates into construction trades and building/planning professional careers to assist in the achievement of Governor Kotek's housing production goals.