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## House Bill 2001 Guidance – Affordability and Goal 10 Findings

### *Middle Housing Affordability Considerations*

[House Bill 2001](#) requires local governments to consider ways to increase the affordability of middle housing, including considerations related to SDCs, property tax exemptions, and construction taxes.

Sections 3, chapter 639, Oregon Laws 2019:

*(4) In adopting regulations or amending a comprehensive plan under this section, a local government shall consider ways to increase the affordability of middle housing by considering ordinances and policies that include but are not limited to:*

- a) Waiving or deferring **system development charges**;*
- b) Adopting or amending criteria for **property tax exemptions** under ORS 307.515 (Definitions for ORS 307.515 to 307.523) to 307.523 (Time for filing application), 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) or 307.651 (Definitions for ORS 307.651 to 307.687) to 307.687 (Review of denial of application) or property tax freezes under ORS 308.450 (Definitions for ORS 308.450 to 308.481) to 308.481 (Extending deadline for completion of rehabilitation project); and*
- c) Assessing a **construction tax** under ORS 320.192 (City or county ordinance or resolution to impose tax) and 320.195 (Deposit of revenues).*

Please note that this is not a requirement to adopt these measures, but to consider them and directly address them within the findings. We advise that local governments use this opportunity to consider the myriad of policies that affect middle housing development. The policies outlined within the bill are specific to the subsidization of middle housing development and affordable housing generally. We also advise the consideration of other policies that affect the feasibility and affordability of housing options, such as the provision and finance of public facilities, incentives for regulated affordable housing development, incentives for the retention or conversion of existing affordable housing supply, and incentives and barriers within the development code.

Starting these conversations will be helpful for local jurisdictions as they embark on their housing production strategy, a new planning requirement for cities above 10,000 implemented by [House Bill 2003](#) (now [ORS 197.290](#)). This document will require cities to identify and develop an implementation schedule for strategies that promote the development of housing.

Rulemaking for this new requirement included the compilation of a library of potential strategies local governments could consider as part of a housing production strategy. While this list is not exhaustive, it's a good place to start the conversation. You can access this document as an attachment on the Secretary of State webpage:

[<https://secure.sos.state.or.us/oard/view.action?ruleNumber=660-008-0050>](https://secure.sos.state.or.us/oard/view.action?ruleNumber=660-008-0050)



*Goal 10 Findings*

ORS 197.175(2)(a) requires cities and counties to prepare, adopt, amend and revise comprehensive plans in compliance with Oregon's statewide land use planning goals, including Goal 10. In any plan amendment or adoption of land use regulations, cities and counties must address via findings how the proposed plan amendments affect compliance with each applicable goal.

In adopting land use regulations to comply with House Bill 2001, local jurisdictions will need to consider how these regulations will affect their compliance with Goal 10, including how it affects an adopted Buildable Lands Inventory (BLI) and Housing Needs Analysis (HNA), to ensure the sufficient availability of buildable lands to accommodate needed housing types identified in the HNA.

House Bill 2001 will enable to development of housing types where they were previously prohibited, increasing the capacity of lands to accommodate identified housing need. However, local jurisdictions will still need to consider how these regulations impact capacity in greater depth. ORS 197.296(6)(b), as amended by House Bill 2001, allows jurisdictions to assume up to a three percent increase in zoned capacity, unless they demonstrate a quantifiable validation that the anticipated capacity will be greater. In developing Goal 10 findings, we recommend that local jurisdictions apply this assumption to the adopted buildable lands inventory. Additionally, we recognize that adopted inventories may be dated and the true development capacity may not be known at the time of adoption. In these cases, we recommend that jurisdictions note that they will further consider the impacts of middle housing ordinances on land capacity in the next Housing Needs Analysis, as required on a [regular schedule by House Bill 2003](#).