



Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

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October 5, 2026



TO: Housing in Unincorporated Communities Rulemaking Advisory Committee Members

FROM: Jon Jinings, Community Services Specialist; Palmer Mason, Inter-Agency Coordinator; Leila Aman, Community Services Division Manager; Angela Williamson, Administrative and Rulemaking Coordinator

CC: Mark Bennett, Land Conservation and Development Commission Liaison, Sylva Ciborowski, Mosaic Resolutions

RE: Rulemaking Advisory Committee Meeting #3 Packet

Thank you all for making the time for our meeting next week on October 12, 2026. While our discussion will focus on Division 22, we have included associated changes for Divisions 4, 11, and 22. Please find and review particularly the Division 22 information before our meeting next week.

1. Meeting Agenda, Page 2
2. Division 22 Core Concepts Two-Pager, Page 5
3. Draft Rules Division 4, Page 7
4. Draft Rules Division 11, Page 16
5. Draft Rules Division 14, Page 23
6. Division 22 Explanatory Table, Page 25
7. Draft Rules Division 22, Page 49
8. Draft Impact Statements, Page 72

We look forward to seeing you next week!

Housing in Unincorporated Communities Rulemaking Advisory Committee

Third Meeting, October 12, 2026
1 PM – 4 PM
Virtual

To ensure the meeting is accessible, the department will make reasonable accommodations upon request. Please contact us at least 48 hours before the meeting. Contact the DLCD front desk by phone at 503-373-0050, by email at dlcd.info@dlcd.oregon.gov, or by TTY through Oregon Relay Services (800) 735-2900.

Agenda

Time	Description	Speaker(s)
1:00 – 1:10 PM	Introductions and Updates	Sylvia Ciborowski, Facilitator RAC Members
1:10 – 1:15 PM	Agenda Review	Sylvia Ciborowski DLCD Staff
1:15 – 2:30 PM	Review and Discuss Proposed Rule Changes Review and seek RAC input on proposed conceptual changes to rules intended to allow counties to voluntarily increase housing opportunities in unincorporated communities (UCs). Discussion will focus on core concepts and questions posed in the attached <i>Core Concepts</i> table. Core concepts and discussion questions include: Designating UCC boundaries to include land for future growth capacity: Does a 10-year planning horizon make sense in this context, or could it be 20-years like what is expected of an Urban Growth Boundary? Expanding for growth capacity: Does it make sense to limit the new opportunity to: Rural Communities (RC), as opposed to including Resort Communities and Rural Service Centers; and UUCs and RCs that have water and sewer service? Expanding for growth capacity: What could it look like to provide a new option to allow counties to demonstrate that a UUC boundary can be expanded <i>without interfering with UGBs</i>? Is the draft language offered for consideration close? Expanding for growth capacity: Use of safe harbors for population forecasting and Goal 10 compliance: Is the draft language offered for consideration close (1.0	Jon Jinings, DLCD Sylvia Ciborowski RAC Members

	average annual growth rate for UUCs, 0.50 for RCs)? How much land should be dedicated to multi-unit development? Can the rule account for multigenerational living situations? 5. Expanding for growth capacity: Planning horizon: Would it make sense that a proposal to expand a UUC beyond 10 years would be processed in the manner of a Periodic Review Work Task (additional department involvement and appealable to LCDC)? 6. Consideration of natural hazards: What other “reasonable precautions” should be identified for hazards other than wildfire? Should hazards be included and an element of land priorities? 7. Land priorities: Is the proposed approach to land priority reasonable (i.e., allow lower priority lands to be included over higher priority lands if necessary to avoid historic, cultural, or archaeological resources)? 8. Land priorities: Are the proper categories of soil types and wildlife habitats identified? 9. Community engagement: Are there other techniques or approaches that could be identified or otherwise recommended? Are there other parties that should receive notice?	
2:30 – 2:40 PM	BREAK	
2:40 – 3:20 PM	Continue Discussion of Proposed Rule Changes	RAC Members
3:20 – 3:50 PM	Review and Discuss Impact Statements • Fiscal Impact • Housing Impact	Jon Jinings RAC Members
3:50 – 4:00 PM	Next Steps and Adjourn	

Rulemaking Advisory Committee members should join the meeting via Zoom using the link provided by DLCD.

Members of the public may watch the meeting live or recorded on the [DLCD YouTube channel](#).

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Housing in Unincorporated Communities Rulemaking

<i>Overall Goal:</i> <i>Create a voluntary process for counties to increase housing in unincorporated communities with appropriate characteristics</i>		
Charge Element	Core Concept: proposed changes in Division 22 rules	Core Questions: for RAC discussion
	1. Allow designating Urban Unincorporated Community (UUC) boundaries to include land for future growth capacity. Page 4, Lines 17-22	Does a 10-year planning horizon make sense in this context, or could it be 20-years like what is expected of an Urban Growth Boundary?
 	2. Expanding for growth capacity – Allow UUCs AND some limited subset of non-UUCs to plan for growth Page 12, Lines 28-33. Page 13, Lines 2-8.	Does it make sense to limit the new opportunity to: Rural Communities (RC), as opposed to including Resort Communities and Rural Service Centers; and UUCs and RCs that have water and sewer service?
	3. Expanding for growth capacity – Retain 10- and 20-mile provisions but create a third option to allow counties to demonstrate that a UUC boundary can be expanded without interfering with UGB's. Page 13, Lines 9-26.	What could a new option look like? Is the draft language offered for consideration close?
 	4. Expanding for growth capacity – Use of Safe Harbors for population forecasting and Goal 10 compliance. Page 13, Lines 27-32. Page 14, Lines 1-31. Page 15, Lines 1-6.	Is the draft language offered for consideration close (1.0 average annual growth rate for UUCs, 0.50 for RCs)? How much land should be dedicated to multi-unit development? Can the rule account for multigenerational living situations?
	5. Expanding for growth capacity – Allow UUC's to utilize planning horizon out to 20 years. RC's would be subject to a 10 year planning horizon. Page 15, Lines 14-18.	Would it make sense that a proposal to expand a UUC beyond 10 years would be processed in the manner of a Periodic Review Work Task (additional department involvement and appealable to LCDC)? Page 15, Lines 29-31.



Housing in Unincorporated Communities Rulemaking

	6. Consideration of Natural Hazards- Page 15, Lines 15-28 (expanding for growth capacity). Page 17, Lines 18-27 (expanding to accommodate a specific rural use). Language is identical at both locations.	What other “reasonable precautions” should be identified for hazards other than wildfire? Should hazards be included and an element of land priorities?
	7. Land Priorities – Allow lower priority lands to be included over higher priority lands if necessary to avoid historic, cultural, or archaeological resources. Page 18, Lines 21-22.	Is this approach reasonable?
	8. Land Priorities – Place the very best agricultural soils and very best wildlife habitat off limits for RC expansion for growth capacity. Place the very best wildlife habitat (but not ag soils) off limits for UUC expansion for growth capacity utilizing an 11-20 year planning horizon. Page 18, Lines 23-34. Page 19, Lines 1-15.	Are the proper categories of soil types and wildlife habitats identified?
	9. Enhanced Community Engagement for unincorporated community boundary expansions. Page 21, Lines 20-32. Page 22, Lines 1-18.	Are there other techniques or approaches that could be identified or otherwise recommended? Are there other parties that should receive notice?

Rulemaking: Purpose & Charge



Create a voluntary process for counties to increase housing in unincorporated communities with appropriate characteristics



Allow increased density or expansion under certain conditions



Ensure development supported by available or planned public facilities



Require different housing types for various incomes and household characteristics



Maintain protections for working lands, natural resources and hazards



Reflect input from multiple interested parties and the broader public

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Division 4

INTERPRETATION OF GOAL 2 EXCEPTION PROCESS

660-004-0000

Purpose

(1) The purpose of this division is to interpret the requirements of Goal 2 and ORS 197.732 regarding exceptions. This division explains the three types of exceptions set forth in Goal 2 “Land Use Planning, Part II, Exceptions.” Rules in other divisions of OAR 660 provide substantive standards for some specific types of goal exceptions. Where this is the case, the specific substantive standards in the other divisions control over the more general standards of this division. However, the definitions, notice, and planning and zoning requirements of this division apply to all types of exceptions. The types of exceptions that are subject to specific standards in other divisions are:

(a) Standards for a demonstration of reasons for sanitary sewer service to rural lands are provided in OAR 660-011-0060(9);

(b) Standards for a demonstration of reasons for urban transportation improvements on rural land are provided in OAR 660-012-0070;

(c) Standards to determine irrevocably committed exceptions pertaining to urban development on rural land are provided in OAR 660-014-0030, and standards for demonstration of reasons for urban development on rural land are provided in OAR 660-014-0040.

(d) Standards for demonstration of reasons for the expansion of unincorporated communities are provided in OAR Chapter 660, Division 22.

660-004-0018

Planning and Zoning for Exception Areas

(1) Purpose. This rule explains the requirements for adoption of plan and zone designations for exceptions. Exceptions to one goal or a portion of one goal do not relieve a jurisdiction from remaining goal requirements and do not authorize uses, densities, public facilities and services, or activities other than those recognized or justified by the applicable exception. Physically developed or irrevocably committed exceptions under OAR 660-004-0025 and 660-004-0028 and 660-014-0030 are intended to recognize and allow

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continuation of existing types of development in the exception area. Adoption of plan and zoning provisions that would allow changes in existing types of uses, densities, or services requires the application of the standards outlined in this rule.

(2) For "physically developed" and "irrevocably committed" exceptions to goals, residential plan and zone designations shall authorize a single numeric minimum lot size and all plan and zone designations shall limit uses, density, and public facilities and services to those that satisfy (a) or (b) or (c) and, if applicable, (d):

(a) That are the same as the existing land uses on the exception site;

(b) That meet the following requirements:

(A) The rural uses, density, and public facilities and services will maintain the land as "Rural Land" as defined by the goals, and are consistent with all other applicable goal requirements;

(B) The rural uses, density, and public facilities and services will not commit adjacent or nearby resource land to uses not allowed by the applicable goal as described in OAR 660-004-0028; and

(C) The rural uses, density, and public facilities and services are compatible with adjacent or nearby resource uses;

(c) For uses in unincorporated communities, the uses are consistent with OAR 660-022-0030, "Planning and Zoning of Unincorporated Communities", if the county chooses to designate the community under the applicable provisions of OAR chapter 660, division 22 **as well applicable provisions of OAR 660-022-0050 and OAR 660-022-0055 for the expansion of an unincorporated community;**

(d) For industrial development uses and accessory uses subordinate to the industrial development, the industrial uses may occur in buildings of any size and type provided the exception area was planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.

(3) Uses, density, and public facilities and services not meeting section (2) of this rule may be approved on rural land only under provisions for a reasons exception as outlined in section (4) of this rule and applicable requirements of OAR 660-004-0020 through 660-004-0022, 660-011-0060 with regard to sewer service on rural lands, OAR 660-012-0070 with regard to transportation improvements on rural land, or OAR 660-014-0030 or 660-014-0040 or 660-014-0090 with regard to urban development on rural land, **or OAR 660-022-**

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0050, or OAR 660-022-0055 with regard to the expansion of unincorporated communities on rural land.

(4) "Reasons" Exceptions:

(a) When a local government takes an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022, OAR 660-014-0040, or OAR 660-014-0090, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.

(b) When a local government changes the types or intensities of uses or public facilities and services within an area approved as a "Reasons" exception, a new "Reasons" exception is required.

(c) When a local government includes land within an unincorporated community for which an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022 was previously adopted, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that were justified in the exception or OAR 660-022-0030, whichever is more stringent.

(d) When a local government includes land within an unincorporated community for which an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-022-0050 and OAR 660-022-0055, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that were justified in the exception or OAR 660-022-0030, whichever is more stringent.

660-004-0020

Goal 2, Part II(c), Exception Requirements

(1) If a jurisdiction determines there are reasons consistent with OAR 660-004-0022 to use resource lands for uses not allowed by the applicable Goal or to allow public facilities or services not allowed by the applicable Goal, the justification shall be set forth in the comprehensive plan as an exception. As provided in OAR 660-004-0000(1), rules in other divisions may also apply.

(2) The four standards in Goal 2 Part II(c) required to be addressed when taking an exception to a goal are described in subsections (a) through (d) of this section, including general requirements applicable to each of the factors:

(a) "Reasons justify why the state policy embodied in the applicable goals should not apply." The exception shall set forth the facts and assumptions used as the basis for

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determining that a state policy embodied in a goal should not apply to specific properties or situations, including the amount of land for the use being planned and why the use requires a location on resource land;

(b) "Areas that do not require a new exception cannot reasonably accommodate the use". The exception must meet the following requirements:

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use that do not require a new exception. The area for which the exception is taken shall be identified;

(B) To show why the particular site is justified, it is necessary to discuss why other areas that do not require a new exception cannot reasonably accommodate the proposed use. Economic factors may be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under this test the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses not allowed by the applicable Goal, including resource land in existing unincorporated communities, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(iv) Can the proposed use be reasonably accommodated without the provision of a proposed public facility or service? If not, why not?

(C) The "alternative areas" standard in paragraph B may be met by a broad review of similar types of areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception unless another party to the local proceeding describes specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described, with facts to support the assertion that the sites are more reasonable, by another party during the local exceptions proceeding.

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(c) “The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site.” The exception shall describe: the characteristics of each alternative area considered by the jurisdiction in which an exception might be taken, the typical advantages and disadvantages of using the area for a use not allowed by the Goal, and the typical positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts. A detailed evaluation of specific alternative sites is not required unless such sites are specifically described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding. The exception shall include the reasons why the consequences of the use at the chosen site are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. Such reasons shall include but are not limited to a description of: the facts used to determine which resource land is least productive, the ability to sustain resource uses near the proposed use, and the long-term economic impact on the general area caused by irreversible removal of the land from the resource base. Other possible impacts to be addressed include the effects of the proposed use on the water table, on the costs of improving roads and on the costs to special service districts;

(d) “The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.” The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices. “Compatible” is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

(3) If the exception involves more than one area for which the reasons and circumstances are the same, the areas may be considered as a group. Each of the areas shall be identified on a map, or their location otherwise described, and keyed to the appropriate findings.

~~(4) For the expansion of an unincorporated community described under OAR 660-022-0010, including an urban unincorporated community pursuant to OAR 660-022-0040(2); the reasons exception requirements necessary to address standards 2 through 4 of Goal 2, Part II(c), as described in of subsections (2)(b), (c) and (d) of this rule, are modified to also include the following:~~

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~~(a) Prioritize land for expansion: First priority goes to exceptions lands in proximity to an unincorporated community boundary. Second priority goes to land designated as marginal land. Third priority goes to land designated in an acknowledged comprehensive plan for agriculture or forestry, or both. Higher priority is given to land of lower capability site class for agricultural land, or lower cubic foot site class for forest land; and~~

~~(b) Land of lower priority described in subsection (a) of this section may be included if land of higher priority is inadequate to accommodate the use for any one of the following reasons:~~

~~(A) Specific types of identified land needs cannot be reasonably accommodated on higher priority land;~~

~~(B) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or~~

~~(C) Maximum efficiency of land uses with the unincorporated community requires inclusion of lower priority land in order to provide public facilities and services to higher priority land.~~

660-004-0022

Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)

An exception under Goal 2, Part II(c) may be taken for any use not allowed by the applicable goal(s) or for a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use. The types of reasons that may or may not be used to justify certain types of uses not allowed on resource lands are set forth in the following sections of this rule. Reasons that may allow an exception to Goal 11 to provide sewer service to rural lands are described in OAR 660-011-0060. Reasons that may allow transportation facilities and improvements that do not meet the requirements of OAR 660-012-0065 are provided in OAR 660-012-0070. Reasons that rural lands are irrevocably committed to urban levels of development are provided in OAR 660-014-0030. Reasons that may justify the establishment of new urban development on undeveloped rural land are provided in OAR 660-014-0040. Reasons that may justify the establishment of temporary natural disaster related housing on undeveloped rural lands are provided in OAR 660-014-0090.

(1) For uses not specifically provided for in this division, or in OAR 660-011-0060, 660-012-0070, 660-014-0030, or 660-014-0040, **660-022-0050, and 660-022-0055** the reasons shall justify why the state policy embodied in the applicable goals should not apply. Such

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reasons include but are not limited to the following: There is a demonstrated need for the proposed use or activity, based on one or more of the requirements of Goals 3 to 19; and either:

(a) A resource upon which the proposed use or activity is dependent can be reasonably obtained only at the proposed exception site and the use or activity requires a location near the resource. An exception based on this subsection must include an analysis of the market area to be served by the proposed use or activity. That analysis must demonstrate that the proposed exception site is the only one within that market area at which the resource depended upon can reasonably be obtained; or

(b) The proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site.

(2) Rural Residential Development: For rural residential development the reasons cannot be based on market demand for housing except as provided for in this section of this rule, assumed continuation of past urban and rural population distributions, or housing types and cost characteristics. A county must show why, based on the economic analysis in the plan, there are reasons for the type and density of housing planned that require this particular location on resource lands. A jurisdiction could justify an exception to allow residential development on resource land outside an urban growth boundary by determining that the rural location of the proposed residential development is necessary to satisfy the market demand for housing generated by existing or planned rural industrial, commercial, or other economic activity in the area.

(3) Rural Industrial Development: A local government may consider a photovoltaic solar power generation facility as defined in OAR 660-033-0130(38)(f) to be a rural industrial use. For the siting of rural industrial development on resource land outside an urban growth boundary, appropriate reasons and facts may include, but are not limited to, the following:

(a) The use is significantly dependent upon a unique resource located on agricultural or forest land. Examples of such resources and resource sites include geothermal wells, mineral or aggregate deposits, water reservoirs, natural features, or river or ocean ports;

(b) The use cannot be located inside an urban growth boundary due to impacts that are hazardous or incompatible in densely populated areas; or

(c) The use would have a significant comparative advantage due to its location (e.g., near existing industrial activity, an energy facility, or products available from other rural activities), which would benefit the county economy and cause only minimal loss of

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productive resource lands. Reasons for such a decision should include a discussion of the lost resource productivity and values in relation to the county's gain from the industrial use, and the specific transportation and resource advantages that support the decision.

(4) A site justified for a photovoltaic solar power generation facility under section (3) and is also found to satisfy OAR 660-004-0020 shall remain zoned for exclusive farm use, forest use or mixed farm and forest; whichever is applicable. A county shall also continue to apply the relevant approval criteria at OAR 660-033-0130(38), OAR 660-033-0130(44) or OAR 660-006-0025(4)(k).

(5) Expansion of Unincorporated Communities: For the expansion of an Unincorporated Community defined under OAR 660-022-0010(10) the requirements of subsections (a) through (c) of this section apply:

(a) Appropriate reasons and facts may include findings that there is a demonstrated need for additional land in the community to accommodate a specific rural use based on Goals 3-19 and a demonstration that either:

(A) The use requires a location near a resource located on rural land; or

(B) The use has special features necessitating its location in an expanded area of an existing unincorporated community, including:

(i) For industrial use, it would have a significant comparative advantage due to its location such as, for example, that it must be near a rural energy facility, or near products available from other activities only in the surrounding area, or that it is reliant on an existing work force in an existing unincorporated community;

(ii) For residential use, the additional land is necessary to satisfy the need for additional housing in the community generated by existing industrial, commercial, or other economic activity in the surrounding area. The plan must include an economic analysis showing why the type and density of planned housing cannot be accommodated in an existing exception area or urban growth boundary, and is most appropriate at the particular proposed location. The reasons cannot be based on market demand for housing, nor on a projected continuation of past rural population distributions.

(b) The findings of need must be coordinated and consistent with the comprehensive plan for other exception areas, unincorporated communities, and urban growth boundaries in the area. For purposes of this subsection, "area" includes those communities, exception areas, and urban growth boundaries that may be affected by an expansion of a community boundary, taking into account market, economic, and other relevant factors.

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1 ~~(c) Expansion of the unincorporated community boundary requires a demonstrated ability~~
2 ~~to serve both the expanded area and any remaining infill development potential in the~~
3 ~~community, at the time of development, with the level of facilities determined to be~~
4 ~~appropriate for the existing unincorporated community.~~

5 ~~(6) Expansion of Urban Unincorporated Communities: In addition to the requirements of~~
6 ~~section (4) of this rule, the expansion of an urban unincorporated community defined under~~
7 ~~OAR 660-022-0010(9) shall comply with OAR 660-022-0040.~~

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Chapter 660

Division 11

PUBLIC FACILITIES PLANNING

660-011-0060

Sewer Service to Rural Lands

(1) As used in this rule, unless the context requires otherwise:

(a) "Establishment of a sewer system" means the creation of a new sewage system, including systems provided by public or private entities;

(b) "Extension of a Sewer System" means the extension of a pipe, conduit, pipeline, main, or other physical component from or to an existing sewer system in order to provide service to a use, regardless of whether the use is inside the service boundaries of the public or private service provider. The sewer service authorized in section (8) of this rule is not an extension of a sewer;

(c) "No practicable alternative to a sewer system" means a determination by the Department of Environmental Quality (DEQ) or the Oregon Health Division, pursuant to criteria in OAR chapter 340, division 71, and other applicable rules and laws, that an existing public health hazard cannot be adequately abated by the repair or maintenance of existing sewer systems or on-site systems or by the installation of new on-site systems as defined in OAR 340-071-0100;

(d) "Public health hazard" means a condition whereby it is probable that the public is exposed to disease-caused physical suffering or illness due to the presence of inadequately treated sewage;

(e) "Sewage" means the water-carried human, animal, vegetable, or industrial waste from residences, buildings, industrial establishments or other places, together with such ground water infiltration and surface water as may be present;

(f) "Sewer system" means a system that serves more than one lot or parcel, or more than one condominium unit or more than one unit within a planned unit development, and includes pipelines or conduits, pump stations, force mains, and all other structures, devices, appurtenances and facilities used for treating or disposing of sewage or for

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collecting or conducting sewage to an ultimate point for treatment and disposal. The following are not considered a "sewer system" for purposes of this rule:

(A) A system provided solely for the collection, transfer and/or disposal of storm water runoff;

(B) A system provided solely for the collection, transfer and/or disposal of animal waste from a farm use as defined in ORS 215.303.

(2) Except as provided in sections (3), (4), (8), and (9) of this rule, and consistent with Goal 11, a local government shall not allow:

(a) The establishment of new sewer systems outside urban growth boundaries or unincorporated community boundaries;

(b) The extension of sewer lines from within urban growth boundaries or unincorporated community boundaries in order to serve uses on land outside those boundaries;

(c) The extension of sewer systems that currently serve land outside urban growth boundaries and unincorporated community boundaries in order to serve uses that are outside such boundaries and are not served by the system on July 28, 1998.

(3) Components of a sewer system that serve lands inside an urban growth boundary (UGB) or lands inside an unincorporated community (UC) may be placed on lands outside the boundary provided that the conditions in subsections (a) and (b) of this section are met, as follows:

(a) Such placement is necessary to:

(A) Serve lands inside the UGB more efficiently by traversing lands outside the boundary;

(B) Serve lands inside a nearby UGB or unincorporated community;

(C) Serve lands subject to a Goal 14 exception approved pursuant to OAR 660-014-0090;

(D) Connect to components of the sewer system lawfully located on rural lands, such as outfall or treatment facilities; or

(E) Transport leachate from a landfill on rural land to a sewer system inside a UGB;

(b) The local government:

(A) Adopts land use regulations to ensure the sewer system shall not serve land outside urban growth boundaries or unincorporated community boundaries, except as authorized under section (4) of this rule; and

Housing in Unincorporated Communities RAC – Draft 1: September 30, 2026

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(B) Determines that the system satisfies ORS 215.296(1) or (2) to protect farm and forest practices, except for systems located in the subsurface of public roads and highways along the public right of way.

(4) A local government may allow the establishment of a new sewer system, or the extension of an existing sewer system, to serve land outside urban growth boundaries and unincorporated community boundaries in order to mitigate a public health hazard, provided that the conditions in subsections (a) and (b) of this section are met, as follows:

(a) The DEQ or the Oregon Health Division initially:

(A) Determines that a public health hazard exists in the area;

(B) Determines that the health hazard is caused by sewage from development that existed in the area on July 28, 1998;

(C) Describes the physical location of the identified sources of the sewage contributing to the health hazard; and

(D) Determines that there is no practicable alternative to a sewer system in order to abate the public health hazard; and

(b) The local government, in response to the determination in subsection (a) of this section, and based on recommendations by DEQ and the Oregon Health Division where appropriate:

(A) Determines the type of sewer system and service to be provided, pursuant to section (5) of this rule;

(B) Determines the boundaries of the sewer system service area, pursuant to section (6) of this rule;

(C) Adopts land use regulations that ensure the sewer system is designed and constructed so that its capacity does not exceed the minimum necessary to serve the area within the boundaries described under paragraph (B) of this subsection, except for urban reserve areas as provided under OAR 660-021-0040(6);

(D) Adopts land use regulations to prohibit the sewer system from serving any uses other than those existing or allowed in the identified service area on the date the sewer system is approved;

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- (E) Adopts plan and zone amendments to ensure that only rural land uses are allowed on rural lands in the area to be served by the sewer system, consistent with Goal 14 and OAR 660-004-0018, unless a Goal 14 exception has been acknowledged;
- (F) Ensures that land use regulations do not authorize a higher density of residential development than would be authorized without the presence of the sewer system; and
- (G) Determines that the system satisfies ORS 215.296(1) or (2) to protect farm and forest practices, except for systems located in the subsurface of public roads and highways along the public right of way.
- (5) Where the DEQ determines that there is no practicable alternative to a sewer system, the local government, based on recommendations from DEQ, shall determine the most practicable sewer system to abate the health hazard considering the following:
- (a) The system must be sufficient to abate the public health hazard pursuant to DEQ requirements applicable to such systems; and
- (b) New or expanded sewer systems serving only the health hazard area shall be generally preferred over the extension of a sewer system from an urban growth boundary. However, if the health hazard area is within the service area of a sanitary authority or district, the sewer system operated by the authority or district, if available and sufficient, shall be preferred over other sewer system options.
- (6) The local government, based on recommendations from DEQ and, where appropriate, the Oregon Health Division, shall determine the area to be served by a sewer system necessary to abate a health hazard. The area shall include only the following:
- (a) Lots and parcels that contain the identified sources of the sewage contributing to the health hazard;
- (b) Lots and parcels that are surrounded by or abut the parcels described in subsection (a) of this section, provided the local government demonstrates that, due to soils, insufficient lot size, or other conditions, there is a reasonably clear probability that onsite systems installed to serve uses on such lots or parcels will fail and further contribute to the health hazard.
- (7) The local government or agency responsible for the determinations pursuant to sections (4) through (6) of this rule shall provide notice to all affected local governments and special districts regarding opportunities to participate in such determinations.

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(8) A local government may allow a residential use to connect to an existing sewer line provided the conditions in subsections (a) through (h) of this section are met:

(a) The sewer service is to a residential use located on a parcel as defined by ORS 215.010(1), or a lot created by subdivision of land as defined in ORS 92.010;

(b) The parcel or lot is within a special district or sanitary authority sewer service boundary that existed on January 1, 2005, or the parcel is partially within such boundary and the sewer service provider is willing or obligated to provide service to the portion of the parcel or lot located outside that service boundary;

(c) The sewer service is to connect to a residential use located within a rural residential area, as described in OAR 660-004-0040, which existed on January 1, 2005;

(d) The nearest connection point from the residential parcel or lot to be served is within 300 feet of a sewer line that existed at that location on January 1, 2005;

(e) It is determined by the local government to be practical to connect the sewer service to the residential use considering geographic features or other natural or man-made constraints;

(f) The sewer service authorized by this section shall be available to only those parcels and lots specified in this section, unless service to other parcels or lots is authorized under sections (4) or (9) of this rule;

(g) The existing sewer line, from where the nearest connection point is determined under subsection (8)(d) of this rule, is not located within an urban growth boundary or unincorporated community boundary; and

(h) The connection of the sewer service shall not be relied upon to authorize a higher density of residential development than would be authorized without the presence of the sewer service, and shall not be used as a basis for an exception to Goal 14 as required by OAR 660-004-0040(6).

(9) A local government may allow the establishment of new sewer systems or the extension of sewer lines not otherwise provided for in section (4) of this rule, or allow a use to connect to an existing sewer line not otherwise provided for in section (8) of this rule, provided the standards for an exception to Goal 11 have been met, and provided the local government adopts land use regulations that prohibit the sewer system from serving any uses or areas other than those justified in the exception. Appropriate reasons and facts for an exception to Goal 11 include but are not limited to the following:

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(a) The new system, or extension of an existing system, is necessary to avoid an imminent and significant public health hazard that would otherwise result if the sewer service is not provided; and, there is no practicable alternative to the sewer system in order to avoid the imminent public health hazard, or

(b) The extension of an existing sewer system will serve land that, by operation of federal law, is not subject to statewide planning Goal 11 and, if necessary, Goal 14.

(c) For lands included within an unincorporated community as defined at OAR 660-022-0010(11), satisfying the provisions applicable provisions OAR 660-022-0050 or OAR 660-022-0055, shall have the effect of justifying an exception to Goal 11.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.712

History:

LCDD 5-2021, amend filed 09/24/2021, effective 09/25/2021

LCDD 15-2020, temporary amend filed 11/10/2020, effective 11/10/2020 through 05/08/2021

LCDD 3-2008, f. & cert. ef. 4-18-08

LCDD 1-2008, f. & cert. ef. 2-13-08

LCDD 1-2005, f. 2-11-05, cert. ef. 2-14-05

LCDD 4-1998, f. & cert. ef. 7-28-98

660-011-0065

Water Service to Rural Lands

(1) As used in this rule, unless the context requires otherwise:

(a) “Establishment” means the creation of a new water system and all associated physical components, including systems provided by public or private entities;

(b) “Extension of a water system” means the extension of a pipe, conduit, pipeline, main, or other physical component from or to an existing water system in order to provide service to a use that was not served by the system on the applicable date of this rule, regardless of whether the use is inside the service boundaries of the public or private service provider.

(c) “Water system” shall have the same meaning as provided in Goal 11, and includes all pipe, conduit, pipeline, mains, or other physical components of such a system.

(2) Consistent with Goal 11, local land use regulations applicable to lands that are outside urban growth boundaries and unincorporated community boundaries shall not:

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- 1 (a) Allow an increase in a base density in a residential zone due to the availability of service
- 2 from a water system;
- 3 (b) Allow a higher density for residential development served by a water system than would
- 4 be authorized without such service; or
- 5 (c) Allow an increase in the allowable density of residential development due to the
- 6 presence, establishment, or extension of a water system.
- 7 (3) Applicable provisions of this rule, rather than conflicting provisions of local
- 8 acknowledged zoning ordinances, shall immediately apply to local land use decisions filed
- 9 subsequent to the effective date of this rule.

10

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Chapter 660

Division 14

APPLICATION OF THE STATEWIDE PLANNING GOALS TO NEWLY INCORPORATED CITIES, ANNEXATION, AND URBAN DEVELOPMENT ON RURAL LANDS

660-014-0040

Establishment of New Urban Development on Undeveloped Rural Lands

(1) As used in this rule, "undeveloped rural land" includes all land outside of acknowledged urban growth boundaries except for rural areas committed to urban development. This definition includes all resource and nonresource lands outside of urban growth boundaries. It also includes those lands subject to built and committed exceptions to Goals 3 or 4 but not developed at urban density or committed to urban level development.

(2) A county can justify an exception to Goal 14 to allow establishment of new urban development on undeveloped rural land. Reasons that can justify why the policies in Goals 3, 4, 11 and 14 should not apply can include but are not limited to findings that an urban population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource.

(3) To approve an exception under section (2) of this rule, a county must also show:

(a) That Goal 2, Part II (c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities;

(b) That Goal 2, Part II (c)(3) is met by showing that the long-term environmental, economic, social and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands, considering:

(A) Whether the amount of land included within the boundaries of the proposed urban development is appropriate, and

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(B) Whether urban development is limited by the air, water, energy and land resources at or available to the proposed site, and whether urban development at the proposed site will adversely affect the air, water, energy and land resources of the surrounding area.

(c) That Goal 2, Part II (c)(4) is met by showing that the proposed urban uses are compatible with adjacent uses or will be so rendered through measures designed to reduce adverse impacts considering:

(A) Whether urban development at the proposed site detracts from the ability of existing cities and service districts to provide services; and

(B) Whether the potential for continued resource management of land at present levels surrounding and nearby the site proposed for urban development is assured.

(d) That an appropriate level of public facilities and services are likely to be provided in a timely and efficient manner; and

(e) That establishment of an urban growth boundary for a newly incorporated city or establishment of new urban development on undeveloped rural land is coordinated with comprehensive plans of affected jurisdictions and consistent with plans that control the area proposed for new urban development.

(4) Counties are not required to justify an exception to Goal 14 in order to authorize industrial development, and accessory uses subordinate to the industrial development, in buildings of any size and type, in exception areas that were planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.

(5) Any proposal to expand the boundary of an unincorporated community found to satisfy the applicable provisions of OAR 660-022-0050, OAR 660-022-0055, OAR 660-022-0060, OAR 660-022-0065, and OAR 660-022-0090 shall also be determined to satisfy the requirements of Goal 2, Part II(c) for exceptions to Goals 3, 4, 11, and 14 as needed.

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OAR Chapter 660, Division 22

UNINCORPORATED COMMUNITIES

Rule Text	Comments
660-022-0000 Purpose (1) The purpose of this division is to establish a statewide policy for the planning and zoning of unincorporated communities that recognizes the importance of communities in rural Oregon. It is intended to expedite the planning process for counties by reducing their need to take exceptions to statewide planning goals when planning and zoning unincorporated communities. (2) This division interprets Goals 11 and 14 concerning urban and rural development outside urban growth boundaries and applies only to unincorporated communities defined in OAR 660-022-0010. (3) This division does not apply to areas approved as destination resorts under the destination resort statute, ORS 197.435 through 197.467.	No Changes.
660-022-0010 Definitions For purposes of this division, the definitions contained in ORS 197.015 and the statewide planning goals (OAR chapter 660, division 15) apply. In addition, the following definitions apply: (1) “Commercial Use” means the use of land primarily for the retail sale of products or services, including offices. It does not include factories, warehouses, freight terminals, or wholesale distribution centers. (2) “Community Sewer System” means a sewage disposal system which has service connections to at least 15 permanent dwelling units, including manufactured homes, within the unincorporated community.	Add “developable land” see below.

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(3) “Community Water System” means a system that distributes potable water through pipes to at least 15 permanent dwelling units, including manufactured homes within the unincorporated community.

(4) “Developable land” shall have the meaning given that term in OAR 660-021-0010(5).

(5) “Industrial Use” means the use of land primarily for the manufacture, processing, storage, or wholesale distribution of products, goods, or materials. It does not include commercial uses.

(6) “Permanent residential dwellings” includes manufactured homes, but does not include dwellings primarily intended for a caretaker of an industrial use, commercial use, recreational vehicle park or campground.

(7) “Resort Community” is an unincorporated community that was established primarily for and continues to be used primarily for recreation or resort purposes; and

(a) Includes residential and commercial uses; and

(b) Provides for both temporary and permanent residential occupancy, including overnight lodging and accommodations.

(8) “Rural Community” is an unincorporated community which consists primarily of permanent residential dwellings but also has at least two other land uses that provide commercial, industrial, or public uses (including but not limited to schools, churches, grange halls, post offices) to the community, the surrounding rural area, or to persons traveling through the area.

(9) “Rural Service Center” is an unincorporated community consisting primarily of commercial or industrial uses providing goods and services to the surrounding rural area or to persons traveling through the area, but which also includes some permanent residential dwellings.

(10) “Urban Unincorporated Community” is an unincorporated community which has the following characteristics:

(a) Include at least 150 permanent residential dwellings units;

(b) Contains a mixture of land uses, including three or more public, commercial or industrial land uses;

The term “developable land” is currently defined at OAR 660-022-0040(8). This draft uses this term at two different locations, so it felt reasonable to just give a place here in the definitions section.

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(c) Includes areas served by a community sewer system; and (d) Includes areas served by a community water system. (11) “Unincorporated Community” means a settlement with all of the following characteristics: (a) It is made up primarily of lands subject to an exception to Statewide Planning Goal 3, Goal 4 or both; (b) It was either identified in a county’s acknowledged comprehensive plan as a “rural community,” “service center,” “rural center,” “resort community,” or similar term before this division was adopted (October 28, 1994), or it is listed in the Department of Land Conservation and Development’s January 30, 1997, “Survey of Oregon’s Unincorporated Communities”; (c) It lies outside the urban growth boundary of any city; (d) It is not incorporated as a city; and (e) It met the definition of one of the four types of unincorporated communities in sections (6) through (9) of this rule, and included the uses described in those definitions, prior to the adoption of this division (October 28, 1994).	
660-022-0020 Designation of Community Areas (1) Except as provided in OAR 660-022-0070 0100, county comprehensive plans shall designate and identify unincorporated communities in accordance with the definitions in OAR 660-022-0010. Counties may amend these designations as circumstances change over time. (2) Counties shall establish boundaries of unincorporated communities in order to distinguish lands within the community from exception areas, resource lands and other rural lands. The boundaries of unincorporated communities shall be shown on the county comprehensive plan map at a scale sufficient to determine accurately which properties are included. (3) Only land meeting the following criteria may be included within an unincorporated community boundary:	Necessary change based on adding and renumbering sections below. I’m not even sure we need this text anymore.

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(a) Land which has been acknowledged as a Goal 3 or 4 exception area and historically considered to be part of the community provided the land only includes existing, contiguous concentrations of: (A) Commercial, industrial, or public uses; and/or (B) Dwelling units and associated residential lots at a greater density than exception lands outside rural communities. (b) Land planned and zoned for farm or forest use provided such land meets the criteria in section (4) of this rule. (4) Community boundaries may include land that is designated for farm or forest use pursuant to Goals 3 and 4 if all the following criteria is met: (a) The land is contiguous to Goal 3 or 4 exception lands included in the community boundary; (b) The land was occupied on the date of this division (October 28, 1994) by one or more of the following uses considered to be part of the community: Church, cemetery, school, park, playground, community center, fire station, museum, golf course, or utility facility; (c) Only the portion of the lot or parcel that is occupied by the use(s) in subsection (b) of this section is included within the boundary; and (d) The land remains planned and zoned under Goals 3 or 4. (5) Site specific unincorporated community boundaries that are shown on an acknowledged plan map on October 28, 1994, are deemed to comply with subsections (2) and (3) of this rule unless the boundary includes land designated for farm or forest use that does not meet the criteria in section (4) of this rule. (6) Communities which meet the definitions in both OAR 660-022-0010(6) and (9) shall be classified and planned as either resort communities or urban unincorporated communities. (7) In addition to those lands described in subsections (3) and (4), a county establishing the boundary of an urban unincorporated community may include a supply of developable land capable of supporting a long-range growth capacity of up to 20 years. Long range growth potential shall be	Has not been discussed by RAC. -0050 describes how to demonstrate and consider a long-range growth capacity. - 0060 & -0065 describe land
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determined consistent with the provisions of OAR 660-022-0050, and OAR 660-022-0060 or OAR 660-022-0065, whichever is applicable.	priorities for 10 year and 20 year planning horizon, respectively.
<div>660-022-0030</div> <p>Planning and Zoning of Unincorporated Communities</p> <p>(1) For rural communities, resort communities and urban unincorporated communities, counties shall adopt individual plan and zone designations reflecting the projected use for each property (e.g., residential, commercial, industrial, public) for all land in each community. Changes in plan or zone designation shall follow the requirements to the applicable post-acknowledgment provisions of ORS 197.610 through 197.625.</p> <p>(2) County plans and land use regulations may authorize any residential use and density in unincorporated communities, subject to the requirements of this division.</p> <p>(3) County plans and land use regulations may authorize only the following new or expanded industrial uses in unincorporated communities:</p> <p class="list-item-l1">(a) Uses authorized under Goals 3 and 4;</p> <p class="list-item-l1">(b) Expansion of a use existing on the date of this rule;</p> <p class="list-item-l1">(c) Small-scale, low impact uses;</p> <p class="list-item-l1">(d) Uses that require proximity to rural resource, as defined in OAR 660-004-0022(3)(a);</p> <p class="list-item-l1">(e) New uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule, or, if such services are not available to the site, the capacity of the site itself to provide water and absorb sewage;</p> <p class="list-item-l1">(f) New uses more intensive than those allowed under subsection (a) through (e) of this section, provided an analysis set forth in the comprehensive plan demonstrates, and land use regulations ensure:</p> <p class="list-item-l2">(A) That such uses are necessary to provide employment that does not exceed the total projected work force within the community and the surrounding rural area;</p>	

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(B) That such uses would not rely upon a work force employed by uses within urban growth boundaries; and

(C) That the determination of the work force of the community and surrounding rural area considers the total industrial and commercial employment in the community and is coordinated with employment projections for nearby urban growth boundaries.

(g) Industrial uses, including accessory uses subordinate to industrial development, as provided under either paragraph (A) or (B) of this subsection:

(A) Industrial developments sited on an abandoned or diminished industrial mill site, as defined in ORS 197.719 that was engaged in the processing or manufacturing of wood products, provided the uses will be located only on the portion of the mill site that is zoned for industrial uses; or

(B) Industrial development, and accessory uses subordinate to the industrial development, in buildings of any size and type, in an area planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.

(4) County plans and land use regulations may authorize only the following new commercial uses in unincorporated communities:

(a) Uses authorized under Goals 3 and 4;

(b) Small-scale, low impact uses;

(c) Uses intended to serve the community and surrounding rural area or the travel needs of people passing through the area.

(5) County plans and land use regulations may authorize hotels and motels in unincorporated communities only if served by a community sewer system and only as provided in subsections (a) through (c) of this section:

(a) Any number of new motel and hotel units may be allowed in resort communities;

RAC has not discussed hotels and motels. Does not seem relevant to this work.

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(b) New motels and hotels up to 35 units may be allowed in an urban unincorporated community, rural service center, or rural community if the unincorporated community is at least 10 miles from the urban growth boundary of any city adjacent to Interstate Highway 5, regardless of its proximity to any other UGB; (c) New motels and hotels up to 100 units may be allowed in any urban unincorporated community that is at least 10 mile from any urban growth boundary. (6) County plans and land use regulations shall ensure that new or expanded uses authorized within unincorporated communities do not adversely affect agricultural or forestry uses. (7) County plans and land use regulations shall allow only those uses which are consistent with the identified function, capacity and level of service of transportation facilities serving the community, pursuant to OAR 660-012-0060(1)(a) through (c). (8) County plans and land use regulations should consider adaptive re-use of former public, commercial, industrial or municipal buildings that have closed or are otherwise no longer in service. (89) Zoning applied to lands within unincorporated communities shall ensure that the cumulative development: (Aa) Will not result in public health hazards or adverse environmental impacts that violate state or federal water quality regulations; and (Bb) Will not exceed the carrying capacity of the soil or of existing water supply resources and sewer services. (910) County plans and land use regulations for lands within unincorporated communities shall be consistent with acknowledged metropolitan regional goals and objectives, applicable regional functional plans and regional framework plan components of metropolitan service districts. (1011) For purposes of subsection (b) of section (4) of this rule, a small-scale, low impact commercial use is one which takes place in an urban unincorporated community in a building or building not exceeding 8,000 square feet of floor space, or in any other type of unincorporated community in a building or buildings not exceeding 4,000 square feet of floor space.	Placeholder for Grande Ronde comments from 9/17 Minor and technical amendment. Should be lower case.
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~~(11)~~¹² For purposes of subsection (c) of section (3) of this rule, a small-scale, low impact industrial use is one which takes place in an urban unincorporated community in a building or buildings not exceeding 60,000 square feet of floor space, or in any other type of unincorporated community in a building or buildings not exceeding 40,000 square feet of floor space.

~~(12)~~¹³ Notwithstanding sections (1) and (2), a county may approve the uses in subsections (a) and (b) without amendments to the county plan or land use regulations when a wildfire identified in an Executive Order issued by the Governor in accordance with the Emergency Conflagration Act, ORS 476.510 through 476.610, has destroyed homes or caused residential evacuations, or both within the county or an adjacent county and, furthermore, has resulted in an Executive Order issued by the Governor declaring an emergency for all or parts of Oregon pursuant to ORS 401.165, et seq. Uses approved under this section shall be consistent with all applicable provisions of law including adopted comprehensive plan provisions and land use regulations to protect people and property from flood, geologic, and wildfire hazards.

(a) Temporary residential uses in conjunction with a dwelling that either existed or had received land use approval to be constructed on July 5, 2020. Such uses must be removed or converted to an allowed use within 120 months from the date of the Governor's emergency declaration. Temporary residential uses approved under this subsection are limited to the following;

(A) A single manufactured dwelling;

(B) Use of an existing building or buildings;

(C) Up to two yurts;

(D) Up to five recreational vehicles; or

(E) Up to five fabric structures, tents or similar accommodations.

(b) Transitional housing accommodations as described at ORS 197A.452(2) and (4) when homes and other private property on lands within the county or an adjacent county have received damage from a wildfire identified in an Executive Order issued by the Governor in accordance with the Emergency Conflagration Act, ORS 476.510 through 476.610.

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660-022-0040

Urban Unincorporated Communities

(1) Counties with qualifying communities shall adopt plans and land use regulations for urban unincorporated communities (UUC's). All statewide planning goals applicable to cities shall also apply to UUC's, except for those goals provisions relating to urban growth boundaries and related requirements regarding the accommodation of long-term need for housing and employment growth.

~~(2) Counties may expand the boundaries of those UUC's with the following characteristics in order to include developable land to meet a demonstrated long-term need for housing and employment:~~

~~(a) The UUC is at least 20 road miles from an urban growth boundary with a population over 25,000; and~~

~~(b) The UUC is at least 10 road miles from an urban growth boundary with a population of 25,000 or less.~~

~~(3) To expand the boundary of a UUC, a county shall demonstrate a long-term need for housing and employment in the community. The county shall base its demonstration upon population growth estimates from a reputable forecast service (such as Portland State University). The county shall coordinate its estimates with those for other cities and communities in the county. The county shall consider:~~

~~(a) Plans to extend facilities and services to existing community land; and~~

~~(b) The infill potential of existing land in the community.~~

~~(4) If a county determines that it must expand the boundary of a UUC to accommodate a long-term need for housing and employment, it shall follow the criteria for amendment of an urban growth boundary in statewide planning Goal 14 and shall select land using the following priorities:~~

~~(a) First priority goes to that developable land nearest to the UUC which is identified in an acknowledged comprehensive plan as exception area or nonresource land;~~

~~(b) If land described in subsection (a) of this section is not adequate to accommodate the need demonstrated pursuant to section (3) of this rule, second priority goes to land designated in a comprehensive plan for agriculture or forestry, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use, with designated marginal land considered the lowest capability (highest priority for selection);~~

~~(c) Land described in subsection (4)(b) of this section may be included if land of higher priority is inadequate to accommodate the need projected according to section (3) of this rule for any one of the following reasons:~~

Existing language speaking to applicable Goals and long-term need provisions not applying to UUC's

Removed from this section, but replaced at section -0050 below.

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(A) Specific types of identified land needs cannot be reasonably accommodated on higher priority land; or (B) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or (C) Maximum efficiency of land use within the UUC requires inclusion of lower priority land in order to provide public facilities and services to higher priority land. (5) Counties shall apply plans and land use regulations to ensure that land added to a UUC: (a) Is used only to satisfy needs identified pursuant to section (3) of this rule; and (b) Is provided with sewer and water services at the time of development; and (c) Is planned and zoned according to the requirements of this division; and (d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ORS 197.314; and (6) Counties shall not rely upon the use of land included within a UUC as the basis for determining that nearby land designated in compliance with goals relating to agriculture or forestry is committed to nonresource use as defined in OAR 660-004-0005(3). (7) Counties shall include findings of fact and conclusions of law demonstrating compliance with the provisions of this rule in their comprehensive plans. (8) For purposes of this rule, “developable land” shall have the meaning given that term in OAR 660-021-0010(5). (9) For purposes of this rule, “long-term need” means needs for the UUC anticipated for the next 10 years.	
660-022-0050 Community Public Facility Plans (1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if: (a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or (b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served with individual water or sanitary systems or by existing community facilities and services; or	Moved to section -0080 below.

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(c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or (d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells. (2) A community public facility plan shall include inventories, projected needs, policies and regulations for the water and sewerage facilities which are existing or needed to serve the unincorporated community, including: (a) An inventory of the condition and capacity of existing public facilities and services; (b) An assessment of the level of facilities and services needed to adequately serve the planned buildout within the community area boundary; and (c) Coordination agreements consistent with ORS chapter 195. (3) If existing community facilities and services are not currently adequate to serve the development allowed in the plan and zoning ordinance, the community public facility plan shall contain either: (a) Development restrictions to ensure development will not exceed the capacity of the land to absorb waste and provide potable water and will not exceed the capacity of public facilities; or (b) A list of new facilities, and improvements for existing public facilities; necessary to adequately serve the planned buildout in the unincorporated community, including the projected costs of these improvements and an identification of the provider or providers of these improvements; and (c) A discussion of the provider's funding mechanisms and the ability of these and possibly new mechanisms to fund the development of each community public facility project; and (d) A requirement that development not occur until the necessary public facilities are available for that development.	
660-22-0045 Exceptions for Expanding Unincorporated Community Boundaries. Any proposal to expand the boundary of an unincorporated community found to satisfy the applicable provisions of OAR 660-022-0050, OAR 660-022-0055, OAR 660-022-0060, OAR 660-022-0065, and OAR 660-022-0090 shall also be determined to satisfy the requirements of Goal 2, Part II(c) for exceptions to Goals 3, 4, 11, and 14 as needed.	The intent of this language is to identify that all criteria for the considering and expansion of an unincorporated community is now consolidated in Division 22, and furthermore, to declare that satisfying these provisions has the effect of taking exceptions all the Goals that may be implicated in the expansion process. Kind of like a blanket exception, or a preemptive pardon.

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660-022-0050

Expanding Unincorporated Community Boundaries. Long-range growth capacity.

(1) Counties may expand the boundaries of those UUC's and Rural Communities (RC) with the following characteristics in order to include developable land to meet a demonstrated long-range term-need growth capacity for housing and employment when:

(a) The UUC or RC is served by community sewer and water systems with the ability to accommodate the long-term growth potential as demonstrated by:

(A) The community sewer and water providers having sufficient existing capacity to serve the long-range growth capacity; or

(B) A Community Public Facilities Plan pursuant to OAR 660-022-0070 in place showing how and when existing services will be expanded to accommodate the long-range growth capacity.

(b) Expanding the boundary of the UUC or RC will not interfere with the efficient functioning of urban growth boundaries because;

(A) The UUC or RC is at least 20 road miles from an urban growth boundary with a population over 25,000; and

(B) The UUC or RC is at least 10 road miles from an urban growth boundary with a population of 25,000 or less; or

(C) For an UUC only, the county demonstrates in the manner provided for review of a work task under ORS 197.633 that expansion of the UUC boundary will not be in conflict will Goal 14 or undermine the efficient functioning of an urban growth boundary within the distances identified at subsections (1)(a) and (b) above. Appropriate reasons and facts demonstrating the requirements of this subsection are satisfied may include but are not limited to the following:

(i) The ability to expand a UGB is severely constrained due to topography, the presence of natural hazards, or operation of Federal law, or

Replaces the term "long-term need" with the term "long-range growth capacity".

Builds on existing language at - 0040. Extends the opportunity to plan for growth to a limited category of Rural Communities (but not Resort Communities or Rural Service Centers)

Need to be served by sewer and water to be a candidate to plan for growth. This will likely eliminate most RC's but no UUC's

Can either have existing capacity or show how capacity will be increased.

Language from Goal 14, which is the basis for the existing distance prohibitions.

Distance provisions now operate like a safe-harbor. Further reduces the number of qualifying RC's

Alternative discretionary option for UUC's. Could consider offering to RC's. Process in the manner of Periodic Review like larger UGB expansions. Provides additional oversight.

"include but not limited to" language leaves open the possibility for other arguments

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(ii) The UCC will provide housing opportunities that are not easily accommodated within the UGBs (ie. Farmworker housing.)

(2) ~~To expand the boundary of UUC, a~~ The county shall demonstrate a long-term need **long-range growth capacity** for housing and employment in the community. ~~The county shall based its demonstration upon~~

(a) Population growth estimates from a reputable forecast service (such as Portland State University). The county shall coordinate its estimates with those for other cities and communities in the county.

(A) As an alternative to subsection (a) above, for a UUC a county may utilize an annual average growth rate of 1.0 %; or

(B) As an alternative to subsection (a) above, for a RC a county may utilize an annual average growth rate of 0.5 %; and

~~The county shall consider:~~

~~(a)~~ (b) **Consideration of** plans to extend facilities and services to existing community land; and

~~(b)~~ (c) **Consideration of** the infill potential of existing land in the community.

(3) If a county determines that it ~~must~~ **should** expand the boundary of a UUC **or RC** to accommodate a long-term need **long-range growth capacity** for housing and employment, it shall follow the criteria for amendment of an urban growth boundary in statewide planning Goal 14.

(4) Counties shall apply plans and land use regulations to ensure that land added to a UUC **for housing and employment:**

(a) Is used only to satisfy needs identified pursuant to section (3) of this rule; and

(b) Is provided with sewer and water services at the time of development; and

(c) Is planned and zoned according to the requirements of this division; and

Topo and natural hazards intended to address issues on the coast. Federal law is meant to recognize Hood River being in the Columbia River Gorge National Scenic Area (NSA)

(ii) Attempts to get at Brandon's issues.

Intended to serve as safe-harbors. Marion County used "something around" 1% for Brooks infrastructure study.

I don't know if either of these growth rates are reasonable.

This is existing language, which I think gets at some comments heard from the RAC

Is this still necessary or is it now redundant?

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(d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ORS 197.314; As an alternative to conducting a specific analysis, a county may find that requirements of statewide planning Goal 10 are satisfied if, in addition to the provisions at OAR 660-022-0030, implementing zoning measures require: (A) At least 40% of lands added for residential use are zoned for multifamily development; and (B) Lands zoned for multifamily development allow farm worker housing as an outright use; and (C) Manufactured home parks may be allowed outright, or conditionally based on clear and objective standards in one or more residential zoning districts; and (D) Accessory dwelling units are allowed outright in single-family residential zoning districts; and (E) Duplexes and Triplexes may be approved conditionally based on clear and objective standards in single-family residential zoning districts; (F) New lots or parcels created for single family dwelling units are no larger than 8,000 square feet, except that new lots or parcels specifically created for and dedicated to multigenerational households may be up to 10,000 square feet. (6 5) Counties shall not rely upon the use of land included within a UUC as the basis for determining that nearby land designated in compliance with goals relating to agriculture or forestry is committed to nonresource use as defined in OAR 660-004-0005(3). (7 6) Counties shall include findings of fact and conclusions of law demonstrating compliance with the provisions of this rule in their comprehensive plans. (8) For purposes of this rule, “developable land” shall have the meaning given that term in OAR 660-021-0010(5). (7) For purposes of this rule, “long-range growth capacity” means needs growth potential for the community UUC anticipated for:	Existing language specifically calls out compliance with Goal 10. Subsections (A)-(F) are intended to represent a possible safe-harbor. Not sure if this is a reasonable % for multi-family. May not be an issue for all communities. Intended to carry forwards the provisions of ORS 197.314 (now in ORS 197A somewhere) Not sure if (D) and (E) are too far or not far enough? Thinking it might be a step back from UGB requirements. 8,000 sq ft is large for urban areas, smallish for many unincorporated communities. Having a maximum lot size could discourage trophy homes. “Multigenerational households “ is another attempt to get at Brandon’s points. Not sure how it could work. Moved to definitions section above. Different planning horizons for RC vs UUC. UUC’s could look out 20 years similar to a UGB.
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(a) The next 10 years if the community is a RC. (b) At least the next 10 years, but no more than the next 20 years if the community is a UUC. (8) Counties may choose to avoid lands subject to identified natural hazards when considering the expansion of an unincorporated community. If such lands are included within an unincorporated community boundary, implementing zoning shall, in addition to the provisions of OAR 660-022-0030, include: (a) Provisions for defensible space and home hardening, including but not limited to requiring development abide by the Oregon Residential Specialty Code (ORSC) section R327 (Wildfire Hazard Mitigation) if wildfire is an identified natural hazard. (b) Reasonable precautions designed to protect life and property for natural hazards that do not include wildfire. (9) Expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be considered in the manner provided for review of a work task under ORS 197.633 (10) Expanding the boundary of a UUC for a long-range growth capacity of 10 years shall be subject to the land priorities described at OAR 660-022-0060. (11) Expanding the boundary of a RC for long-range growth capacity of 10 years and expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be subject to the land priorities described at OAR 660-022-0065.	Process in the manner of Periodic Review like larger UGB expansions. Provides additional oversight. Basically the same as today. Please see below. Additional limitations for these new opportunities. Please see below.
660-022-0055 Expanding Unincorporated Community Boundaries. Accommodating a specific rural use. (1) In addition to the opportunities identified at OAR 660-022-0050, Expansion of Unincorporated Communities: For the expansion of a An Unincorporated Community defined under OAR 660-022-0010(11) the requirements of subsections (a) through (c) of this section apply: may be expanded when there is a (a) Appropriate reasons and facts may include	Sweeps in existing text of OAR 660-004-0022(5). Available to all four types of UC's (Recreation, Rural Communities, Rural Service Center, Urban Unincorporated Community).

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findings that there is a demonstrated need for additional land in the community to accommodate a specific rural use based on Goals 3-19. Appropriate reasons and facts necessary to satisfy this subsection may include findings that: demonstration that either: (a) The use requires a location near a resource located on rural land; or (b) The use has special features necessitating its location in an expanded area of an existing unincorporated community, including: (A) For industrial use, it would have a significant comparative advantage due to its location such as, for example, that it must be near a rural energy facility, or near products available from other activities only in the surrounding area, or that it is reliant on an existing work force in an existing unincorporated community; (B) For residential use, the additional land is necessary to satisfy the need for additional housing in the community generated by existing industrial, commercial, or other economic activity located within the community or in the surrounding rural area. The plan must include an economic analysis showing why the type and density of planned housing cannot be accommodated in an existing exception area or urban growth boundary, and is most appropriate at the particular proposed location. The reasons cannot be based on market demand for housing, nor on a projected continuation of past rural population distributions. (b) The findings of need must be coordinated and consistent with the comprehensive plan for other exception areas, unincorporated communities, and urban growth boundaries in the area. For purposes of this subsection, “area” includes those communities, exception areas, and urban growth boundaries that may be affected by an expansion of a community boundary, taking into account market, economic, and other relevant factors. (c) Expansion of the unincorporated community boundary requires a demonstrated ability to serve both the expanded area and any remaining infill development potential in the community, at the time of development, with the level of facilities determined to be appropriate for the existing unincorporated community. (2) Counties may choose to avoid lands subject to identified natural hazards when considering the expansion of an unincorporated community. If such	Provides new, stand-alone opportunity for Urban Unincorporated Communities. Requiring the economic activity...to be existing feels self-defeating and inconsistent with how this provision has been understood. Not being able to consider stuff happening in the community also seems counterproductive. Intended to ensure that new activity can be considered and that it must be occurring in the surrounding rural area, as opposed to a UGB. I don't think it is necessary to retain this language about market demand... Existing language. Doesn't strictly require community water and sewer facilities. Counties don't have to include lands subject to natural hazards.
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lands are included within an unincorporated community boundary, implementing zoning shall, in addition to the provisions of OAR 660-022-0030, include: (a) Provisions for defensible space and home hardening, including but not limited to requiring development abide by the Oregon Residential Specialty Code (ORSC) section R327 (Wildfire Hazard Mitigation) if wildfire is an identified natural hazard. (b) Reasonable precautions designed to protect life and property for natural hazards that do not include wildfire. (3) Expanding an unincorporated community boundary to accommodate a specific rural use shall be subject to the land priorities described at OAR 660-022-0060.	If they do, the natural hazards need to be accounted for. See below.
OAR 660-022-0060 Land priorities. UUC's 10 year long-range grow potential and all UC's responding to a specific rural use shall select land using the following priorities: (1) First priority goes to that developable land nearest to the UUC UC which is identified in an acknowledged comprehensive plan as exception area or nonresource land; (2) If land described in subsection (1) of this section is not adequate to accommodate the need growth potential demonstrated pursuant to section OAR 660-022-0050(2) of this rule or to accommodate a specific rural use pursuant to section OAR 660-022-0055(1) of this rule, second priority goes to land designated in a comprehensive plan for agriculture or forestry, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use, with designated marginal land considered the lowest capability (highest priority for selection); (3) Land described in subsection (2) of this section may be included if land of higher priority is inadequate to accommodate the need projected according to section growth potential demonstrated pursuant to section OAR 660-022-	Reflects and consolidates existing language at OAR 660-022-0040 & OAR 660-004-0020. Land priorities are more rigorous for RC's expanding for long-range growth capacity and UUC's planning for 20 years of long-range growth capacity. See section -0065 below.

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0050(2) of this rule or to accommodate a specific rural use pursuant to section OAR 660-022-0055(1) of this rule for any one of the following reasons:

- (a) Specific types of identified land ~~needs~~ uses cannot be reasonably accommodated on higher priority land; or
- (b) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or
- (c) Maximum efficiency of land use within the UUC requires inclusion of lower priority land in order to provide public facilities and services to higher priority land. ~~or~~
- (d) Inclusion of lower priority land is necessary to avoid historic, cultural, or archaeological resources.

OAR 660-022-0065

Land priorities. Long range growth potential for eligible RC's and UUC's greater than 10 years shall select land using the following priorities:

(1) Land priorities for expansion of RC eligible to consider long term growth potential shall follow the process identified at OAR 660-022-0060, except that the following categories may not be included:

- (a) Soils that are irrigated or not irrigated and classified prime, unique, Class I or Class II by the Natural Resources Conservation Service (NRCS) when present on lands protected under Goal 3.
- (b) Lands designated as Core Sage-Grouse Habitat.
- (c) High Use and Very High Use Wildlife Migration Corridors designated by the Oregon Department of Fish and Wildlife (ODFW). The county may refine the exact location of high use and very high use wildlife mitigation corridors but must consult with ODFW.
- (d) Wildlife habitat characterized by ODFW as Category 1. The county may refine the exact location and characterization of Category 1 wildlife habitat but must consult with ODFW.

This section ups the ante for new opportunities to plan for long-range growth capacity.

Applies to Rural Communities only.

This subsection does not include all high-value farmland. However, these soil types are considered the best of the best.

The wildlife considerations at (b) thru (d) are unlikely to affect many RC's or UUC's. Lack of services and remote locations will probably prove more daunting. However, an ounce of prevention is worth a pound of cure.

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(2) Land priorities for expansion of a UUC considering long term growth potential greater than 10 years shall follow the process identified at OAR 660-022-0060, except that the categories identified at subsections (1)(b), 1(c) and (1)(d) may not be included.	Applies to UUC's only. Doesn't prohibit inclusion of the best soils. We don't do this for UGB's and it isn't currently a limitation for a 10 year planning horizon.
<p style="text-align: center;">660-022-0080</p> <p>Community Public Facility Plans</p> <p>(1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if:</p> <p class="margin-left: 40px;">(a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or</p> <p class="margin-left: 40px;">(b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served with individual water or sanitary systems or by existing community facilities and services; or</p>	Existing language previously located at OAR 660-022-0050.

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(c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or

(d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells.

(2) A community public facility plan shall include inventories, projected needs, policies and regulations for the water and sewerage facilities which are existing or needed to serve the unincorporated community, including:

(a) An inventory of the condition and capacity of existing public facilities and services;

(b) An assessment of the level of facilities and services needed to adequately serve the planned buildout within the community area boundary; and

(c) Coordination agreements consistent with ORS chapter 195.

(3) If existing community facilities and services are not currently adequate to serve the development allowed in the plan and zoning ordinance, the community public facility plan shall contain either:

(a) Development restrictions to ensure development will not exceed the capacity of the land to absorb waste and provide potable water and will not exceed the capacity of public facilities; or

(b) A list of new facilities, and improvements for existing public facilities, necessary to adequately serve the planned buildout in the unincorporated community, including the projected costs of these improvements and an identification of the provider or providers of these improvements; and

(c) A discussion of the provider's funding mechanisms and the ability of these and possibly new mechanisms to fund the development of each community public facility project; and

(d) A requirement that development not occur until the necessary public facilities are available for that development.

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660-022-0090

Coordination and ~~Citizen Involvement~~ Community Engagement

(1) Counties shall ensure that residents of unincorporated communities have adequate opportunities to participate in all phases of the planning process. Counties shall provide such opportunities in accordance with their acknowledged citizen involvement programs.

(2) When a county proposes to designate an unincorporated community or to amend plan provisions or land use regulations that apply to such a community, the county shall specify the following:

(a) How residents of the community and surrounding area will be informed about the proposal;

(b) How far in advance of the final decision residents of the community and the surrounding area will be informed about the proposal;

(c) Which citizen advisory committees will be notified of the proposal.

(3) The information on these three points shall be included in the appropriate plan amendment proposals or periodic review work task.

(4) When a county proposes to designate an urban unincorporated community, the county shall adopt a citizen involvement program for that community in accordance with the provisions of Goal 1, Citizen Involvement.

(5) Proposals to designate, plan, or zone unincorporated communities shall be coordinated with all special districts, metropolitan service districts, and cities likely to be affected by such actions. For any unincorporated community, such coordination shall include a minimum of 45-day mailed notice to all cities and special districts (including metropolitan service districts) located within the distance described in OAR 660-022-0040(2).

(6) In addition to the coordination responsibilities described in subsection (5), in consideration of an unincorporated community boundary expansion counties shall also:

(a) Solicit input from applicable school districts.

I just like the term “community engagement” better.

This language may be viewed as crossing the line between a “voluntary option” and a “regulatory requirement.”

Here is where we might begin to encourage a dialogue with Tribes and LCIS.

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(b) Obtain a list of tribes with an ancestral connection to land within their jurisdiction from the Legislative Commission of Indian Services (LCIS). (c) Hold two or more public meetings in the unincorporated community to solicit input prior to conducting a public hearing. (A) The county must provide mailed notice of the meetings to Tribes identified by LCIS, incorporated cities within a 20 mile radius, and property owners of lands within the existing community boundary and lands being considered for expansion. The county must also provide mailed notice to any physical address assigned to property located within the lands requiring notice as shown in county assessor records that are not the same as the property owner’s address. (B) Public meetings conducted pursuant to this section should use best practices for community engagement identified in documents such as “Putting the People in Planning A guide for local governmental agencies in Oregon June 30, 2019. (d) Coordinate with Federally recognized Indian tribes that may be affected by the application. For any unincorporated community expansion proposal, such coordination shall include, but not be limited to mailed notice to all tribes identified by LCIS subsequent to last public meeting held pursuant to subsection (b) above, and a minimum of 45 days in advance of the first evidentiary hearing. The written notice shall provide a reasonable description of the public meeting outcomes, how the county intends to proceed based on those outcomes, and how the Tribes may participate further. (e) As an alternative to the mailed notice described in subsection (d) above the information otherwise conveyed in writing may be offered through a meeting between the county elected officials and the council of Tribes identified by LCIS.	Counties are almost certain to do this anyway, so putting in the rule is not likely to be burdensome. This sentence has been used in a couple of other rules. It is an attempt to see that renters and not just property owners receive notices of land use issues. We used this language in the Solar rules. It is a “should” not a “shall”. This paragraph probably needs some work, or to be deleted. The concept is that additional outreach is provided after the public meetings and before the first public hearing. Again, this paragraph probably needs some work, or to be deleted. Hoping to encourage, but not strictly require, a Face-to-Face dialogue.
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660-022-0100 Applicability Planning for unincorporated communities shall be done according to this division, however: (1) Counties obligated to plan for unincorporated communities by an existing Periodic Review Work Program (Work Program) approved prior to January 1, 2026, may choose to continue operating under the rules in place at the time the Work Program was approved. A county need not amend a the Work Program or otherwise inform the Land Conservation and Development Commission (LCDC) of their choice to use one set of rules or another. Instead, the completed work task submittal shall indicate which rules were applied. (2) Counties not obligated to plan for unincorporated communities by an existing Work Program approved prior to January 1, 2026, may choose to apply the provisions of this division as: (a) A work task as part of a new Work Program, voluntary or otherwise; or (b) A Post Acknowledgement Plan Amendment (PAPA) consistent with the provisions of OAR chapter 660, division 18. For each unincorporated community in the county, by January 1, 1998, or a date specified in a periodic review work program, all counties shall: (1) Plan for unincorporated communities under the requirements of this division; or (2) Demonstrate that all uses authorized by acknowledged comprehensive plans and land use regulations for unincorporated communities are rural, in compliance with statewide planning Goals 11 and 14; or (3) Amend acknowledged comprehensive plans and land use regulations to limit uses to those which are rural in compliance with statewide planning Goals 11 and 14; or	The original language feels entirely antiquated. Maybe we don't even need this section anymore.

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(4) Adopt exceptions to statewide planning Goal 14, and Goal 11 if necessary, to allow urban uses on rural land.	
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Housing in Unincorporated Communities RAC – Draft 1: September 30, 2026

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660-022-0000

Purpose

(1) The purpose of this division is to establish a statewide policy for the planning and zoning of unincorporated communities that recognizes the importance of communities in rural Oregon. It is intended to expedite the planning process for counties by reducing their need to take exceptions to statewide planning goals when planning and zoning unincorporated communities.

(2) This division interprets Goals 11 and 14 concerning urban and rural development outside urban growth boundaries and applies only to unincorporated communities defined in OAR 660-022-0010.

(3) This division does not apply to areas approved as destination resorts under the destination resort statute, ORS 197.435 through 197.467.

660-022-0010

Definitions

For purposes of this division, the definitions contained in ORS 197.015 and the statewide planning goals (OAR chapter 660, division 15) apply. In addition, the following definitions apply:

(1) “Commercial Use” means the use of land primarily for the retail sale of products or services, including offices. It does not include factories, warehouses, freight terminals, or wholesale distribution centers.

(2) “Community Sewer System” means a sewage disposal system which has service connections to at least 15 permanent dwelling units, including manufactured homes, within the unincorporated community.

(3) “Community Water System” means a system that distributes potable water through pipes to at least 15 permanent dwelling units, including manufactured homes within the unincorporated community.

(4) “Developable land” shall have the meaning given that term in OAR 660-021-0010(5).

(5) “Industrial Use” means the use of land primarily for the manufacture, processing, storage, or wholesale distribution of products, goods, or materials. It does not include commercial uses.

Housing in Unincorporated Communities RAC – Draft 1: September 30, 2026

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(6) “Permanent residential dwellings” includes manufactured homes, but does not include dwellings primarily intended for a caretaker of an industrial use, commercial use, recreational vehicle park or campground.

(7) “Resort Community” is an unincorporated community that was established primarily for and continues to be used primarily for recreation or resort purposes; and

(a) Includes residential and commercial uses; and

(b) Provides for both temporary and permanent residential occupancy, including overnight lodging and accommodations.

(8) “Rural Community” is an unincorporated community which consists primarily of permanent residential dwellings but also has at least two other land uses that provide commercial, industrial, or public uses (including but not limited to schools, churches, grange halls, post offices) to the community, the surrounding rural area, or to persons traveling through the area.

(9) “Rural Service Center” is an unincorporated community consisting primarily of commercial or industrial uses providing goods and services to the surrounding rural area or to persons traveling through the area, but which also includes some permanent residential dwellings.

(10) “Urban Unincorporated Community” is an unincorporated community which has the following characteristics:

(a) Include at least 150 permanent residential dwellings units;

(b) Contains a mixture of land uses, including three or more public, commercial or industrial land uses;

(c) Includes areas served by a community sewer system; and

(d) Includes areas served by a community water system.

(11) “Unincorporated Community” means a settlement with all of the following characteristics:

(a) It is made up primarily of lands subject to an exception to Statewide Planning Goal 3, Goal 4 or both;

(b) It was either identified in a county’s acknowledged comprehensive plan as a “rural community,” “service center,” “rural center,” “resort community,” or similar term before this division was adopted (October 28, 1994), or it is listed in the

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Department of Land Conservation and Development’s January 30, 1997, “Survey of Oregon’s Unincorporated Communities”;

(c) It lies outside the urban growth boundary of any city;

(d) It is not incorporated as a city; and

(e) It met the definition of one of the four types of unincorporated communities in sections (6) through (9) of this rule, and included the uses described in those definitions, prior to the adoption of this division (October 28, 1994).

660-022-0020

Designation of Community Areas

(1) Except as provided in OAR 660-022-~~0070~~ **0100**, county comprehensive plans shall designate and identify unincorporated communities in accordance with the definitions in OAR 660-022-0010. Counties may amend these designations as circumstances change over time.

(2) Counties shall establish boundaries of unincorporated communities in order to distinguish lands within the community from exception areas, resource lands and other rural lands. The boundaries of unincorporated communities shall be shown on the county comprehensive plan map at a scale sufficient to determine accurately which properties are included.

(3) Only land meeting the following criteria may be included within an unincorporated community boundary:

(a) Land which has been acknowledged as a Goal 3 or 4 exception area and historically considered to be part of the community provided the land only includes existing, contiguous concentrations of:

(A) Commercial, industrial, or public uses; and/or

(B) Dwelling units and associated residential lots at a greater density than exception lands outside rural communities.

(b) Land planned and zoned for farm or forest use provided such land meets the criteria in section (4) of this rule.

(4) Community boundaries may include land that is designated for farm or forest use pursuant to Goals 3 and 4 if all the following criteria is met:

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(a) The land is contiguous to Goal 3 or 4 exception lands included in the community boundary;

(b) The land was occupied on the date of this division (October 28, 1994) by one or more of the following uses considered to be part of the community: Church, cemetery, school, park, playground, community center, fire station, museum, golf course, or utility facility;

(c) Only the portion of the lot or parcel that is occupied by the use(s) in subsection (b) of this section is included within the boundary; and

(d) The land remains planned and zoned under Goals 3 or 4.

(5) Site specific unincorporated community boundaries that are shown on an acknowledged plan map on October 28, 1994, are deemed to comply with subsections (2) and (3) of this rule unless the boundary includes land designated for farm or forest use that does not meet the criteria in section (4) of this rule.

(6) Communities which meet the definitions in both OAR 660-022-0010(6) and (9) shall be classified and planned as either resort communities or urban unincorporated communities.

(7) In addition to those lands described in subsections (3) and (4), a county establishing the boundary of an urban unincorporated community may include a supply of developable land capable of supporting a long-range growth capacity of up to 20 years. Long-range growth capacity shall be determined consistent with the provisions of OAR 660-022-0050, and OAR 660-022-0060 or OAR 660-022-0065, whichever is applicable.

660-022-0030

Planning and Zoning of Unincorporated Communities

(1) For rural communities, resort communities and urban unincorporated communities, counties shall adopt individual plan and zone designations reflecting the projected use for each property (e.g., residential, commercial, industrial, public) for all land in each community. Changes in plan or zone designation shall follow the requirements to the applicable post-acknowledgment provisions of ORS 197.610 through 197.625.

(2) County plans and land use regulations may authorize any residential use and density in unincorporated communities, subject to the requirements of this division.

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(3) County plans and land use regulations may authorize only the following new or expanded industrial uses in unincorporated communities:

(a) Uses authorized under Goals 3 and 4;

(b) Expansion of a use existing on the date of this rule;

(c) Small-scale, low impact uses;

(d) Uses that require proximity to rural resource, as defined in OAR 660-004-0022(3)(a);

(e) New uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule, or, if such services are not available to the site, the capacity of the site itself to provide water and absorb sewage;

(f) New uses more intensive than those allowed under subsection (a) through (e) of this section, provided an analysis set forth in the comprehensive plan demonstrates, and land use regulations ensure:

(A) That such uses are necessary to provide employment that does not exceed the total projected work force within the community and the surrounding rural area;

(B) That such uses would not rely upon a work force employed by uses within urban growth boundaries; and

(C) That the determination of the work force of the community and surrounding rural area considers the total industrial and commercial employment in the community and is coordinated with employment projections for nearby urban growth boundaries.

(g) Industrial uses, including accessory uses subordinate to industrial development, as provided under either paragraph (A) or (B) of this subsection:

(A) Industrial developments sited on an abandoned or diminished industrial mill site, as defined in ORS 197.719 that was engaged in the processing or manufacturing of wood products, provided the uses will be located only on the portion of the mill site that is zoned for industrial uses; or

(B) Industrial development, and accessory uses subordinate to the industrial development, in buildings of any size and type, in an area planned and zoned

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for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.

(4) County plans and land use regulations may authorize only the following new commercial uses in unincorporated communities:

(a) Uses authorized under Goals 3 and 4;

(b) Small-scale, low impact uses;

(c) Uses intended to serve the community and surrounding rural area or the travel needs of people passing through the area.

(5) County plans and land use regulations may authorize hotels and motels in unincorporated communities only if served by a community sewer system and only as provided in subsections (a) through (c) of this section:

(a) Any number of new motel and hotel units may be allowed in resort communities;

(b) New motels and hotels up to 35 units may be allowed in an urban unincorporated community, rural service center, or rural community if the unincorporated community is at least 10 miles from the urban growth boundary of any city adjacent to Interstate Highway 5, regardless of its proximity to any other UGB;

(c) New motels and hotels up to 100 units may be allowed in any urban unincorporated community that is at least 10 mile from any urban growth boundary.

(6) County plans and land use regulations shall ensure that new or expanded uses authorized within unincorporated communities do not adversely affect agricultural or forestry uses.

(7) County plans and land use regulations shall allow only those uses which are consistent with the identified function, capacity and level of service of transportation facilities serving the community, pursuant to OAR 660-012-0060(1)(a) through (c).

(8) County plans and land use regulations should consider adaptive re-use of former public, commercial, industrial or municipal buildings that have closed or are otherwise no longer in service.

~~(8)~~ Zoning applied to lands within unincorporated communities shall ensure that the cumulative development:

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(A-a) Will not result in public health hazards or adverse environmental impacts that violate state or federal water quality regulations; and

(B-b) Will not exceed the carrying capacity of the soil or of existing water supply resources and sewer services.

(910) County plans and land use regulations for lands within unincorporated communities shall be consistent with acknowledged metropolitan regional goals and objectives, applicable regional functional plans and regional framework plan components of metropolitan service districts.

(1011) For purposes of subsection (b) of section (4) of this rule, a small-scale, low impact commercial use is one which takes place in an urban unincorporated community in a building or building not exceeding 8,000 square feet of floor space, or in any other type of unincorporated community in a building or buildings not exceeding 4,000 square feet of floor space.

(1112) For purposes of subsection (c) of section (3) of this rule, a small-scale, low impact industrial use is one which takes place in an urban unincorporated community in a building or buildings not exceeding 60,000 square feet of floor space, or in any other type of unincorporated community in a building or buildings not exceeding 40,000 square feet of floor space.

(1213) Notwithstanding sections (1) and (2), a county may approve the uses in subsections (a) and (b) without amendments to the county plan or land use regulations when a wildfire identified in an Executive Order issued by the Governor in accordance with the Emergency Conflagration Act, ORS 476.510 through 476.610, has destroyed homes or caused residential evacuations, or both within the county or an adjacent county and, furthermore, has resulted in an Executive Order issued by the Governor declaring an emergency for all or parts of Oregon pursuant to ORS 401.165, et seq. Uses approved under this section shall be consistent with all applicable provisions of law including adopted comprehensive plan provisions and land use regulations to protect people and property from flood, geologic, and wildfire hazards.

(a) Temporary residential uses in conjunction with a dwelling that either existed or had received land use approval to be constructed on July 5, 2020. Such uses must be removed or converted to an allowed use within 120 months from the date of the Governor's emergency declaration. Temporary residential uses approved under this subsection are limited to the following;

(A) A single manufactured dwelling;

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- 1 (B) Use of an existing building or buildings;
- 2 (C) Up to two yurts;
- 3 (D) Up to five recreational vehicles; or
- 4 (E) Up to five fabric structures, tents or similar accommodations.
- 5 (b) Transitional housing accommodations as described at ORS 197A.452(2) and (4)
- 6 when homes and other private property on lands within the county or an adjacent
- 7 county have received damage from a wildfire identified in an Executive Order issued
- 8 by the Governor in accordance with the Emergency Conflagration Act, ORS 476.510
- 9 through 476.610.
- 10 (9) County plans and land use regulations for lands within unincorporated communities
- 11 shall be consistent with acknowledged metropolitan regional goals and objectives,
- 12 applicable regional functional plans and regional framework plan components of
- 13 metropolitan service districts.
- 14 (10) For purposes of subsection (b) of section (4) of this rule, a small-scale, low impact
- 15 commercial use is one which takes place in an urban unincorporated community in a
- 16 building or building not exceeding 8,000 square feet of floor space, or in any other type of
- 17 unincorporated community in a building or buildings not exceeding 4,000 square feet of
- 18 floor space.
- 19 (11) For purposes of subsection (c) of section (3) of this rule, a small-scale, low impact
- 20 industrial use is one which takes place in an urban unincorporated community in a building
- 21 or buildings not exceeding 60,000 square feet of floor space, or in any other type of
- 22 unincorporated community in a building or buildings not exceeding 40,000 square feet of
- 23 floor space.
- 24 (12) Notwithstanding sections (1) and (2), a county may approve the uses in subsections (a)
- 25 and (b) without amendments to the county plan or land use regulations when a wildfire
- 26 identified in an Executive Order issued by the Governor in accordance with the Emergency
- 27 Conflagration Act, ORS 476.510 through 476.610, has destroyed homes or caused
- 28 residential evacuations, or both within the county or an adjacent county and, furthermore,
- 29 has resulted in an Executive Order issued by the Governor declaring an emergency for all or
- 30 parts of Oregon pursuant to ORS 401.165, et seq. Uses approved under this section shall
- 31 be consistent with all applicable provisions of law including adopted comprehensive plan
- 32 provisions and land use regulations to protect people and property from flood, geologic,
- 33 and wildfire hazards.

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(a) Temporary residential uses in conjunction with a dwelling that either existed or had received land use approval to be constructed on July 5, 2020. Such uses must be removed or converted to an allowed use within 120 months from the date of the Governor’s emergency declaration. Temporary residential uses approved under this subsection are limited to the following;

(A) A single manufactured dwelling;

(B) Use of an existing building or buildings;

(C) Up to two yurts;

(D) Up to five recreational vehicles; or

(E) Up to five fabric structures, tents or similar accommodations.

(b) Transitional housing accommodations as described at ORS 197A.452(2) and (4) when homes and other private property on lands within the county or an adjacent county have received damage from a wildfire identified in an Executive Order issued by the Governor in accordance with the Emergency Conflagration Act, ORS 476.510 through 476.610.

OAR 660-022-0040

Urban Unincorporated Communities

~~(1) Counties with qualifying communities shall adopt plans and land use regulations for urban unincorporated communities (UUC’s). All statewide planning goals applicable to cities shall also apply to UUC’s, except for those goals provisions relating to urban growth boundaries and related requirements regarding the accommodation of long-term need for housing and employment growth.~~

~~(2) Counties may expand the boundaries of those UUC’s with the following characteristics in order to include developable land to meet a demonstrated long-term need for housing and employment:~~

~~(a) The UUC is at least 20 road miles from an urban growth boundary with a population over 25,000; and~~

~~(b) The UUC is at least 10 road miles from an urban growth boundary with a population of 25,000 or less.~~

~~(3) To expand the boundary of a UUC, a county shall demonstrate a long-term need for housing and employment in the community. The county shall base its demonstration upon~~

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population growth estimates from a reputable forecast service (such as Portland State University). The county shall coordinate its estimates with those for other cities and communities in the county. The county shall consider:

(a) Plans to extend facilities and services to existing community land; and

(b) The infill potential of existing land in the community.

(4) If a county determines that it must expand the boundary of a UUC to accommodate a long-term need for housing and employment, it shall follow the criteria for amendment of an urban growth boundary in statewide planning Goal 14 and shall select land using the following priorities:

(a) First priority goes to that developable land nearest to the UUC which is identified in an acknowledged comprehensive plan as exception area or nonresource land;

(b) If land described in subsection (a) of this section is not adequate to accommodate the need demonstrated pursuant to section (3) of this rule, second priority goes to land designated in a comprehensive plan for agriculture or forestry, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use, with designated marginal land considered the lowest capability (highest priority for selection);

(c) Land described in subsection (4)(b) of this section may be included if land of higher priority is inadequate to accommodate the need projected according to section (3) of this rule for any one of the following reasons:

(A) Specific types of identified land needs cannot be reasonably accommodated on higher priority land; or

(B) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or

(C) Maximum efficiency of land use within the UUC requires inclusion of lower priority land in order to provide public facilities and services to higher priority land.

(5) Counties shall apply plans and land use regulations to ensure that land added to a UUC:

(a) Is used only to satisfy needs identified pursuant to section (3) of this rule; and

(b) Is provided with sewer and water services at the time of development; and

(c) Is planned and zoned according to the requirements of this division; and

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(d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ORS 197.314; and

(6) Counties shall not rely upon the use of land included within a UUC as the basis for determining that nearby land designated in compliance with goals relating to agriculture or forestry is committed to nonresource use as defined in OAR 660-004-0005(3).

(7) Counties shall include findings of fact and conclusions of law demonstrating compliance with the provisions of this rule in their comprehensive plans.

(8) For purposes of this rule, “developable land” shall have the meaning given that term in OAR 660-021-0010(5).

(9) For purposes of this rule, “long-term need” means needs for the UUC anticipated for the next 10 years.

660-022-0050

Community Public Facility Plans

(1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if:

(a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or

(b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served with individual water or sanitary systems or by existing community facilities and services; or

(c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or

(d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells.

(2) A community public facility plan shall include inventories, projected needs, policies and regulations for the water and sewerage facilities which are existing or needed to serve the unincorporated community, including:

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~~(a) An inventory of the condition and capacity of existing public facilities and services;~~

~~(b) An assessment of the level of facilities and services needed to adequately serve the planned buildout within the community area boundary; and~~

~~(c) Coordination agreements consistent with ORS chapter 195.~~

~~(3) If existing community facilities and services are not currently adequate to serve the development allowed in the plan and zoning ordinance, the community public facility plan shall contain either:~~

~~(a) Development restrictions to ensure development will not exceed the capacity of the land to absorb waste and provide potable water and will not exceed the capacity of public facilities; or~~

~~(b) A list of new facilities, and improvements for existing public facilities, necessary to adequately serve the planned buildout in the unincorporated community, including the projected costs of these improvements and an identification of the provider or providers of these improvements; and~~

~~(c) A discussion of the provider's funding mechanisms and the ability of these and possibly new mechanisms to fund the development of each community public facility project; and~~

~~(d) A requirement that development not occur until the necessary public facilities are available for that development.~~

660-22-0045

Exceptions for Expanding Unincorporated Community Boundaries.

Any proposal to expand the boundary of an unincorporated community found to satisfy the applicable provisions of OAR 660-022-0050, OAR 660-022-0055, OAR 660-022-0060, OAR 660-022-0065, and OAR 660-022-0090 shall also be determined to satisfy the requirements of Goal 2, Part II(c) for exceptions to Goals 3, 4, 11, and 14 as needed.

660-022-0050

Expanding Unincorporated Community Boundaries. Long-range growth capacity.

(1) Counties may expand the boundaries of those UUC's and Rural Communities (RC) with the following characteristics in order to include developable land to meet a demonstrated long-range term need growth capacity for housing and employment when:

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(a) The UUC or RC is served by community sewer and water systems with the ability to accommodate the long-term growth potential as demonstrated by:

(A) The community sewer and water providers having sufficient existing capacity to serve the long-range growth capacity; or

(B) A Community Public Facilities Plan pursuant to OAR 660-022-0070 in place showing how and when existing services will be expanded to accommodate the long-range growth capacity.

(b) Expanding the boundary of the UUC or RC will not interfere with the efficient functioning of urban growth boundaries because;

(A) The UUC or RC is at least 20 road miles from an urban growth boundary with a population over 25,000; and

(B) The UUC or RC is at least 10 road miles from an urban growth boundary with a population of 25,000 or less; or

(C) For an UUC only, the county demonstrates in the manner provided for review of a work task under ORS 197.633 that expansion of the UUC boundary will not be in conflict will Goal 14 or undermine the efficient functioning of an urban growth boundary within the distances identified at subsections (1)(a) and (b) above. Appropriate reasons and facts demonstrating the requirements of this subsection are satisfied may include but are not limited to the following:

(i) The ability to expand a UGB is severely constrained due to topography, the presence of natural hazards, or operation of Federal law, or

(ii) The UCC will provide housing opportunities that are not easily accommodated within the UGBs (ie. Farmworker housing)

~~(2) To expand the boundary of UUC, a~~ **The** county shall demonstrate a long-term need **long-range growth capacity** for housing and employment in the community. ~~The county shall based its demonstration upon~~

(a) Population growth estimates from a reputable forecast service (such as Portland State University). The county shall coordinate its estimates with those for other cities and communities in the county.

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(A) As an alternative to subsection (a) above, for a UUC a county may utilize an annual average growth rate of 1.0 %; or

(B) As an alternative to subsection (a) above, for a RC a county may utilize an annual average growth rate of 0.5 %; and

~~The county shall consider:~~

~~(a)~~ **(b) Consideration of** plans to extend facilities and services to existing community land; and

~~(b)~~ **(c) Consideration of** the infill potential of existing land in the community.

(3) If a county determines that it ~~must~~ **should** expand the boundary of a UUC **or RC** to accommodate a ~~long-term need~~ **long-range growth capacity** for housing and employment, it shall follow the criteria for amendment of an urban growth boundary in statewide planning Goal 14.

(4) Counties shall apply plans and land use regulations to ensure that land added to a UUC **for housing and employment:**

(a) Is used only to satisfy needs identified pursuant to section (3) of this rule; and

(b) Is provided with sewer and water services at the time of development; and

(c) Is planned and zoned according to the requirements of this division; and

(d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ~~ORS 197.314~~; **As an alternative to conducting a specific analysis, a county may find that requirements of statewide planning Goal 10 are satisfied if, in addition to the provisions at OAR 660-022-0030, implementing zoning measures require:**

(A) At least 40% of lands added for residential use are zoned for multifamily development; and

(B) Lands zoned for multifamily development allow farm worker housing as an outright use; and

(C) Manufactured home parks may be allowed outright, or conditionally based on clear and objective standards in one or more residential zoning districts; and

(D) Accessory dwelling units are allowed outright in single-family residential zoning districts; and

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(E) Duplexes and Triplexes may be approved conditionally based on clear and objective standards in single-family residential zoning districts; and

(F) New lots or parcels created for single family dwelling units are no larger than 8,000 square feet, except that new lots or parcels specifically created for and dedicated to multigenerational households may be up to 10,000 square feet.

~~(6 5)~~ Counties shall not rely upon the use of land included within a UUC as the basis for determining that nearby land designated in compliance with goals relating to agriculture or forestry is committed to nonresource use as defined in OAR 660-004-0005(3).

~~(7 6)~~ Counties shall include findings of fact and conclusions of law demonstrating compliance with the provisions of this rule in their comprehensive plans.

~~(8) For purposes of this rule, “developable land” shall have the meaning given that term in OAR 660-021-0010(5).~~

(7) For purposes of this rule, “long-term need” **“long-range growth capacity”** means ~~needs~~ **growth potential** for the **community** UUC anticipated for:

(a) The next 10 years **if the community is a RC.**

(b) **At least the next 10 years, but no more than the next 20 years if the community is a UUC.**

(8) Counties may choose to avoid lands subject to identified natural hazards when considering the expansion of an unincorporated community. If such lands are included within an unincorporated community boundary, implementing zoning shall, in addition to the provisions of OAR 660-022-0030, include:

(a) **Provisions for defensible space and home hardening, including but not limited to requiring development abide by the Oregon Residential Specialty Code (ORSC) section R327 (Wildfire Hazard Mitigation) if wildfire is an identified natural hazard.**

(b) **Reasonable precautions designed to protect life and property for natural hazards that do not include wildfire.**

(9) Expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be considered in the manner provided for review of a work task under ORS 197.633

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(10) Expanding the boundary of a UUC for a long-range growth capacity of 10 years shall be subject to the land priorities described at OAR 660-022-0060.

(11) Expanding the boundary of a RC for long-range growth capacity of 10 years and expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be subject to the land priorities described at OAR 660-022-0065.

660-022-0055

Expanding Unincorporated Community Boundaries. Accommodating a specific rural use.

(1) In addition to the opportunities identified at OAR 660-022-0050, Expansion of Unincorporated Communities: For the expansion of a An Unincorporated Community defined under OAR 660-022-0010(11) the requirements of subsections (a) through (c) of this section apply: may be expanded when there is a (a) Appropriate reasons and facts may include findings that there is a demonstrated need for additional land in the community to accommodate a specific rural use based on Goals 3-19. Appropriate reasons and facts necessary to satisfy this subsection may include findings that: demonstration that either:

(a) The use requires a location near a resource located on rural land; or

(b) The use has special features necessitating its location in an expanded area of an existing unincorporated community, including:

(A) For industrial use, it would have a significant comparative advantage due to its location such as, for example, that it must be near a rural energy facility, or near products available from other activities only in the surrounding area, or that it is reliant on an existing work force in an existing unincorporated community;

(B) For residential use, the additional land is necessary to satisfy the need for additional housing in the community generated by existing industrial, commercial, or other economic activity located within the community or in the surrounding rural area. The plan must include an economic analysis showing why the type and density of planned housing cannot be

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accommodated in an existing exception area or urban growth boundary, and is most appropriate at the particular proposed location. ~~The reasons cannot be based on market demand for housing, nor on a projected continuation of past rural population distributions.~~

(b) The findings of need must be coordinated and consistent with the comprehensive plan for other exception areas, unincorporated communities, and urban growth boundaries in the area. For purposes of this subsection, “area” includes those communities, exception areas, and urban growth boundaries that may be affected by an expansion of a community boundary, taking into account market, economic, and other relevant factors.

(c) Expansion of the unincorporated community boundary requires a demonstrated ability to serve both the expanded area and any remaining infill development potential in the community, at the time of development, with the level of facilities determined to be appropriate for the existing unincorporated community.

(2) Counties may choose to avoid lands subject to identified natural hazards when considering the expansion of an unincorporated community. If such lands are included within an unincorporated community boundary, implementing zoning shall, in addition to the provisions of OAR 660-022-0030, include:

(a) Provisions for defensible space and home hardening, including but not limited to requiring development abide by the Oregon Residential Specialty Code (ORSC) section R327 (Wildfire Hazard Mitigation) if wildfire is an identified natural hazard.

(b) Reasonable precautions designed to protect life and property for natural hazards that do not include wildfire.

(3) Expanding an unincorporated community boundary to accommodate a specific rural use shall be subject to the land priorities described at OAR 660-022-0060.

OAR 660-022-0060

Land priorities. UUC’s 10 year long-range grow potential and all UC’s responding to a specific rural use shall select land using the following priorities:

(1) First priority goes to that developable land nearest to the ~~UUC~~ **UC** which is identified in an acknowledged comprehensive plan as exception area or nonresource land;

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(2) If land described in subsection (1) of this section is not adequate to accommodate the **need growth potential** demonstrated pursuant to section **OAR 660-022-0050(2)** of this rule **or to accommodate a specific rural use pursuant to section OAR 660-022-0055(1) of this rule**, second priority goes to land designated in a comprehensive plan for agriculture or forestry, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use, with designated marginal land considered the lowest capability (highest priority for selection);

(3) Land described in subsection (2) of this section may be included if land of higher priority is inadequate to accommodate the ~~need projected according to section~~ **growth potential** demonstrated pursuant to section **OAR 660-022-0050(2)** of this rule **or to accommodate a specific rural use pursuant to section OAR 660-022-0055(1)** of this rule for any one of the following reasons:

(a) Specific types of identified land ~~needs~~ **uses** cannot be reasonably accommodated on higher priority land; or

(b) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or

(c) Maximum efficiency of land use within the UUC requires inclusion of lower priority land in order to provide public facilities and services to higher priority land:
or

(d) **Inclusion of lower priority land is necessary to avoid historic, cultural, or archaeological resources that may be present on higher priority land.**

OAR 660-022-0065

Land priorities. Long-range growth capacity for eligible RC's and UUC's greater than 10 years shall select land using the following priorities:

(1) Land priorities for expansion of RC eligible to consider long-range growth capacity shall follow the process identified at OAR 660-022-0060, except that the following categories may not be included:

(a) Soils that are irrigated or not irrigated and classified prime, unique, Class I or Class II by the Natural Resources Conservation Service (NRCS) when present on lands protected under Goal 3.

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(b) Lands designated as Core Sage-Grouse Habitat.

(c) High Use and Very High Use Wildlife Migration Corridors designated by the Oregon Department of Fish and Wildlife (ODFW). The county may refine the exact location of high use and very high use wildlife mitigation corridors but must consult with ODFW.

(d) Wildlife habitat characterized by ODFW as Category 1. The county may refine the exact location and characterization of Category 1 wildlife habitat but must consult with ODFW.

(2) Land priorities for expansion of a UUC considering long-range growth potential greater than 10 years shall follow the process identified at OAR 660-022-0060, except that the categories identified at subsections (1)(b), 1(c) and (1)(d) may not be included

660-022-0080

Community Public Facility Plans

(1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if:

(a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or

(b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served with individual water or sanitary systems or by existing community facilities and services; or

(c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or

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(d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells.

(2) A community public facility plan shall include inventories, projected needs, policies and regulations for the water and sewerage facilities which are existing or needed to serve the unincorporated community, including:

(a) An inventory of the condition and capacity of existing public facilities and services;

(b) An assessment of the level of facilities and services needed to adequately serve the planned buildout within the community area boundary; and

(c) Coordination agreements consistent with ORS chapter 195.

(3) If existing community facilities and services are not currently adequate to serve the development allowed in the plan and zoning ordinance, the community public facility plan shall contain either:

(a) Development restrictions to ensure development will not exceed the capacity of the land to absorb waste and provide potable water and will not exceed the capacity of public facilities; or

(b) A list of new facilities, and improvements for existing public facilities, necessary to adequately serve the planned buildout in the unincorporated community, including the projected costs of these improvements and an identification of the provider or providers of these improvements; and

(c) A discussion of the provider's funding mechanisms and the ability of these and possibly new mechanisms to fund the development of each community public facility project; and

(d) A requirement that development not occur until the necessary public facilities are available for that development.

660-022-0090

Coordination and ~~Citizen Involvement~~ Community Engagement

(1) Counties shall ensure that residents of unincorporated communities have adequate opportunities to participate in all phases of the planning process. Counties shall provide such opportunities in accordance with their acknowledged citizen involvement programs.

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(2) When a county proposes to designate an unincorporated community or to amend plan provisions or land use regulations that apply to such a community, the county shall specify the following:

(a) How residents of the community and surrounding area will be informed about the proposal;

(b) How far in advance of the final decision residents of the community and the surrounding area will be informed about the proposal;

(c) Which citizen advisory committees will be notified of the proposal.

(3) The information on these three points shall be included in the appropriate plan amendment proposals or periodic review work task.

(4) When a county proposes to designate an urban unincorporated community, the county shall adopt a citizen involvement program for that community in accordance with the provisions of Goal 1, Citizen Involvement.

(5) Proposals to designate, plan, or zone unincorporated communities shall be coordinated with all special districts, metropolitan service districts, and cities likely to be affected by such actions. For any unincorporated community, such coordination shall include a minimum of 45-day mailed notice to all cities and special districts (including metropolitan service districts) located within the distance described in OAR 660-022-0040(2)-0050(b)(A) and (B).

(6) In addition to the coordination responsibilities described in subsection (5), in consideration of an unincorporated community boundary expansion counties shall also:

(a) Solicit input from applicable school districts.

(b) Obtain a list of tribes with an ancestral connection to land within their jurisdiction from the Legislative Commission of Indian Services (LCIS).

(c) Hold two or more public meetings in the unincorporated community to solicit input prior to conducting a public hearing.

(A) The county must provide mailed notice of the meetings to Tribes identified by LCIS, incorporated cities within a 20 mile radius, and property owners of lands within the existing community boundary and lands being considered for expansion. The county must also provide mailed notice to any physical address assigned to property located

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1 within the lands requiring notice as shown in county assessor records
2 that are not the same as the property owner's address.

3 (B) Public meetings conducted pursuant to this section should use best
4 practices for community engagement identified in documents such as
5 "Putting the People in Planning A guide for local governmental agencies
6 in Oregon June 30, 2019.

7 (d) Coordinate with Federally recognized Indian tribes that may be affected by
8 the application. For any unincorporated community expansion proposal, such
9 coordination shall include, but not be limited to mailed notice to all tribes
10 identified by LCIS subsequent to last public meeting held pursuant to
11 subsection (b) above, and a minimum of 45 days in advance of the first
12 evidentiary hearing. The written notice shall provide a reasonable description
13 of the public meeting outcomes, how the county intends to proceed based on
14 those outcomes, and how the Tribes may participate further.

15 (e) As an alternative to the mailed notice described in subsection (d) above the
16 information otherwise conveyed in writing may be offered through a meeting
17 between the county elected officials and the council of Tribes identified by
18 LCIS.

19 **660-022-0100**

20 **Applicability**

21 **Planning for unincorporated communities shall be done according to this division,**
22 **however:**

23 **(1) Counties obligated to plan for unincorporated communities by an existing Periodic**
24 **Review Work Program (Work Program) approved prior to January 1, 2026, may choose**
25 **to continue operating under the rules in place at the time the Work Program was**
26 **approved. A county need not amend a Work Program or otherwise inform the Land**
27 **Conservation and Development Commission (LCDC) of their choice to use one set of**
28 **rules or another. Instead, the completed work task submittal shall indicate which**
29 **rules were applied.**

30 **(2) Counties not obligated to plan for unincorporated communities by an existing Work**
31 **Program approved prior to January 1, 2026, may choose to apply the provisions of this**
32 **division as:**

33 **(a) A work task as part of a new Work Program, voluntary or otherwise; or**

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(b) A Post Acknowledgement Plan Amendment (PAPA) consistent with the provisions of OAR chapter 660, division 18.

~~For each unincorporated community in the county, by January 1, 1998, or a date specified in a periodic review work program, all counties shall:~~

~~(1) Plan for unincorporated communities under the requirements of this division; or~~

~~(2) Demonstrate that all uses authorized by acknowledged comprehensive plans and land use regulations for unincorporated communities are rural, in compliance with statewide planning Goals 11 and 14; or~~

~~(3) Amend acknowledged comprehensive plans and land use regulations to limit uses to those which are rural in compliance with statewide planning Goals 11 and 14; or~~

~~(4) Adopt exceptions to statewide planning Goal 14, and Goal 11 if necessary, to allow urban uses on rural land.~~

Rulemaking Impact Statements
Housing In Unincorporated Areas – Draft Rule
OAR Chapter 660, Divisions 4, 11, 14, 22

October 2026

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I. INTRODUCTION

The Department of Land Conservation and Development (DLCD) has prepared draft rules (OAR Chapter 660 Divisions 4, 11, 14, and 22 proposed) that update the standards and methodology by which Oregon's counties can plan for the expansion of unincorporated communities (UCs) in their boundaries.

The most significant textual changes proposed in these draft rules are to OAR Chapter 660, Division 22 "Unincorporated Communities". The changes to the other divisions generally either add reference to Division 22 or remove some content from those divisions and relocate it to Division 22. In this way, the draft rules make Division 22 the main source for rules governing the expansion of UCs.

Unincorporated communities generally fall under one of four types: resort community, rural community, rural service center, or urban unincorporated community. Most of the changes included in the draft rules apply to "rural communities" (RC) and "urban unincorporated communities" (UUC).

Expansion of recognized UC boundaries is allowed under the long-established current rules. The draft rules function to clarify and provide some new, mostly discretionary, provisions for UC expansion. The required planning work is the responsibility of the county in which a UC is located, as UCs lack local government and planning capabilities. The changes reflect the State of Oregon's prioritization of increased housing production to meet pent-up and new demand for housing options statewide.

While UCs are not intended to be major providers of new growth and housing opportunities in the state, they serve a range of specific needs in diverse locations and in some cases, it might be appropriate to expand these areas to accommodate more long-term growth capacity.

Economic & Fiscal Impact Analysis

DLCD is not required to conduct original research in creating a fiscal impact statement (FIS). DLCD must use available information to project any significant effect of the proposed rule, including a quantitative estimate of how the proposed rule affects these entities or an explanation of why DLCD cannot make the estimate. See ORS 183.335(2)(b)(E). DLCD is required to identify any persons this proposed rule could affect economically including:

- Small and large businesses, as defined in ORS 183.310(10)
- State agencies (DLCD and any other State agency),
- Local governments
- Tribal governments, and
- The public.

This report summarizes the draft rule followed by an assessment of potential fiscal impacts on businesses, local government, state agencies, Tribal governments, and the public. The report includes a Fiscal Impact Statement (FIS), a Housing Impact Statement (HIS), and a Racial Equity Statement. The purpose of these statements is to help inform the rulemaking process.

II. SUMMARY OF PROPOSED RULES

The draft proposed rule changes are related to expansion of unincorporated communities in Oregon. Many of the changes are to the organization of the existing rules and relocation of some related provisions to OAR Chapter 660 Division 22 from other divisions. Division 22 has the most substantive proposed changes.

The following is a summary of the proposed language and requirements, and discussion of potential impacts arising from the rulemaking process.

1. DRAFT RULE CHANGES TO DIVISIONS 4, 11, AND 14

The proposed changes to these divisions are less substantive and therefore are likely to have less direct economic impact. A summary of the draft changes is provided here:

OAR Chapter 660 Division 4: Interpretation of Goal 2 Exception Process

The proposed changes to this division are aimed at adding references to Div. 22 as the main source of information on UC expansion. As the purpose statement of Div. 4 states:

“...Rules in other divisions of OAR 660 provide substantive standards for some types of goal exceptions. Where this is the case the specific substantive standards in the other divisions control the more general standards of this division.”

- OAR 660-004-000(1)

The draft rules specify that Div. 22 is one of these other divisions that offer more specific standards on this topic. Other draft edits then provide reference to the relevant sections of Div. 22. The draft also proposes to remove two sections from Div. 4 and relocate them to Div. 22 [OAR 660-004-0020(4) and OAR 660-004-0022(5)].

OAR Chapter 660 Division 11: Public Facilities Planning

The draft rules changes are few in this division, adding reference to Div. 22 and specifying that satisfying provisions within Div. 22 also have the effect of justifying an exception to Goal 11.

OAR Chapter 660 Division 14: Application of Statewide Planning Goals to Newly Incorporated Cities, Annexation, and Urban Development on Rural Lands

The draft rules changes to this division are similarly few. The one proposed addition specifies that satisfying provisions within Div. 22 will also have the effect of justifying an exception to Goal 2, Part II(c) for exceptions to Goal 3, 4, 11, and 14 as needed. This establishes Div. 22 as the source of controlling rules over expansion of UCs.

Comments: In and of themselves, the draft changes to these divisions are not anticipated to add significant administrative or other burden for local or state governments. Relocating controlling rule language regarding UC expansion to Div. 22 might simplify the OAR for local users and relieve some burden of rule interpretation and compliance.

2. DRAFT RULE CHANGES TO DIVISION 22

The following is a summary of the substantive changes in Division 22 that have a nexus with this impact analysis. This includes most, but not all, of the proposed changes in this division. Those that are not discussed below were estimated not to have direct or measurable fiscal or housing impact.

This section of the report consists of the relevant portions of each subsection of Division 22, followed by discussion of potential impacts for each.

OAR 660-022-0000: Purpose

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Purpose

(1) The purpose of this division is to establish a statewide policy for the planning and zoning of unincorporated communities that recognizes the importance of communities in rural Oregon. It is intended to expedite the planning process for counties by reducing their need to take exceptions to statewide planning goals when planning and zoning unincorporated communities....

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: There are no proposed changes to this section. However, as the stated purpose of this division is to “expedite the planning process,” the provisions in Div. 22 (existing and proposed) are intended to simplify and reduce the administrative burden of seeking exceptions to planning goals. To that end, the proposed rules, by consolidating provisions for expansion of UCs in this division, would be expected to make the planning process more efficient.

The newly proposed language in the draft rules is generally discretionary, rather than required. Therefore, it is not expected to *necessitate* new fiscal or housing impacts in most cases. But to the extent that counties use these new provisions, it may have impacts as discussed more below.

OAR 660-022-0020: Designation of Community Areas

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Designation of Community Areas

...

(7) In addition to those lands described in subsections (3) and (4), a county establishing the boundary of an urban unincorporated community may include a supply of developable land capable of supporting a long-range growth capacity of up to 20 years. Long range capacity potential shall be determined consistent with the provisions of OAR 660-022-0050, and OAR 660-022-0060 or OAR 660-022-0065, whichever is applicable.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: This subsection has been added to Div. 022-0020 on the designation of UCs. This section applies to the initial designation of communities, and not the expansion of communities. The new provision allows the boundary of a newly designated *urban* unincorporated community (UUC) to include a supply of land estimated to be sufficient for the next 20 years of growth capacity. This would function much like the land supply within the urban growth boundary (UGB) of an incorporated city.

This provision may have a number of impacts. The UGB of an incorporated area typically includes future growth areas that are within the UGB, but outside the current city limits boundary. This system functions to keep these lands in reserve until they are ready for annexation. The designation of a UUC boundary that includes a 20-year supply would in theory give the same

status to all lands within that boundary, whether in the current exception area, or on its periphery. While the need to provide infrastructure to new development might remain a built-in regulator of the pace of growth, all land within the 20-year boundary would in theory have the same entitlements and buildable status if serviceable. This would be expected to raise the market value of lands within the new boundary, including land peripheral to the current community, even if it is currently under resource land use.

Due to the increase in entitlements, the land value within the boundary would be higher relative to surrounding resource lands (i.e. farms or forest). Over time this will incentivize the development of the lands within the 20-year supply, increasing sale value to the current land owners, and taxable assessed value to taxing jurisdictions.

As with all the hypothetical UC expansion discussed in this analysis, designating new UUC land has the intended effect of increasing the housing supply and/or access to business services or employment in the area, all else being equal. The positive and negative implications of this are discussed in more detail below.

OAR 660-022-0045: Exceptions for Expanding Unincorporated Community Boundaries

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Exceptions for Expanding Unincorporated Community Boundaries

Any proposal to expand the boundary of an unincorporated community found to satisfy the applicable provisions of OAR 660-022-0050, OAR 660-022-0055, OAR 660-022-0060, OAR 660-022-0065, and OAR 660-022-0090 shall also be determined to satisfy the requirements of Goal 2, Part II(c) for exceptions to Goals 3, 4, 11, and 14 as needed.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: This is a newly added section to Div. 22. It states that satisfying the provisions within Div. 22 will also satisfy the requirements for exceptions found elsewhere in OAR. This draft provision has the effect of making Div. 22 the controlling division on the subject of UC exceptions. To the extent that this simplifies and consolidates rules for counties, this provision has the expected impact of relieving some administrative burden on counties, reducing planning and process costs.

OAR 660-022-0050: Expanding Unincorporated Community Boundaries. Long-Range Growth Capacity.

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Expanding Unincorporated Community Boundaries. Long-range growth capacity.

(1) Counties may expand the boundaries of those UUC's **and Rural Communities (RC)** with the following characteristics in order to include developable land to meet ~~a demonstrated long-range term need~~ **growth** for housing and employment **when**:

(a) The UUC or RC is served by community sewer and water systems with the ability to accommodate the long-term growth potential as demonstrated by:

(A) The community sewer and water providers having sufficient existing capacity to serve the long-range growth capacity; or

(B) A Community Public Facilities Plan pursuant to OAR 660-022-0070 in place showing how and when existing services will be expanded to accommodate the long-range growth capacity.

(b) Expanding the boundary of the UUC or RC will not interfere with the efficient functioning of urban growth boundaries because;

(A) The UUC ~~or RC~~ is at least 20 road miles from an urban growth boundary with a population over 25,000; and

(B) The UUC ~~or RC~~ is at least 10 road miles from an urban growth boundary with a population of 25,000 or less; or

(C) For an UUC only, the county demonstrates in the manner provided for review of a work task under ORS 197.633 that expansion of the UUC boundary will not be in conflict will Goal 14 or undermine the efficient functioning of an urban growth boundary within the distances identified at subsections (1)(a) and (b) above. Appropriate reasons and facts demonstrating the requirements of this subsection are satisfied may include but are not limited to the following:

(i) The ability to expand a UGB is severely constrained due to topography, the presence of natural hazards, or operation of Federal law, or

(ii) The UCC will provide housing opportunities that are not easily accommodated within the UGBs (ie. Farmworker housing.)

(2) ~~To expand the boundary of UUC, a~~ **The** county shall demonstrate a ~~long-term need~~ **long-range growth capacity** for housing and employment in the community. ~~The county shall based its demonstration upon~~

(a) Population growth estimates from a reputable forecast service (such as Portland State University). The county shall coordinate its estimates with those for other cities and communities in the county.

(A) As an alternative to subsection (a) above, for a UUC a county may utilize an annual average growth rate of 1.0 %; or

(B) As an alternative to subsection (a) above, for a RC a county may utilize an annual average growth rate of 0.5 %; and

~~The county shall consider:~~

~~(a)~~ (b) **Consideration of** plans to extend facilities and services to existing community land; and

~~(b)~~ (c) **Consideration of** the infill potential of existing land in the community.

(3) If a county determines that it ~~must~~ **should** expand the boundary of a UUC **or RC** to accommodate a ~~long-term need~~ **long-range growth capacity** for housing and employment, it shall follow the criteria for amendment of an urban growth boundary in statewide planning Goal 14.

(4) Counties shall apply plans and land use regulations to ensure that land added ~~to a UUC~~ **for housing and employment:**

(a) Is used only to satisfy needs identified pursuant to section (3) of this rule; and

(b) Is provided with sewer and water services at the time of development; and

(c) Is planned and zoned according to the requirements of this division; and

(d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ~~ORS 197.314~~; **As an alternative to conducting a specific analysis, a county may find that requirements of statewide planning Goal 10 are satisfied if, in addition to the provisions at OAR 660-022-0030, implementing zoning measures require:**

(A) At least 40% of lands added for residential use are zoned for multifamily development; and

(B) Lands zoned for multifamily development allow farm worker housing as an outright use; and

(C) Manufactured home parks may be allowed outright, or conditionally based on clear and objective standards in one or more residential zoning districts; and

(D) Accessory dwelling units are allowed outright in single-family residential zoning districts; and

(E) Duplexes and Triplexes may be approved conditionally based on clear and objective standards in single-family residential zoning districts; and

(F) New lots or parcels created for single family dwelling units are no larger than 8,000 square feet, except that new lots or parcels specifically created for and dedicated to multigenerational households may be up to 10,000 square feet.

(5) Counties shall not rely upon the use of land included within a UUC as the basis for determining that nearby land designated in compliance with goals relating to agriculture or forestry is committed to nonresource use as defined in OAR 660-004-0005(3).

(6) Counties shall include findings of fact and conclusions of law demonstrating compliance with the provisions of this rule in their comprehensive plans.

~~(8) For purposes of this rule, “developable land” shall have the meaning given that term in OAR 660-021-0010(5).~~

(7) For purposes of this rule, ~~“long-term need”~~ **“long-range growth capacity”** means ~~needs~~ **growth potential** for the **community** UUC anticipated for:

(a) The next 10 years if the community is a RC.

(b) At least the next 10 years, but no more than the next 20 years if the community is a UUC.

(8) Counties may choose to avoid lands subject to identified natural hazards when considering the expansion of an unincorporated community. If such lands are included within an unincorporated community boundary, implementing zoning shall, in addition to the provisions of OAR 660-022-0030, include:

(a) Provisions for defensible space and home hardening, including but not limited to requiring development abide by the Oregon Residential Specialty Code (ORSC) section R327 (Wildfire Hazard Mitigation) if wildfire is an identified natural hazard.

(b) Reasonable precautions designed to protect life and property for natural hazards that do not include wildfire.

(9) Expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be considered in the manner provided for review of a work task under ORS 197.633

(10) Expanding the boundary of a UUC for a long-range growth capacity of 10 years shall be subject to the land priorities described at OAR 660-022-0060.

(11) Expanding the boundary of a RC for long-range growth capacity of 10 years and expanding the boundary of a UUC for a long-range growth capacity of greater than 10 years but no more than 20 years shall be subject to the land priorities described at OAR 660-022-0065.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: This subsection (OAR 660-022-0050) experiences the most substantive changes and new language under the draft rules. The draft rules preserve some existing language in this section, relocate some language from other sections, and adds newly-drafted language.

This section focuses on expanding the boundaries of established UCs, which is a key focus of this rulemaking effort. This section applies to “rural communities” (RC) and “urban unincorporated communities” (UUC), but not resort communities, or rural service centers. The following is a summary of the subsections and their potential forecasted impacts:

- **Requiring sewer and water serviceability:** Subsection (1) requires that UUC or RC is able to accommodate the long-term growth capacity either via a current community water

and sewer provider that can serve the new growth, or with a community public facilities plan that demonstrates how and when services will be expanded to serve the new growth.

The cost of extending water and sewer infrastructure to serve expansion areas of UCs is likely to pose a significant challenge for many, but less so for others that already have community systems with capacity. Because of this, the impact of necessary infrastructure expansion will likely be unevenly distributed, with different types of UCs, different counties, and different regions of the state likely to experience greater or lesser challenges in serving new areas.

(See the discussion of OAR 660-022-0080 below for full discussion on the impact of public facility requirements.)

- **Non-Interference with urban growth boundaries:** Subsection (1) also sets out standards to ensure that the expansion of UCs does not interfere with nearby incorporated cities, and their UGBs. The purpose of this provision is that the statewide planning system is designed to direct most growth to UGBs first and foremost. Growth in unincorporated areas is intended to be secondary. As such, the expansion of UCs shouldn't hinder the future growth of incorporated cities.

The existing provisions of this section require that to expand a UUC or RC should be at least 20 miles from a large UGB (25k+ in population) and at least 10 miles from a small UGB.

A newly added provision allows UUCs (only) to use a discretionary alternative method to demonstrate that the expansion won't interfere with a UGB, presumably in cases where a UGB is closer than allowed by the standard cited above. The alternative approach may demonstrate that the expanded UC and the UGB won't interfere with each other because there are conditions that will keep them physically separated by topography, hazards, protected public lands, etc. Also, the county can demonstrate that the UUC will provide housing opportunities not easily accommodated within the UGB (e.g. farmworker housing).

To the extent that this new provision provides greater flexibility and alternative options to some counties/UCs, the draft rule can be expected to increase opportunities for UC expansion, with the effect of increasing housing choice, meeting housing needs that cannot be well met in a UGB, and/or rural business and employment options. (See full discussion of potential Housing Impacts at the end of this report.)

- **Long-range growth capacity:** This section removes language regarding “long term need” and replaces it with “long-range growth capacity”. This change should help in distinguishing the growth planning process for UCs from that of UGBs under Goals 9 and 10 which use the “long term land need” terminology. While the planning processes share some requirements and methodology, the standards for UCs is somewhat less rigorous which relieves administrative burden and some planning costs.

This growth potential is determined by population growth estimates from a reputable forecast service (existing language) or based on new safe harbor growth rates (new language). The proposed safe harbors are 1% average annual growth rate (AAGR) for a UUC and 0.5% AAGR for an RC. Given that many UCs grow at very slow rates due to land availability, serviceability, and other constraints, these are likely adequate-to-generous growth rate assumptions for many of them.

Given that Portland State University (PSU) often forecasts very low or negative growth for unincorporated parts of many counties, the safe harbor rates will allow counties and UCs to plan for moderate positive growth rather than decline. This should have the effect of facilitating more UC expansions, with increased housing production and housing options in these areas, all else being equal.

- **Meeting the requirements of Goal 10 and alternative approach:** Subsection (4)(d) of this section states that expansion areas designated for residential use should meet the requirements of Goal 10 (existing language), but the draft rules also provide an alternative approach (new language). The alternative approach offers safe harbor planning standards for the expansion area, that if met, will satisfy the requirements of Goal 10.

The alternative approach includes standards on including land for multi-family development, allowing farmworker housing and mobile home parks, allowing ADUs, duplexes and triplexes in single family residential zones, and a maximum lot size for single family homes of 8,000 s.f.

These provisions, if adopted by a county for UC expansion planning, could be expected to have several economic and housing impacts. *Because these impacts are more comprehensive, a full discussion can be found in the Housing Impacts section at the end of this report.*

- **Requirements for expansion into areas with natural hazards:** The draft rules include new language regarding the issue of expanding into areas with known natural hazards. A main focus is wildfires given the increasing incidence and severity of this hazard across the West, including Oregon. However, other hazards such as flooding or landslides are included and are a greater danger in some areas such as the coast.

The new provision states that counties may choose to avoid lands subject to hazards altogether when considering expansion. If they are included however, the new zoning shall include provisions for hazard mitigation, including “defensible space and home hardening” for wildfires, and “reasonable precautions” for other hazards.

In general, requirements for new development to mitigate hazards adds requirements that do not apply in non-hazardous areas. These actions could possibly raise the cost of development in these areas. Due to recent catastrophic wildfires that encroached on urban areas in the West, we know more about the economic impacts of these incidents.

- ***Fiscal impact on government:*** The destruction of a large number of homes by wildfire creates immediate impact on local and state government, who are tasked with emergency response to save structures, human and animal life, and extinguish the fire. The cost of follow-on responsibilities such as clearing debris and helping to find shelter for displaced residents are also likely to fall on local and state government to some extent. All of this can place tremendous demand on available government resources including staff and equipment that would typically be providing on-going services. FEMA resources are often made available in the case of major disasters to alleviate some of the fiscal strain, but the demand on local resources immediately and over time are significant.

Many unincorporated areas have a low level of fire-fighting coverage. Fire districts may be mostly volunteer-based, or firefighting services may be contracted from an incorporated city located some distance away. Expansion of UCs into fire prone areas may eventually trigger the need for more comprehensive fire services with quicker response times in those areas, with the corresponding costs for expanding staffing and equipment.

- ***Cost of defensive measures:*** Housing that is designed to be “hardened” against hazards is often more expensive than housing in other areas. The draft provision requires that new development in fire hazard areas comply with Oregon Residential Specialty Code (ORCS) section R327. This section provides guidelines for a range of hardening measures, including materials, design, and construction techniques for many exterior home components. The Oregon State Building Codes Division (BCD) estimates that the requirements raise costs anywhere from 2% to 11% over “standard prescriptive construction.” These additional costs would be capitalized into the sale price of new homes built in fire hazard areas, impacting affordability.

At the same time, there are ways to mitigate cost increases through trying to reduce costs elsewhere in design and construction. Another major benefit could be in reduced insurance premiums (see below) for fire-hardened homes. Rules for insurers vary state by state, but the Oregon legislature is currently considering rules to codify a reduction in premiums in return for investment in hardening measures.

In addition to these hardening measures, there are additional measures that are the responsibility of the homeowner, including clearing vegetation and debris near the home and cleaning roofs, gutters, decks and other outside areas. These do not impact the housing cost but may create some costs to local government to ensure compliance.

- ***Insurance costs and availability:*** An increasing challenge to building in fire-prone areas is securing affordable home insurance. In the wake of catastrophic fires many insurers are dropping coverage in high-risk areas or greatly increasing premiums. Oregon has tended to maintain lower premiums than California or Washington, but this is masking greater underlying variability in premiums. Insurance premiums are considerably higher in some parts of Deschutes, Jackson, Josephine and Hood River counties for instance. Some fire prone areas near Bend and Ashland have seen premium increases of 600% to 900% in recent years.

Rising insurance costs create a burden on existing and prospective new households alike and have implications for housing affordability and equity. Existing residents on low fixed incomes have less ability to absorb these increases, and other lower income households will be deterred from living in these areas at all, while higher-income households can better adapt to the increases.

As noted above, the Oregon legislature is currently considering rules to codify a reduction in premiums in return for investment in hardening measures. This would encourage the adoption of defensive measures for property owners in these areas, and help alleviate increasing insurance premium levels.

- ***Equity of rebuilding:*** The aftermath of a major wildfire incident can have disproportionate impact on lower-income households due to the added costs cited above and lower quality insurance policies. In the 2020 Bear Creek Fire that destroyed central portions of Talent and Phoenix, an estimated 1,500 homes out of the 2,300 homes destroyed were mobile homes. But it is single family homes that have been replaced most efficiently in the intervening years.

Rebuilding is additionally costly because of demand surge pricing. The sudden demand for labor and materials to rebuild a large number of homes in a single area causes competition for scarce resources and an increase in cost. Some owners report receiving quotes to rebuild their homes far in excess of the insurance payout. This effect would be more acute in remote areas with low construction capacity to begin with.

OAR 660-022-0060 - 0065: Land Priorities

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660-022-0060: Land priorities. UUC's 10 year long-range grow potential and all UC's responding to a specific rural use shall select land using the following priorities....

...

660-022-0065: Land priorities. Long range growth capacity for eligible RC's and UUC's greater than 10 years shall select land using the following priorities:

(1) Land priorities for expansion of RC eligible to consider long term growth capacity shall follow the process identified at OAR 660-022-0060, except that the following categories may not be included:

(a) Soils that are irrigated or not irrigated and classified prime, unique, Class I or Class II by the Natural Resources Conservation Service (NRCS) when present on lands protected under Goal 3.

(b) Lands designated as Core Sage-Grouse Habitat.

(c) High Use and Very High Use Wildlife Migration Corridors designated by the Oregon Department of Fish and Wildlife (ODFW). The county may refine the exact location of high use and very high use wildlife mitigation corridors but must consult with ODFW.

(d) Wildlife habitat characterized by ODFW as Category 1. The county may refine the exact location and characterization of Category 1 wildlife habitat but must consult with ODFW.

(2) Land priorities for expansion of a UUC considering long term growth potential greater than 10 years shall follow the process identified at OAR 660-022-0060, except that the categories identified at subsections (1)(b), 1(c) and (1)(d) may not be included

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: These sections outline the prioritization of land to be considered to meet the determined growth capacity of a UC. This generally follows the process of prioritizing lands for inclusion in a UGB expansion, starting with previously identified exception areas or non-resource land, and extending to resource land starting with the lowest quality or capability land. Finally, if no other viable options exist, more valuable resource land may be considered.

OAR 660-022-0065 adds provisions for RCs and UCs seeking expansions based on longer-term growth capacity. Additional categories of land are removed from consideration for this longer term planning, including higher-quality soils and wildlife habitat and corridors.

The general impact of reclassifying lands from outside of a UC boundary or UGB to a new zoning designation within those boundaries is to increase the value of that land due to the immediate or implied future development potential for new, higher-value land uses. Resource land, despite the many benefits it provides, is typically among the land uses lowest in land value on a per square foot basis. Farming for instance requires a high volume of low-cost land to be economically viable and cannot compete with higher intensity uses when bidding on the price for land.

In the long run, the inclusion of new land in an expanded boundary is to the economic benefit of the landowner when they are willing to sell. There are many reasons that a landowner may choose to keep land under its prior use indefinitely. Existing rural land uses such as farming provide other tangible and nontangible benefits to the owner and community beyond land value. However, hopefully through the planning process, potential expansion areas can be identified with willing landowners.

Agricultural land may have the benefit of farm tax deferral. When such land is sold to be reused for another purpose, the owner is typically expected to repay the deferred taxes for some number of the past years. Typically, the cost of this expected tax obligation will be included in the sale price of the land for its new use. This has the impact of raising the land cost somewhat but is typically a manageable increase for the developer.

Expansion is also to the general fiscal benefit of taxing jurisdictions once the land is developed and has achieved a higher taxable assessed value. This is offset somewhat by accompanying new costs for infrastructure and services. See fuller discussion of Fiscal Impacts below.

OAR 660-022-0080: Community Public Facility Plan

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Community Public Facility Plans

(1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if:

(a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or

(b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served with individual water or sanitary systems or by existing community facilities and services; or

(c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or

(d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells.

(2) A community public facility plan shall include inventories, projected needs, policies and regulations for the water and sewerage facilities which are existing or needed to serve the unincorporated community, including:

(a) An inventory of the condition and capacity of existing public facilities and services;

(b) An assessment of the level of facilities and services needed to adequately serve the planned buildout within the community area boundary; and

(c) Coordination agreements consistent with ORS chapter 195.

(3) If existing community facilities and services are not currently adequate to serve the development allowed in the plan and zoning ordinance, the community public facility plan shall contain either:

(a) Development restrictions to ensure development will not exceed the capacity of the land to absorb waste and provide potable water and will not exceed the capacity of public facilities; or

(b) A list of new facilities, and improvements for existing public facilities, necessary to adequately serve the planned buildout in the unincorporated community, including the projected costs of these improvements and an identification of the provider or providers of these improvements; and

(c) A discussion of the provider's funding mechanisms and the ability of these and possibly new mechanisms to fund the development of each community public facility project; and

(d) A requirement that development not occur until the necessary public facilities are available for that development.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: The language in this section is relocated from a different section of the Div. 22 and does not include new draft language. Therefore, the draft rules do not change the planning requirements for public facilities for UCs or expansion.

However, it is important to note that planning for and constructing infrastructure remains one of the most significant cost challenges to expanding UCs. Rural infrastructure expansion can be more expensive and less efficient than in urban areas, especially on a per-resident basis. Because of the lower average densities in rural areas, infrastructure must be extended farther to serve each household. The economies of scale that come from serving multi-family properties or other denser housing forms are harder to achieve in low-density areas.

In more remote areas, infrastructure improvements may be more costly due to a lack of construction firms and skilled labor in the area. A contractor from outside the area will typically charge a premium to transport labor and equipment to a more remote job site for the duration

of a project. If other parts of the state are experiencing a healthy construction market with competing projects, it may be hard for a rural area to identify multiple firms to compete on pricing.

UCs may require outside funding to expand water and sewer capacity. UCs often have a small tax base and many moderate and low-income households. While the developer of a UC expansion area will contribute some to infrastructure extension, they would not be fully responsible for wider system improvements. Therefore, there may be some fiscal impact on county and state government to help fund infrastructure improvements to make UC expansion possible.

OAR 660-022-0090: Coordination and Community Engagements

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(6) In addition to the coordination responsibilities described in subsection (5), in consideration of an unincorporated community boundary expansion counties shall also:

(a) Solicit input from applicable school districts.

(b) Obtain a list of tribes with an ancestral connection to land within their jurisdiction from the Legislative Commission of Indian Services (LCIS).

(c) Hold two or more public meetings in the unincorporated community to solicit input prior to conducting a public hearing.

(A) The county must provide mailed notice of the meetings to Tribes identified by LCIS, incorporated cities within a 20 mile radius, and property owners of lands within the existing community boundary and lands being considered for expansion. The county must also provide mailed notice to any physical address assigned to property located within the lands requiring notice as shown in county assessor records that are not the same as the property owner's address.

(B) Public meetings conducted pursuant to this section should use best practices for community engagement identified in documents such as "Putting

the People in Planning A guide for local governmental agencies in Oregon June 30, 2019.

(d) Coordinate with Federally recognized Indian tribes that may be affected by the application. For any unincorporated community expansion proposal, such coordination shall include, but not be limited to mailed notice to all tribes identified by LCIS subsequent to last public meeting held pursuant to subsection (b) above, and a minimum of 45 days in advance of the first evidentiary hearing. The written notice shall provide a reasonable description of the public meeting outcomes, how the county intends to proceed based on those outcomes, and how the Tribes may participate further.

(e) As an alternative to the mailed notice described in subsection (d) above the information otherwise conveyed in writing may be offered through a meeting between the county elected officials and the council of Tribes identified by LCIS.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

Comments: The draft changes to this section maintain much of the prior language but add this section on additional outreach requirements for expansion. The new language is meant to ensure that key stakeholders are informed and consulted in the process. This includes required outreach to school districts and Tribes, and two or more public meetings.

To the extent that these activities were not required before, this provision adds some administrative burden and planning costs to the prior draft.

III. FISCAL IMPACT STATEMENT

As part of the rulemaking process, a Fiscal Impact Statement is required to assess the expected degree to which “state agencies, units of local government, Tribes, and the public that may be economically affected by the adoption, amendment or repeal of the rule” and must estimate the economic impact on those entities. ORS Chapter 183.335(2)(b)(E) also requires that, in determining economic impact, the agency shall “project any significant economic effect of that action on businesses which shall include a cost of compliance effect on small businesses affected.”

This section provides a summary of the expected fiscal impact on these groups.

The proposed draft rules relate to the expansion of unincorporated communities, to include more land. While UCs may include commercial or industrial uses, the main focus of this rulemaking process is housing. Most of the new rules are discretionary, meaning the additional impact from these changes may be negligible to counties that do not choose to pursue the new discretionary approach.

However, the overall intention of the rulemaking is to add flexibility and make expansion more efficient. If effective, this is expected to increase the amount of UC expansion across the state somewhat. Therefore, much of this impact discussion relates to UC expansion itself.

State Agency Impacts

The proposed rule is expected to have a modest fiscal impact primarily on DLCD among state agencies, although other state agencies that are part of the coordination outreach may be impacted. A modest amount of staff time may be required to become familiar with the new provisions and advise local governments on applicability.

Additionally, there is the potential for DLCD to incur Department of Justice legal fees in situations where DLCD files, or is a party to, an appeal of a local government’s actions that are not consistent with this administrative rule to the Land Use Board of Appeals (LUBA) or is brought to intervene in a LUBA case between two other parties regarding an appeal. Some of the expansion scenarios discussed in the rules are completed in the manner of a periodic review work task, and those actions would not be appealable to LUBA, but potentially to the Court of Appeals. DLCD also maintains authority to enact an enforcement order, which would incur legal fees and demand a modest increase in staff effort in time to review and compile legal records. The risk of these draft rules increasing legal costs in this regard over the existing rules is low.

The fiscal impact associated with additional DLCD staff time is expected to be low and no additional staffing is expected to be required.

To the extent that UC expansion areas include land located in natural hazard areas there may be a marginal increase in demands on state resources for response and recovery to emergencies. Oregon has experienced intensifying and increasingly expensive wildfire seasons over recent decades, with fire-fighting costs in the hundreds of millions of dollars (estimated at \$350M in 2026). This trend persists without UC expansion, so the impact of adding small expansion areas shouldn't be overstated, but expansions may add some residential areas at the wildland-urban interface that could need more rigorous defense during wildfire season.

Local Government Impacts

Responsibility for planning for unincorporated communities falls to counties, under the existing or draft rules. The draft rule changes are intended to consolidate the rules governing UCs in Division 22. Satisfying the provisions of Division 22 will effectively satisfy the requirements of other divisions, streamlining the planning process and administration of UCs somewhat.

At the same time there are new provisions in the draft rules, such as new community engagement requirements, that add minor administrative or planning burdens and therefore would be expected to increase demands on staff time and compliance costs. For the most part these are minor and/or discretionary provisions, so impact is expected to be low.

Expansion of residential uses in unincorporated areas should have positive impact on local jurisdictions in the form of higher revenues associated with development fees, system development charges, and ongoing property taxes. This will be offset somewhat by cost of providing services to these new households. For some counties and UCs new residential development may be a net positive, while for others the service costs may exceed the fiscal benefit of increased property tax revenue. However, these trade-offs exist under the current rules and are not changed by the draft rules.

The fiscal impact of the changes included in the proposed rules is expected to be low for local jurisdictions. While counties may face significant planning process and costs to go through the process of UC expansion, those requirements are present under the current rules, and some of the draft provisions are intended to offer new safe harbors or other alternatives that can provide additional flexibility in the process.

Impact on Tribes

There is no distinct fiscal impact identified for Tribes by these draft rules. To the extent that tribal members live or work in UCs across the state, the potential impacts are assumed to be similar to those described for the general public below, or to the impacts described for small and large businesses to the extent there may be tribal enterprises owned in or near UCs. The general housing impacts described in the following section may also benefit tribal members who live in, or near, UCs.

Impact on General Public

The public in the general area of a UC may experience increased housing options and availability from the expansion of UCs. The increase in housing supply and new housing forms could have a marginal positive benefit on affordability.

The area workforce benefits from more local housing options, perhaps closer to employment in resource areas. This could include dedicated farmworker housing, or attainable housing for those working in forest industries. Additional housing in UCs reduces the required commute times for some workers who had to search farther to find available housing and rent and home prices are typically lower in rural areas. (See the Housing Impact Statement below for full discussion.)

The owners of land brought into an expanded UC boundary would see an economic benefit in increased land value that comes with additional development entitlements.

Small and Large Businesses

Among businesses, the proposed rules are expected to have the most substantive impact on those directly involved in land development or housing production. Increasing expansion of UCs would provide these businesses with new opportunities and locations for homebuilding. If expansion induces a higher level of residential construction activity, it will support additional employment and construction trades and related fields in the area.

If the program has a positive impact on housing availability and affordability, it would be supportive of small and large businesses in the area by providing better housing alternatives for their workforce. Resource land industries such as agriculture, timber, food and wood product manufacturing, are location dependent on rural areas and their workforce must either live nearby, or endure longer commutes, often from more expensive housing markets.

Existing rural businesses in a UC or nearby (i.e. a rural service center type business) will benefit from UC expansion with increase in traffic and customers in the immediate area.

There are no identified costs of compliance for businesses directly affected by the existing or proposed draft rules.

IV. SUMMARY OF HOUSING IMPACTS

ORS Chapter 183.335(2)(b)(E) and ORS 183.530 require that rules adopted by the LCDC include an “estimate of the effect of a proposed rule or ordinance on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single-family dwelling

on that parcel.” (ORS 183.530). *This Housing Impact Statement (HIS) is described in ORS 183.534, and is supplied on a specified form attached to this report.*

This section includes a broader discussion of the expected impact on housing from the draft rules.

The main impact of the draft rules is to facilitate expansion of incorporated communities by consolidating rules in Division 22, simplifying and reorganizing language, and adding flexibility and alternatives to planning for expansions. The net effect should be to make the process marginally easier for counties to pursue, and therefore an increase (likely modest) in expansion activity in unincorporated areas across the state.

This rulemaking is taking place in the context of many new housing initiatives undertaken by the state over the last few years. The goals of those efforts are generally to increase housing production, choice, and affordability. These new housing initiatives reflect current planning best practices and policies.

In this context, it is fair to assume that UC expansion areas will have a land use plan and development pattern that looks different than the traditional development in many UCs. Specifically, expansion areas are likely to encourage or require greater density and permissible housing types.

The draft rule OAR 660-022-0050(4) suggests the following alternative option for expansion areas:

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(4) Counties shall apply plans and land use regulations to ensure that land added to a UUC **for housing and employment:**

...

(d) If designated for residential use, meets the requirements of statewide planning Goal 10 and ~~ORS 197.314~~; **As an alternative to conducting a specific analysis, a county may find that requirements of statewide planning Goal 10 are satisfied if, in addition to the provisions at OAR 660-022-0030, implementing zoning measures require:**

(A) At least 40% of lands added for residential use are zoned for multifamily development; and

(B) Lands zoned for multifamily development allow farm worker housing as an outright use; and

(C) Manufactured home parks may be allowed outright, or conditionally based on clear and objective standards in one or more residential zoning districts; and

(D) Accessory dwelling units are allowed outright in single-family residential zoning districts; and

(E) Duplexes and Triplexes may be approved conditionally based on clear and objective standards in single-family residential zoning districts; and

(F) New lots or parcels created for single family dwelling units are no larger than 8,000 square feet, except that new lots or parcels specifically created for and dedicated to multigenerational households may be up to 10,000 square feet.

Source: Draft Language Oregon Administrative Rules Chapter 660, Division 022 – Unincorporated Communities

An expansion to a UC that applied these or similar standards may have the following general impacts on the housing market:

- **Increased housing supply in the area**
- **Increased density:** The proposed rules could increase density in a number of ways. The suggested maximum lot size of 8,000 s.f. would be denser than the traditional housing in many UCs which often feature larger lots and low-density single-family development. ADUs, duplex, triplex and multifamily units are inherently more dense than single family homes. Similarly, manufactured home parks tend to be significantly denser than traditional single family neighborhoods, particularly in rural areas. A combination of these housing types in expansion areas will very likely provide greater housing density than the existing development pattern.
- **Increased housing choice including rental options:** For similar reasons, this more diverse housing mix would offer greater choice for different households and life stages. It would also encourage the inclusion of more rental housing, which can be difficult to find in many rural settings with little multi-family or -plex housing. The suggested standards also include provisions for multigenerational housing, though a more detailed definition might be needed.
- **Improved affordability:** The draft rules and UC expansion in general may improve housing affordability in a few ways. First, an increased supply of homes on the market relative to demand would be expected to moderate prices. Second, most of the denser housing forms discussed above tend to be less expensive than single family detached housing. Duplexes, triplexes, and multi-family would all be expected to offer housing at a lower price point than SFR. Manufactured home parks are also a long-standing source of more affordable housing options in a denser format.

Challenges to Development

- **Infrastructure costs:** As noted, the cost of extending infrastructure including sewer and water, but also streets and other utilities is high and, in many cases, will represent a large up front cost to land developers. While developers may be responsible for the cost of extension of infrastructure onto expansion lands, systemwide improvements including facility and capacity improvements may require additional funding and higher utility rates for other customers. In some cases, these infrastructure costs may be prohibitive until grants or other external funding is secured.
- **Achievable pricing:** In many rural areas, market rent and home prices are lower than in urban areas due to location and distance to some amenities such as shopping, services, and employment areas. While lower home costs are to the benefit of households, they can make housing development challenging. While rural land is likely to be less expensive, the cost of construction materials and labor will likely not be appreciably lower than in the region's urban areas. This means that returns to the developer may be lower for development in some UCs, making the project less attractive.
- **Environmental Constraints and Hazards:** Development in rural areas and near resource lands often faces challenges from natural features such as wetlands, topography, or natural hazards. This may limit the options for expansion in some UCs. If an expansion relies on mitigating wetlands or hazard risk, this tends to add to development costs.

Note: These challenges to UC expansion are also present under the existing rules, and not a result of the draft rules.

V. RACIAL EQUITY STATEMENT

The State of Oregon requires that a rulemaking notice include “a statement identifying how adoption of the rule will affect racial equity in this state” (ORS 183-335(2)(a)). For the purposes of this statement, racial equity has been defined as treating people of all races fairly, justly, and without bias. The agency is required to attempt to determine the racial groups that will be affected by the rule, and how the rule will increase or decrease disparities currently experienced by those groups. In this context, a disparate treatment of racial groups may be supportable if it addresses current disparities.

There is nothing inherent in the draft rule that will create disparate impacts on different racial groups if Fair Housing law is followed.

This rule relates to increasing flexibility around the ways unincorporated communities can expand, especially in housing and employment land development. Denser housing forms than

are typically found in rural areas, including multifamily rental housing, manufactured home parks, ADUs, duplexes, and triplexes may be allowed in these new expansion areas. Groups that have historically been discriminated against in housing, including exclusion from some areas, redlining in lending, and facing other structural affordability issues can benefit from new housing supply in formats that, in theory, could be more economical to build and lower cost to rent or buy.

The proposed rules also support multigenerational and flexible household structures through the explicit inclusion of accessory dwelling units (ADUs) in single-family residential zoning districts (OAR 660-022-0050(4)) and the allowance of larger lot sizes for multigenerational housing. Multigenerational living is more common among some BIPOC households and immigrant cultures. Accessory dwelling units allow parents to support their children for longer while still allowing them freedom, as well as allowing children to support their parents and transition into a caregiver role. Additionally, permitting ADUs allows for opportunities for family wealth building through a rental unit and mitigates the chance of displacement due to the addition of lower cost housing units.

The draft rule does not directly imply any disparate impacts for different racial groups. To the extent that the rules lead to some combination of greater housing availability, affordability, rental opportunities, multigenerational opportunities, and/or workforce housing, they represent a potential benefit to any group that has historically faced obstacles to attaining these.