



Bills for City Review, Action & Awareness

Cities are advised to review the summaries below and take action as needed to comply with new state law.

Housing and Homeless Issues –

Ariel Nelson, Lobbyist – anelson@orcities.org

HB 3395 – End of Session Housing Package

Effective Date: June 30, 2023

HB 3395, known as the “Housing Package,” incorporated several bills that had advanced earlier in the session, including an omnibus housing bill, [SB 847](#), which may require cities to make changes to local housing development policies or processes. This bill also includes funding for local government capacity to support housing development. The sections most relevant to cities are described below:

- **Residential Use of Commercial Lands (Sections 1-2):** Requires cities to approve the siting and development of housing within commercial zones if it is affordable to 60% Average Median Income (AMI) or below or for mixed-use structures with ground floor commercial and residential units affordable to moderate income households. The bill does not require a city to update its comprehensive plan to implement, however this change in use may impact a city’s employment lands availability. The bill explicitly exempts cities from having to conduct a new economic analysis or comprehensive plan update; however cities may still wish to consider the impact to Goal 9 for economic development and reflect and accommodate these impacts at a later date. HB 3395 requires cities to apply the residential density level most comparable to the density of commercial density currently allowed in zone and specifies that updates or analyses relating to economic development are not required.
- **Residential Approval Procedures (Sections 3-6):** Makes two changes to the Land Use Board of Appeals (LUBA) process intended to reduce land use appeals or reduce the duration of those appeals and workload on city staff. First, it provides an extra seven days for a city to take final action on an application for a permit, limited land use decision, or zone change, including resolution of appeals, after an application is deemed complete. Second, it allows a local government or state agency to withdraw a decision under appeal with the LUBA for reconsideration, including decisions related to the development of a residential structure.
- **Emergency Shelter Siting (Sections 6-7):** Continues the existing requirements for when cities must approve the siting of emergency shelters and updates some of the terms. HB 3395 clarifies that cities do not have to hold a public hearing before approving a shelter siting application awards attorney fees to a local government and any intervening applicant that prevail on appeal of approval, or applicant that prevails on appeal of denial, and updates the criteria for qualifying shelter operators. Notably, the shelter siting provisions will no longer sunset or lapse by a certain date but will now be in effect until the statewide point-in-time count for total sheltered and unsheltered homeless population falls below 0.18% of the state population.
- **Single Exit Multifamily Dwellings (Section 8):** Directs the Oregon Department of Consumer and Business Services to review and adopt updates to the Structural Specialty Code through the Building Codes Structures Board to allow residential occupancies to be served by a single exit. The bill requires updates to reduce, to an extent practicable, costs and barriers to mid-sized multi-family dwelling construction while maintaining safety, and encourages less expensive housing types, allowing single-exit residential dwellings consistent with adopted building codes such as those in Seattle, Washington.
- **Planned Community Act Exemptions (Section 9):** Clarifies that development established on or after January 1, 2024, in which each residential unit is subject to an affordability restriction or is owned by a public benefit or religious non-profit corporation, is not defined in Oregon law as a “planned community.”
- **Regulation of Condominiums (Sections 10-14):** Grants the State’s Real Estate Commissioner exclusive right to regulate submission of property to condominium provisions of Oregon statute. Prohibits other restrictions or prohibitions on condominium form of ownership, including charges, taxes, fees, review, or approval processes, or additional permitting requirements or conditions. If a city has local regulations specifically related to condominium permitting, they may need to be updated or eliminated.

(continued on page 38)

- **Subdividing for Development of Affordable Housing (Section 15):** Requires a city or county to accept as other assurance, one or more award letters from public funding sources made to an affordable housing developer that is or will be subject to an affordability restriction or affordable housing covenant, provided those awards total an amount greater than the project cost. This section may require cities to update their external and internal processes and documents for analyzing and approving affordable housing development related to system development charges and entitlements.
- **Single Room Occupancies (Sections 16-19):** Defines “single room occupancy” (SRO) as a residential development with at least four independently rented, lockable units with living and sleeping space for exclusive use of an occupant, but with shared sanitary or food preparation facilities. Requires local governments to allow SRO development within an urban growth boundary, with up to six units per single-family zoned parcel, and with unit counts consistent with density standards of parcels allowing five or more units. Adds SROs to the definition of “needed housing.”
- **Siting Duplexes (Sections 20-23):** Requires cities located outside the Portland metro area with a population between 2,500 and 10,000 to allow duplexes on lots zoned for single family detached dwellings. In other words, this extends the duplex requirements established in [HB 2001](#) (2019) to an additional 50 cities and requires those cities to adopt land use regulations or amend comprehensive plans no later than June 30, 2025. A city amending its comprehensive plan or land use regulations is not required to consider whether those amendments significantly affect existing or planned transportation facilities. The bill allows, no later than June 30, 2024, a request for an extension from the June 30, 2025 deadline, and appropriates \$1,250,000 to the Oregon Department of Land Conservation and Development to provide grants to cities to assist them with the middle housing updates.
- **Affordable Housing on Public Utility Lands (Section 29):** Allows public utilities to sell at or below market price, or gift, interest in real property for purpose of developing affordable housing and requires such property to include an affordable housing covenant. The bill prohibits a public utility from recovering costs of the property sale or gift from customers.
- **Local Government Housing Support (Sections 37-39):** Allocates \$5 million to the Oregon Department of Administrative Services (DAS) to provide grants to Councils of Governments (COGs) and Economic Development Districts (EDDs) to support housing and community development capacity within cities, counties, and tribes. COGs and EDDs are specifically directed to partner and consult with local governments, developers, financiers, the Department of Land Conservation and Development, the Oregon Housing and Community Services (OHCS), other relevant state agencies and other interested public and private partners to enable local governments throughout the region to encourage community development and the development of infrastructure

and needed housing, by: (a) Bridging any information gaps; (b) Identifying and securing needed resources, including infrastructure and community facilities; (c) Connecting producers of needed housing with consumers of needed housing; and (d) Working with representatives of historically underrepresented groups to overcome community-specific barriers to obtaining housing.

HB 2984 – Commercial Conversions

Effective Date: January 1, 2024

HB 2984 requires cities to allow conversion of a building from commercial use to residential use without requiring a zone change or conditional use permit. The bill prohibits cities from enforcing parking minimums greater than the amount allowed for existing commercial use or the amount that may be required in lands zoned for residential uses that would allow the converted development. The final version of HB 2984 allows cities to charge system development charges (SDCs) as long as the charge is based on a “specific adopted policy for commercial to residential conversions” adopted on or before December 31, 2023, or if the charge is for water or wastewater and includes an offset for at least 100% of the water or wastewater SDCs paid when the building was originally constructed. Cities already tailor SDC charges to the specific impacts of each development, and the LOC understands this provision will allow cities to continue

SUPPORTING ALL THAT IS YOU

Answering the needs of our members is in our DNA. Our commitment to prevention and connected care is helping our patients feel their best – in mind, body, and spirit.

Kaiser Permanente is proud to support the League of Oregon Cities’ mission of serving Oregonians and building vibrant communities.



All plans offered and underwritten by Kaiser Foundation Health Plan of the Northwest.
500 NE Multnomah St., Suite 100, Portland, OR 97232.
©2023 Kaiser Foundation Health Plan of the Northwest

charging SDCs accordingly. The bill is not intended to require cities to conduct a formal SDC methodology review or update by December 31, 2023.

HB 2001/HB 5019 – Affordable Housing and Emergency Homelessness Response Package

Effective Dates: March 29, 2023

On her first day in office, Governor Kotek signed three executive orders aimed at tackling the state’s housing and homelessness crisis by: declaring a homelessness state of emergency; setting an ambitious state target to increase home construction; and directing state agencies to prioritize reducing and preventing homelessness in all areas of the state. In response, the Legislature passed HB 2001 and HB 5019, also known as the “60-day housing package,” early in session with broad bipartisan support. The 60-day housing package included \$155 million to rehouse 1,650 Oregonians, prevent homelessness for 8,750 households, and expand shelter capacity by 700 beds by the end of 2023. It also established and funded the Oregon Housing Needs Analysis (OHNA) program, which applies to cities with a population of 10,000 or more. The bill included \$3.5 million in funding at the Oregon Department of Land Conservation and Development (DLCD) for local grants for housing planning updates. That funding, in addition to investments in the DLCD agency budget, provides a total of \$4.75 million for housing and urbanization grants available to all cities for the 2023-25 biennium.

Cybersecurity –

Nolan Pleše, Lobbyist – nplese@orcities.org

HB 2490 – Public Records Exemption for Cybersecurity Information

Effective Date: January 1, 2024

This bill provides clarity to current statute for allowable public record exemptions. It also clarifies that local governments may exempt from disclosure public records concerning cybersecurity plans, devices and systems, including contractual and insurance records setting forth specifications, applications and coverages.

What cities must do: Cities are not obligated to disclose public records concerning cybersecurity plans, devices, and systems, including contractual and insurance records setting forth specifications, applications and coverages when receiving a public records request.

Economic Development –

Lindsay Tenes, Lobbyist – ltenes@orcities.org

HB 2009 – Local Economic Development Incentives

Effective Date: September 23, 2023

HB 2009 extends the authority of the statewide enterprise zone program, the long-term rural enterprise zone program and gain-share, a facet of the Strategic Investment Program (SIP).

(continued on page 40)



Celebrating 35 years of helping Oregon cities achieve financial and economic success.

Utility Rate and Fee Consulting | Utility Management | General Government Financial Analysis | Economic and Funding Strategies Analysis

www.fcsgroup.com | 503.841.6543

Enterprise zone sponsors and school districts will be required to establish a school support fee that will apply to projects receiving the enterprise zone benefit between 15-30%. Districts with schools inside the enterprise zone will collect the fee directly from the company. The fee will apply to years four and five of the standard enterprise zone abatement and years six to 15 of the long term rural, so companies receiving the enterprise zone would only receive the full abatement during the first three years of a standard enterprise zone agreement and during the first five years of the long-term rural agreement.

Zone sponsors will be required to post the terms of agreements publicly for 21 days before finalization, except for confidential and proprietary information. Zone sponsors will need to notify neighboring jurisdictions about potential impacts to infrastructure resulting from enterprise zone investments. Zone sponsors will not be able to sign agreements with a retail fulfillment center. *The changes apply to enterprise zone agreements entered into after September 23, 2023. Enterprise zone agreements that have been finalized before the effective date will not be affected.*

The minimum value of the size of the project to qualify for the SIP will be increased to \$150 million for urban projects and \$40 million for rural projects, and each value will increase yearly by the inflation rate, or the Consumer Price Index (CPI). The maximum amount a company receiving a SIP exemption will pay for the Community Service Fee cap will be raised from \$2.5 million to \$3 million and will increase yearly by the inflation rate, or the CPI. The amount of the property value that is taxable while

receiving the exemption will increase. Emergency services and ports will be required to be included in SIP negotiations. *The program changes apply to SIP agreements entered after September 23, 2023. SIP agreements already in place will remain under the original terms of the agreement.*

Property Tax –

Lindsay Tenes, Lobbyist – ltenes@orcities.org

SB 919 – Property Tax Exemption for New ADU Housing and Conversions

Effective Date: January 1, 2024

SB 919 creates a local option five-year property tax exemption for properties with newly constructed accessory dwelling units (ADUs) or a single-family home converted into a multi-unit housing property. Cities or counties may adopt the exemption by resolution. To qualify, the property cannot be used for temporary vacation lodging and must be used as the occupant’s primary residence. The combined rates of taxation of the city or county and all approving taxing districts equal 51% or more of the total combined rate of taxation on the eligible property. It applies to property tax years beginning on or after **July 1, 2024**.

What cities need to do: Cities may adopt the exemption by resolution but are required to obtain approval from affected taxing districts imposing the majority of total combined rate of taxation on eligible property.

ONE TOUCH

COLLECTION PROGRAM

FOR PUBLIC ENTITIES

**YOUR ONE TOUCH
FOR COLLECTIONS
OF YOUR BUSINESS**

- Save Money _____
- Save Time _____
- Increase Revenue _____
- Eliminate Collection Fees _____

**COLLECT
NORTHWEST**

FAMILY OF COMPANIES

SOUTHERN
Oregon Credit Service

MEDFORD | 888-511-0070

HILLSBORO | 800-775-7774

RESOLUTION
RESOURCE

MEDFORD | 800-460-4535

LET US DO THE WORK FOR YOU

CONTACT US TO GET STARTED

888-511-0070 | COLLECTNORTHWEST.COM | CST@COLLECTNORTHWEST.COM

40 | Third Quarter 2023

www.orcities.org

General Government Issues – Scott Winkels, Lobbyist – swinkels@orcities.org

HB 2805 – Serial Meetings

Effective Date, January 1 2024

HB 2805 prohibits serial meetings, defined as gatherings of a quorum of a public body in a physical space, over email or text and through intermediaries. This “new” prohibition is the standard the LOC has trained to since court rulings indicated serial gatherings were prohibited and should not result in significant changes in city operations. However, the bill also requires public officials of entities with budgets greater than \$1 million to attend or view training on open meetings developed or approved by the Oregon Government Ethics Commission once during their term of office.

What cities must do: Ensure public officials are trained in open meetings law once during their term if the city’s total budget exceeds \$1 million.

HB 3111 – Employee Volunteer Privacy

Effective Date: May 16, 2023

HB 3111 prohibits the release of employee and volunteer private information regardless of the type of record that contains the personal data. Previously, records contained in personnel files were exempt, but that information was considered by some, though not all public records custodians, subject to release if included in other types of records. HB 3111 is a prohibition on release and not an optional exemption, removing discretion on the release of this data. The bill had an emergency clause, was signed on May 16, 2023, and became effective immediately.

What cities must do: Cities must ensure they no longer release personal information such as home addresses and personal contact information.

SB 1047 – Public Contracting Threshold

Effective Date: September 24, 2023

SB 1047 raises the public contract price threshold by which a contracting agency may apply certain solicitation and procurement methods for public contracts. Elements related to the state’s Certification Office for Business Inclusion and Diversity (COBID) in this legislation only apply to state contracts and not cities.

What cities must do: Cities are encouraged to review and modify their local procurement policies where appropriate to meet the following standards:

- [ORS 279B.065](#): Small Procurement for Goods/Services contract: \$25,000 or below
- [ORS 279B.070](#): Intermediate Procurement for Goods/Services: \$25,000 - \$250,000
- [ORS 279C.335](#): Public Improvement Contract Goods/Services: \$25,000 - \$250,000

Transportation Issues – Jim McCauley, Legislative Director – jmccauley@orcities.org

HB 2095 – Photo Radar

Effective Date: January 1, 2024

HB 2095 amends [ORS 810.438](#), allowing all cities to manage speed in their communities. Cities in Oregon will have authority for the use of mobile and fixed photo radar in their communities in 2024. Placement of mobile or fixed photo radar has been expanded to include high-speed corridors instead of being confined to “high-crash” corridors. Finally, this legislation adds flexibility for local speed setting authority as well, allowing for speed adjustments of up to 10 miles per hour (MPH) instead of the current five MPH. All other requirements for reporting and the established process for adjusting local speeds remain in place.

What cities must do: Cities planning to add fixed or mobile speed radar programs must still follow all other requirements of reporting and placement of photo radar. ■



Congratulations to our 2023 Challenge Grant Awardees!

East Portland Resilience Coalition/ROSE CDC (Portland) | REACH CDC (Portland) | City of Chiloquin | Douglas Public Health Network | Vida McKenzie Community Center | Kindness Farm (Portland)

Challenge Grants support the efforts of cities and towns to become great places to live for people of all ages.
Learn about how to apply for a 2024 Community Challenge Grant!

Contact AARP Oregon at ORAARP@aarp.org



[/AARPOregon](#)
[@AARPOR](#)