CLACKAMAS COUNTY

PLANNING & ZONING

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

MEMORANDUM

TO: Clackamas County Planning Commission

FROM: Long Range Land Use Planning team

DATE: October 21, 2025

RE: Study Session: Overview of State Rulemaking and Legislation

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The purpose of the October 27th Study Session is to provide an overview of 2024 and 2025 rulemaking and the state legislation which impact land use planning activities and zoning in the county. The attached tables list the legislation and include a short summary as well as the required implementation dates. For additional details on the legislation, we have attached the 2024 and 2025 Land Use Legislation reports, compiled by the state's Department of Land Conservation & Development (DLCD). These reports include links to the actual Enrolled legislation.

What you will notice is that the Legislature has been very busy, especially on items related to increasing housing production. At the Study Session, we will walk through each of these items to allow for questions and conversation. We will also talk about the types of future pathways, such as the next Minor Amendment package or the Zoning Diagnostic Report project, which will be used to make the required updates to the Zoning & Development Ordinance (ZDO).

Below is an Acronym list that can be used for both **Table 1: State Rulemaking related to Land Use, 2024/2025** and **Table 2: Land-Use related Legislation, 2024 and 2025 Sessions**.

Acronyms Used List	
DAS	Department of Administrative Services
DLCD	Department of Land Conservation & Development
HCA	Housing capacity analysis
HPS	Housing production strategy
OEA	Office of Economic Analysis (in the Dept of Administrative Services)
OHCS	Oregon Housing & Community Services
OHNA	Oregon Housing Needs Analysis
RAC	Rulemaking Advisory Committee
TAC	Technical Advisory Committee
UUA	Urban unincorporated area

Table 1: State Rulemaking related to Land Use, 2024/2025*

#	Topic Area	Short Summary	Required Local Change	Adoption Schedule
1	**Farm and Forest Modernization Program (2024)**	The intent of the rulemaking was to improve consistency of application of the standards to land use decisions across the state and reduce unnecessary appeals. It addresses case law standards related to four topics: farm impacts test; commercial activities in conjunction with farm use; agri-tourism and other commercial events; and transportation facilities on rural lands.		• **December 5, 2024**: LCDC Approved • **January 1, 2025**: Effective date
2	**Cultural Areas rulemaking (2025)** (Statewide Planning Goal 5)	These Rules are intended to support greater understanding and protection of cultural resources during development and preserve the state's cultural heritage.	Local governments will need to adopt notice requirements in the rule.	• **Sept 25/26, 2025**: LCDC Hearing • **October 31, 2025:** Public Comment Period Closes • **January 1, 2027:** Effective Date
3	**Farm Stand Rulemaking (2025)**	Legislative workgroup met in 2025, legislators and Governor's office asked DLCD to undertake rulemaking to build on workgroup discussions. DLCD paused the rulemaking following the fourth Rules Advisory Committee (RAC) meeting to reassess next steps. Department (LCDC) is working on a revised rulemaking schedule.	None currently.	• N/A, on hold
4	**HB 2001 (2023) Oregon Housing Needs Analysis (OHNA) Rulemaking**	House Bill 2001 (2023) directed LCDC to adopt and amend rules related to Statewide Planning Goals 10 (Housing) and 14 (Urbanization), and to housing and urbanization related sections of ORS 197.286 to 197.314. LCDC approved initial rule language on **December 5, 2024,** which became effective on **January 1, 2025**. The Rulemaking that took place during 2025 focused on refining and providing greater detail to the following elements of the Oregon Housing Needs Analysis (OHNA) Program in three major topic areas: • <u>Housing Needs and Production</u> includes changing the determination of "needed housing" to align with OHNA and plan for a greater diversity of housing choices with flexibility in location and characteristics. Additionally, the bill changes the Housing Production Strategy statute (ORS 197.290) to align with fair housing planning, which will require further operationalization in rule and guidance. • <u>Housing Capacity and Urbanization</u> includes providing robust rules and guidance to provide clarity and certainty on appropriate methodologies to inventory buildable lands and calculate housing capacity as well as in relationship to urbanization processes to facilitate a UGB amendment where a need is identified. This includes work related to the buildable lands inventories, development-ready lands, urban growth boundary (UGB) amendments, UGB land exchanges, and urban reserves. • <u>Housing Acceleration</u> establishes a framework by which DLCD evaluates local government progress towards housing production targets and outcomes. DLCD and LCDC will need to articulate a clear and consistent framework by which local governments progress is tracked and evaluated, as well as when cities are referred into the acceleration program, the scope and extent of issues that are evaluated, and the steps necessary to ensure that cities are taking meaningful actions within their control to facilitate housing production, affordability, and choice. Models Codes, as directed by SB 1564 (2024), were also developed during this process.	Most rule changes will affect work done by local jurisdiction at time of required Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS). For Clackamas County the deadline for the HCA for the urban, unincorporated area is **Dec. 31, 2029** and for the HPS is **Dec. 31, 2030.**	• Deadline: **December 31, 2025** Schedule: • **October 23-24, 2025: 1st LCDC Hearing** • **December 2025: 2nd LCDC hearing**

* Rules and legislation identified in orange cells are currently in effect. Rules and legislation in white cells are not yet in effect.

Table 2: Land-Use Related Legislation, 2024 and 2025 Sessions*

Note: This is not a complete list of legislation but only contains a description of land-use related legislation that may require a change to local codes (i.e. county's Zoning & Development Ordinance).

#	Legislation	Short Summary/ Required Change	Date of Implementation
	2025 Legislative Session		
1	**HB 2138 (2025)** Middle Housing and Infill Development		
	Section 1	Amend definitions of middle housing types: • Duplex, Triplex, Quad-plex, allowed in any configuration (attached or detached) • Cottages up to 4 units, "small footprint or floor area", attached or detached, a common area	• **Jan 1, 2028**: cottage cluster amendments • **Jan 1, 2027:** all other middle housing types RULEMAKING REQUIRED
	Section 1 – Middle housing allowances	Middle housing allowed on each lot or parcel zoned for residential use; no Traffic Impact Analysis; exactions for middle housing; existing residences allowed on middle housing sites - single detached dwelling; single dwelling+ADU or duple. Existing development can be put on its own lot(s) via Middle Housing Land Division (MHLD)	• **Jan 1, 2028**: cottage cluster amendments • **Jan 1, 2027:** all other middle housing types RULEMAKING REQUIRED
	Section 2 & 3 – Bonus Units	Accessible and affordable units are defined New bonus unit allowances for accessible and affordable unit types	• **Jan 1, 2027**
	Section 6 – Single Room Occupancies (SROs)	Allows attached and detached SRO configurations. Must allow SROs with up to 3x maximum density of multifamily. Limits off-street parking mandates	• **Jan 1, 2027** RULEMAKING REQUIRED
	Section 13 – Clear and Objective Standards	Requires clear and objective standards for "tree removal" codes related to the development of housing	• **July 17, 2025**
	Sections 14-21 – Middle Housing Land Division (MHLD)	May allow additional flexibility for certain MHLD scenarios – shared water/waste and allowances for existing residential development on MHLD site (Section 1). MHLD at applicants request; MHLD must be allowed before, during and after MH building permits. Local government must offer concurrent review of MHLD and partition/subdivision **Expedited land divisions.** No public notice required; may not hold hearing or allow any party to intervene in opposition. Applicant is the only party required to receive NOD and eligible to appeal. **Application process deadlines** for land use decisions, decisions on affordable housing; expedited land divisions. Standardizes completeness review, allows expedited land division applicant to waive deadline	• **July 17, 2025**
	Section 22- Rulemaking	Directs LCDC rulemaking. DLCD Housing division will lead process. Topics to include: Manufactured, prefabricated, site built middle housing, siting and design of ADUs and SROs; Cottage cluster definition and incentive smaller housing, siting a design parameters for middle housing, permissible discretionary criteria under ORS 197A.400; optional SDC schedule for residential development, buildable land and capacity method for estimation	LCDC must adopt rules on or before **Jan 1, 2028**
2	**HB 3031 - Housing Infrastructure Financing Program**	Directs the Oregon Infrastructure Finance Authority (OIFA) to create housing infrastructure financing as grants or loans to local jurisdictions in Oregon including intergovernmental entities and federally recognized tribes. These funds can be used to develop or improve infrastructure or site development (including privately owned sites) projects related to transportation, water, wastewater, storm water, or for increasing capacity of these systems due to specific proposed housing developments.	• **July 1, 2025**

#	Legislation	Short Summary/ Required Change	Date of Implementation
3	**SB 974 – Local requirements related to review** **Section 3- residential development application approval processes;**	Creates new application type **- Urban Housing Application** – specifically for denser uses, planned unit developments or variances Not subject to quasi-juridical review; appealable to Land Use Board of appeals. Written notice to owners of land within 100 feet and to CPO whose boundaries include the site. The first issuance of a decision on the "urban housing applications" must be done without a public hearing. Clarifies how urban housing applications are appealable to LUBA. Comment window is 14 days	• **July 1, 2026**
	Section 8- prohibits certain design review standards to 20+ unit developments	Prohibits certain design review standards to 20+ unit developments (excluding multifamily)	• **September 26, 2025;** Sunsets **Jan 2, 2033**
4	**HB 3560 - Childcare Siting Expansion**	Changes zoning requirements to allow child care centers as an outright use on land zoned for multiunit residential and institutional uses. Relocates the child care facility siting statute from ORS 329 to ORS 197. Modifies the definition of "child care center" to include a preschool recorded program, school-age recorded program or a parent cooperative. Inside Metro's UGB, this bill permits child care centers in areas zoned for multiunit residential densities of at least 17 units per acre. Outside of the Metro UGB, this bill permits child care centers on residential lands zoned for densities of 12 units per acre or greater and on commercial and industrial land, but not heavy industrial land. Local governments may not add additional conditions of approval before allowing a child care center to co-locate with a conditional institutional use.	• **January 1, 2027**
5	**HB 2005 (2025) – Behavioral Health** **Sections 58-63: Siting of facilities (**Psychiatric and Behavioral Health Care Facilities)	Requires local governments to allow by right a residential treatment facility or residential home within a UGB on lands zoned for residential commercial, employment, and industrial uses under specific criteria, in addition to public lands (excluding park lands). There are exceptions for lands that have natural resource or hazard restrictions or cannot be provided with public services. Does not require local governments to update any analyses related to land use goals. Exempts these decisions from the Land Use Board of Appeal's (LUBA) authority. Requires a local government to issue a decision within 120 days. Within an urban growth boundary, requires a local government to allow by right a mental or psychiatric hospital on lands zoned for commercial, employment, and industrial uses, as well as public lands (excluding park lands), and where it is adjacent to an existing or pending crisis stabilization center. Exceptions are made for lands that have natural resource or hazard restrictions or cannot be provided with public services. Does not require local governments to update any analyses related to land use goals. Exempts these decisions from LUBA authority. Requires a local government to issue a decision within 120 days. Requires a local government to allow by right a crisis stabilization center within a UGB if the property is owned by a public body and adjacent to an existing or pending mental or psychiatric hospital. Repeals ORS 197.670, which addresses existing zoning requirements and prohibitions for residential homes and facilities.	• **June 30, 2025**
6	**HB 2258 (2025) Oregon Homes**	Streamline design review and building permitting; New permit ready dwelling designs; Master Plan review program Establishes a program, colloquially called "Oregon Homes," that outlines a suite of "permit ready" building plans that will be preapproved for eligible sites throughout the state. This program is intended to significantly reduce the time and variability of the permitting and review processes. DLCD and the Building Codes Division (BCD) of the Department of Consumer and Business Services (DCBS) are directed to coordinate on rulemaking to implement this program.	• Rulemaking to be completed **January 1, 2027**

#	Legislation	Short Summary/ Required Change	Date of Implementation
7	**HB 2658 (2025) – Frontage Improvements for Building Alterations**	Prohibits a municipality over 15,000 in population from requiring a frontage improvement as a condition of approval for a construction permit to alter or renovate an existing building, so long as there is no increase to the square footage, the alteration cost does not exceed a limit set by the director of the DCBS, and the changes do not result in a change of occupancy classification. Sets alteration cost limit initially at $150,000, with annual increases due to the Consumer Price Index. If frontage improvements along a state highway are required for final action on a permit or zone change, requires ODOT or the municipality to coordinate on if design, engineering, or construction plans already exist. Makes these provisions applicable to all size cities on January 1, 2031.	• **January 1, 2026**
8	**SB 83 (2025) – State Wildfire Map repeal and Defensible Space/Replacement Dwelling**	Repeals the state wildfire hazard map created by SB 762 (2021) — and revised by SB 80 (2023) — and its application to defensible space requirements, accessory dwelling units and replacement dwellings, building codes, comprehensive planning, and other areas. Amends ORS 426.392 (minimum defensible space requirements and rules) to remove reference to the state wildfire map, including the ability for local governments to administer, consult on, and enforce defensible space requirements based on the map. Defines defensible space. Amends ORS 477.015 (urban interface protections and definitions).	• **June 26, 2025**
9	**SB 1099 (2025) – Pre-schools in places of Worship**	Requires local governments to allow preschool or pre-kindergarten education on land where places of worship are allowed.	• **June 3, 2025**
10	**SB 48 (2025) – SB 1537 Technical fixes**	SB 1537 (2024) Technical Fixes: Limits “opt-in” provision in the goal post statue to housing applications within the UGB; Removes deferred applicability loophole in mandatory adjustment exemption process; Clarifies provisions of the one-time UGB amendment process in SB 1537 (2024); Makes amendments to moderate-income revolving loan funds.	• **September 26, 2025**
	2024 Legislative Session		
11	**SB 1537 (2024)Housing Production Framework**		
	Section 1-7	Directs the Department of Land Conservation and Development (DLCD) and Department of Consumer and Business Services (DCBS) to create a joint Housing Accountability and Production Office (HAPO).	• **July 1, 2025**
	Sections 8-9	If new standards are adopted after an application is submitted, a housing developer may request that the new standards be applied to their development application, without being required to submit a redundant application or pay a duplicative fee. The applicant must opt into the newly applicable standards in full and are limited to one request before public notice is issued for the application. The local government’s 120-day clock to review the application is reset once the developer requests to apply the new criteria, and the local government may charge for any additional costs related to application review.	• **2024:** operative 91st day after sine die
	Sections 10 – 11	Attorney fees for needed housing challenges: For land use decisions within an urban growth boundary (UGB), attorney fees may be awarded to a housing development applicant and local government in the event that a land use appeal is decided in their favor.	• **January 1, 2025**
	Section 44 – 47	SB 1537 permit local governments to approve applications for replat, property line adjustment, and an extension alteration or expansion of nonconforming land use at the administrative level. These sections remove any local requirement for these application types and other limited land use decisions to undergo a quasi-judicial process with a public hearing. Local governments may apply to HAPO for a hardship exemption from these requirements	• **January 1, 2025** • Sunset: N/A; **Hardship applications sunset January 2, 2032**
	Sections 48 – 60	Establishes an alternative process by which local jurisdictions can amend their urban growth boundaries (UGBs) once, if certain conditions within the city are met and expansion is for development of affordable housing.	• **2024:** operative 91st day after sine die • Sunset: **January 2, 2033**

#	Legislation	Short Summary/ Required Change	Date of Implementation
12	**HB 4063 (2024) – Housing Policy Omnibus**		
	Sections 1 – 6	HB 4063 define Metro **urban unincorporated lands** as being not within a city, zoned for urban development, and within the boundaries of a sanitary district or sanitary authority and water provider, and not zoned with a designation for future urbanization. The county in which this land resides is responsible for planning for needed housing in these communities unless an intergovernmental agreement is reached with another local government to perform these duties. In the 2025 legislative session, DLCD will bring forward a request for funding to provide technical support to counties and local governments that include Metro Unincorporated Urban Lands and are implementing housing production strategies	• **2024:** effective upon passage
	Sections 7 – 8	If new standards are adopted after an application is submitted, a housing developer may request that the new standards be applied to their development application, without being required to submit a redundant application or pay a duplicative fee	• **2024:** operative 91st day after sine die
	Sections 10 – 13	Local jurisdiction may allow the resulting parcel of a partition to be divided into three more parcels for middle housing development (through middle housing land division).	• **2024:** operative 91st day after sine die
	Sections 29 – 44	HB 4063 clarifies that Metro cities will receive a housing needs allocation from the Department of Administrative Services in the same manner as non-Metro cities.	• **2024:** operative 91st day after sine die
13	**SB 1564 (2024) – Development of Model Code for Housing**	Requires the Land Conservation and Development Commission (LCDC) to adopt model ordinances for housing types within urban growth boundaries. These model ordinances will encompass single-family detached housing, middle housing, accessory dwelling units, and multifamily housing	• **January 1, 2026:** LCDC shall adopt for local jurisdiction use
14	**HB 4026 (2024) – Prohibit UGB decision Referral (applicable to rural cities)**	Prohibits a local government from referring the decision to expand their urban growth boundary to a ballot vote. Note that this would not affect Metro jurisdictions but affects rural cities: Barlow, Canby, Estacada, Molalla & Sandy	• Applicable to local determinations made on or after **January 1, 2023**
15	**HB 4015 (2024) – Battery Energy Storage**	Defines a battery energy storage system (BESS) as an energy storage system that, other than personal and noncommercial uses, collects energy from the electric grid or an energy generation facility, uses rechargeable batteries to retain and store power, and discharges energy when needed. It clarifies that BESS do not require additional permitting when sited adjacent to another energy facility. Additionally, the bill allows a developer or a local government to elect to defer regulatory review to the Energy Facility Siting Council.	• **2024:** operative 91st day after sine die

Oregon

Tina Kotek, Governor

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TO: Interested Persons, Local Governments and State Agencies

FROM: Alexis Hammer, Legislative and Policy Manager
Aurora Dziadul, Legislative and Policy Analyst
Department of Land Conservation and Development

DATE: April 10, 2024

SUBJECT: **2024 Land Use Legislation Report**

INTRODUCTION

The attached report describes legislation passed in the 2024 short session by the Oregon Legislature related to state land use statutes or the land use programs administered by the Department of Land Conservation and Development (DLCD). This report is also published on the DLCD website under "Legislative Information" at: https://www.oregon.gov/lcd/NN/Pages/Legislative-Updates.aspx.

This report provides a summary of each legislative measure but does not provide a comprehensive breakdown of each bill. Therefore, we recommend that this report be used primarily as a reference to legislation that may be of interest and that readers refer to the bills and their legislative history directly for a full picture of legislative intent and law.

This report includes hyperlinks to the Oregon Legislative Information System (OLIS) page for each bill. From those pages, readers can access bill language, measure history, and related testimony.

State law requires DLCD to notify local governments when new statutory requirements require changes to local comprehensive plans, regional framework plans, or ordinances implementing these plans[1]. Application of these statutory changes to specific plans and codes should be determined by local planning staff and legal counsel.

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[1] Oregon Law (ORS 197.646) requires that "*a local government shall amend its acknowledged comprehensive plan, regional framework plan, and land use regulations implementing the plan, by a self-initiated post-acknowledgment process under ORS 197.610 to 197.625 to comply with … a new statutory requirement.*" Furthermore, this statute requires that, "*when a local government does not adopt amendments to a comprehensive plan, a regional framework plan and land use regulations implementing the plan as required by … this section, the new statutory … requirements apply directly to the local government's land use decisions.*"

Key Legislation

SB 1537– Governor Kotek's Housing Production Framework

Chief Sponsor: Senate President Rob Wagner at the request of Governor Tina Kotek
Appropriation (DLCD): $10,629,017
Positions (DLCD): 28
FTE (DLCD): 14.46

Sections 1 – 7 | Housing Accountability and Production Office
Summary: Sections 1 – 7 of SB 1537 direct the Department of Land Conservation and Development (DLCD) and Department of Consumer and Business Services (DCBS) to create a joint Housing Accountability and Production Office (HAPO). HAPO will support increased housing production throughout the state by supporting local jurisdictions and developers and enforcing state housing laws. The office is authorized and encouraged to provide a wide range of financial and technical support to local partners, including assisting with permitting and land use decisions, implementation of local procedures and codes, and compliance with housing law. The office will also receive complaints – from housing developers regarding violations of state housing laws related to a specific project, more general complaints from members of the public within that jurisdiction, or from DLCD or DCBS. If the complaint is valid, HAPO will investigate to determine whether there is a potential violation of state housing laws. If the office finds a potential violation, written notice will be provided to the local government specifying the violation, opportunities for funding or technical assistance to remedy the violation will be offered, and the office will cite the authority that will be invoked if the violation continues. After 60 days, if a local government has not addressed the violation, an enforcement action can be taken against the jurisdiction requiring local housing policies be brought into compliance. The Housing Accountability and Production Fund is created through this bill to hold funding for technical support and operations by DLCD, $5,000,000 is allocated to it for technical assistance and the 3 required reports. DLCD will submit a report to the legislature on the work of HAPO on or before September 15, 2026.

Operative date: July 1, 2025 *(Note: HAPO will begin implementation and coordination of the office and grant assistance upon signing of the bill. However, HAP) will not begin taking complaints or pursuing enforcement until the operative date of July 1, 2025.)*

Sections 8 – 9 | Opting in to Amended Housing Regulations
Summary: Sections 8 – 9 of SB 1537 state that if new standards are adopted after an application is submitted, a housing developer may request that the new standards be applied to their development application, without being required to submit a redundant application or pay a duplicative fee. The applicant must opt into the newly applicable standards in full and are limited to one request before public notice is issued for the application. The local government's 120-day clock to review the application is reset once the developer requests to apply the new criteria, and the local government may charge for any additional costs related to application review.

Operative date: 91st day after *sine die*

Sections 10 – 11 | Attorney Fees for Needed Housing Challenges
Summary: Sections 10 – 11 of SB 1537 determine that, for land use decisions within an urban growth boundary (UGB), attorney fees may be awarded to a housing development applicant and local government in the event that a land use appeal is decided in their favor.

Operative date: January 1, 2025

Sections 12 – 16 | Infrastructure Supporting Housing Production

Sections 12 – 16 of SB 1537 require the Oregon Business Development Department (OBDD), also known as Business Oregon, to provide technical support for infrastructure funding to local jurisdictions with $3,000,000 in funding allocated to the Housing Infrastructure Support Fund. Separately, DLCD will develop key considerations and metrics that can be utilized by the legislature in prioritizing infrastructure investments. This report will be delivered on or before December 31, 2024.

Operative date: 91st day after *sine die (Note: This is only applicable to the Housing Infrastructure Support Fund.)*
Sunset: January 2, 2030 *(Note: This is only applicable to the Housing Infrastructure Support Fund.)*

Note: Sections 17 – 23 of SB 1537 were removed by amendment and bill sections were not subsequently renamed.

Sections 24 – 36 | Housing Project Revolving Loan Fund

Summary: Sections 24 – 36 of SB 1537 create a Housing Project Revolving Loan Fund within Oregon Housing and Community Services (OHCS) to partner with local governments to provide interest-free loans that jurisdictions can use to subsidize affordable and moderate housing projects. Local jurisdictions may opt into utilizing this program and use the would-be additional property tax revenue to repay the state fund within ten years, unless another timeframe is agreed upon. OHCS must have completed implementation of this fund by June 30, 2025, and is appropriated $75,000,000 in one-time funding for this purpose.

Operative date: 91st day after *sine die*

Sections 37 – 43 | Housing Land Use Adjustments

Summary: Sections 37 – 43 of SB 1537 require local governments to allow certain adjustments to local code on housing development projects that are within an urban growth boundary. The development must result in net new housing units and demonstrate that the adjustments will help the project reach an outcome of feasibility, affordability, increased housing units, or reduction in sale cost that would not otherwise be tenable without the requested adjustments. These adjustments may not exceed 10 per project, and do not include zoning requirements, affordability, accessibility, natural resource protections and natural hazard mitigations. Local governments may apply to HAPO for an exception to this requirement, if they meet criteria specified in the bill. The Department of Land Conservation and Development will produce a report detailing the use of this provision to the legislature by September 15 of every even-numbered year.

Operative date: January 1, 2025
Sunset: January 2, 2032

Section 44 – 47 | Limited Land Use Decisions

Summary: Sections 44 – 47 of SB 1537 permit local governments to approve applications for replat, property line adjustment, and an extension alteration or expansion of nonconforming land use at the administrative level. These sections remove any local requirement for these application types and other limited land use decisions to undergo a quasi-judicial process with a public hearing. Local governments may apply to HAPO for a hardship exemption from these requirements.

Operative date: January 1, 2025
Sunset: N/A *(Note: Hardship applications sunset January 2, 2032.)*

Sections 48 – 60 | One-Time Site Additions to Urban Growth Boundaries
Summary: Sections 48 – 60 of SB 1537 establish an alternative process by which local jurisdictions can amend their urban growth boundaries (UGBs). Cities may apply for a UGB expansion as long as they have 1) not expanded the UGB in the past 20 years and do not have an undeveloped, contiguous tract exceeding 20 net residential acres or 2) can demonstrate that 75% of lands within previous UGB expansion areas have either developed or completed comprehensive planning, including the public facilities and financial planning necessary to support development. The jurisdiction applying must also have a population that is disproportionately cost-burdened compared to the state. The new housing proposed in the UGB expansion must include at least 30% affordable housing - specifically, the housing must be available for rent by households making 80 percent or below area median income (AMI), or available for purchase by households making 130 percent or below AMI. Local jurisdictions will provide a conceptual plan with their amendment proposal to support the petition and demonstrate the feasibility of utilizing this land for affordable housing development and meeting housing needs of their communities. UGB expansions cannot exceed 50 net acres for cities 25,000 and below in population and 100 acres for cities 25,000 and above in population, with a cap of 300 net acres for the entire Metro UGB. Cities may adopt a 15 net acre one-time UGB addition without producing a complete communities plan if they propose to meet the affordable housing production outcomes above. Additionally, SB 1537 provides cities with the option to exchange existing lands within their UGB for certain lands adjacent to the UGB without completing associated Goal 10 and 14 analyses, with the requirement that lands must be similarly sized, zoned for residential use, and added lands are zoned for the same or greater density than those removed.

Operative date: 91st day after *sine die*
Sunset: January 2, 2033

HB 4063 – HOUSING POLICY OMNIBUS

Chief Sponsor: House Committee on Housing and Homelessness

Sections 1 – 6 | Metro Unincorporated Urban Lands
Summary: Sections 1 – 6 of HB 4063 define Metro urban unincorporated lands as being not within a city, zoned for urban development, and within the boundaries of a sanitary district or sanitary authority and water provider, and not zoned with a designation for future urbanization. The county in which this land resides is responsible for planning for needed housing in these communities unless an intergovernmental agreement is reached with another local government to perform these duties. In the 2025 legislative session, DLCD will bring forward a request for funding to provide technical support to counties and local governments that include Metro Unincorporated Urban Lands and are implementing housing production strategies.

Operative date: Upon passage

Sections 7 – 8 | Opting in to Amended Housing Development Regulations

(Note: The following language mirrors that in Sections 8 – 9 of SB 1537.)
Summary: Sections 8 – 9 of HB 4063 state that if new standards are adopted after an application is submitted, a housing developer may request that the new standards be applied to their development application, without being required to submit a redundant application or pay a duplicative fee. The applicant must opt into the newly applicable standards in full and are limited to one request before public notice is issued for the application. The local government's 120-day clock to review the application is reset once the developer requests to apply the new criteria, and the local government may charge for any additional costs related to application review.

Operative date: 91st day after *sine die*

Section 9 | Homebuyer Letter
Summary: Section 9 of HB 4063 removes a provision in ORS 696.805 that required a seller's agent to reject letters from homebuyers. This provision was struck down as unconstitutional by the District Court. This Section removes the language from statute.

Operative date: 91st day after *sine die*

Sections 10 – 13 | Middle Housing Partitions
Summary: Sections 10 -13 of HB 4063 clarify that a local jurisdiction may allow the resulting parcel of a partition to be divided into three more parcels for middle housing development.

Operative date: 91st day after *sine die*

Note: Sections 14 – 24 of HB 4063 were removed by amendment and bill sections were not subsequently renamed.

Sections 25 – 28 | Single-Unit Housing Property Tax Exemption Approval
Summary: Sections 25 – 28 of HB 4063 provide that local jurisdictions may approve or deny single-unit housing property tax exemptions at the administrative level. They are required to submit notice to the county assessor's office upon rendering a decision.

Operative date: 91st day after *sine die*

Sections 29 – 44 | House Bill 2001 (2023) Technical Fixes
Summary: Sections 29 – 44 of HB 4063 clarifies that Metro cities will receive a housing needs allocation from the Department of Administrative Services in the same manner as non-Metro cities.

Operative date: 91st day after *sine die*

SB 1564 – Presumed Clear and Objective Model Housing Ordinances

Chief Sponsors: Sen. Anderson, Sen. Knopp & Rep. Breese-Iverson
Appropriation (DLCD): $550,000

Summary: SB 1564 requires the Land Conservation and Development Commission (LCDC) to adopt model ordinances for housing types within urban growth boundaries. These model ordinances will encompass single-family detached housing, middle housing, accessory dwelling units, and multifamily housing. The Department of Land Conservation and

Development (DLCD) will develop three different sets of model ordinances by January 1, 2026 for local adoption, segregated by city population size – below 2,500, 2,500 to 25,000, and above 25,000 – and taking into account geographical and other regional factors. These model ordinances are presumed clear and objective. Local governments may choose to adopt model ordinances prescribed for their population size or a larger population bracket into their local code or adopt them by reference. These ordinances can be adopted in whole or in part, meaning cities can choose to utilize the state model ordinance for certain housing types while retaining their local ordinances for another type.

Operative date: Upon passage

HB 4026 – Prohibition of Urban Growth Boundary Referendum

Chief Sponsor: House Committee on Rules

Summary: HB 4026 prohibits a local government from referring the decision to expand their urban growth boundary to a ballot vote.

Operative date: January 1, 2023

HB 4015 – Battery Energy Storage Siting

Chief Sponsor: House Committee on Climate, Energy, and Environment

Summary: HB 4015 defines a battery energy storage system (BESS) as an energy storage system that, other than personal and noncommercial uses, collects energy from the electric grid or an energy generation facility, uses rechargeable batteries to retain and store power, and discharges energy when needed. It clarifies that BESS do not require additional permitting when sited adjacent to another energy facility. Additionally, the bill allows a developer or a local government to elect to defer regulatory review to the Energy Facility Siting Council.

Operative date: 91st day after *sine die*

HB 4080 – Offshore Wind Roadmap

Chief Sponsor: Rep. Grayber & Rep. Gomberg
Appropriation (DLCD): $998,072
Positions (DLCD): 2
FTE (DLCD): 1.16

Sections 1 – 4 | Offshore Wind Roadmap Development
Summary: Sections 1 – 5 of HB 4080 require the Department of Land Conservation and Development (DLCD) to develop a Roadmap for state policy on offshore wind development. The roadmap must be informed through robust community and tribal nation engagement, and it must support economic opportunity and continuity for the region, protection of natural and cultural resources, and achievement of state energy and climate goals. DLCD will engage with affected Ports, Tribal nations, local governments, and community members in the development of this roadmap. The Department is also required to complete an assessment of enforceable policies for a federal consistency review.

Operative date: Upon passage

Sections 5 – 6 | Legislative Report
Summary: Sections 5 – 6 of HB 4080 require DLCD to submit a report to the legislature detailing how the roadmap development process was completed by September 1, 2025.

Operative date: Upon passage
Sunset: January 2, 2026

Note: Sections 7 – 9 of HB 4080 do not have land use implementation requirements.

CONCLUSION

If you have questions or comments about the report or other legislation, contact Alexis Hammer, Legislative and Policy Manager (alexis.hammer@dlcd.oregon.gov; 971-718-4505) or Aurora Dziadul, Legislative and Policy Analyst (aurora.dziadul@dlcd.oregon.gov; 971-446-8834).

CC:
Land Conservation and Development Commission
League of Oregon Cities
Association of Oregon Counties
Local Officials Advisory Committee
Citizen Involvement Advisory Committee
Oregon Chapter of American Planning Association

Oregon
Tina Kotek, Governor

Department of Land Conservation and Development
Director's Office
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Salem, Oregon 97301-2540
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TO: Interested Persons, Local Governments, and State Agencies

FROM: Alexis Hammer, J.D., Legislative and Policy Manager
Alyssa Bonini, J.D., Legislative and Policy Analyst
Aurora Dziadul, Legislative and Policy Analyst

DATE: August 11, 2025

SUBJECT: **2025 Land Use Legislation Report**

Introduction

This report describes legislation passed in the 2025 Oregon Legislative Session related to state land use statutes or the land use planning programs administered by the Department of Land Conservation and Development (DLCD or department) and regulated by the Land Conservation and Development Commission (LCDC or commission). This report is also available on the DLCD website. This report summarizes each legislative measure but does *not* provide a comprehensive breakdown of each bill. Therefore, we recommend this report be used as a reference and that readers refer to the bills and their history directly for a full picture of legislative intent and law. **Please consult an attorney for legal advice about these bills.**

This report includes links to the Oregon Legislative Information System (OLIS) page for each bill. From those pages, readers can access bill language, measure history, and related testimony.

State law requires DLCD to notify local governments when new statutory requirements require changes to local comprehensive plans, regional framework plans, or ordinances implementing these plans.* The application of these statutory changes should be determined by local planning staff and legal counsel.

Note: sections where the deadline for local government compliance is different from the bill's effective date are bolded.

*Oregon Law (ORS 197.646) requires that "*a local government shall amend its acknowledged comprehensive plan, regional framework plan, and land use regulations implementing the plan, by a self-initiated post-acknowledgment process under ORS 197.610 to 197.625 to comply with … a new statutory requirement.*" Furthermore, this statute requires that, "*when a local government does not adopt amendments to a comprehensive plan, a regional framework plan and land use regulations implementing the plan as required by … this section, the new statutory … requirements apply directly to the local government's land use decisions.*"

DLCD 2025-27 Budget

The table below provides an overview of DLCD's full 2025-27 Legislatively Adopted Budget, including current service level and policy option package (POP) investments in SB 5528, as well as funding to support work directed in HB 2138, HB 2258, and SB 504.

	2023-25 Legislatively Approved†	2025-27 Current Service Level	2025-27 Legislatively Adopted‡
General Fund	$50,842,495	$38,379,997	$49,533,762
Other Funds	$19,645,485	$9,229,191	$12,898,404
Federal Funds	$14,034,680	$9,706,699	$14,049,024
Total Funds	$84,522,660	$57,315,887	$76,481,190
Positions / Full-Time Equivalent	108 / 92.07	103 / 102.59	111 / 110.22

Total grant funding available to local governments: $16,828,021

SB 5528 – DLCD Budget Bill

Chief Sponsor(s): at the request of Oregon Department of Administrative Services
Effective date: June 26, 2025

Summary:

Package 100: *DLCD Budget Adjustments ($198,790 General Fund (GF), $162,753 Other Funds (OF), -$65,677 Federal Funds (FF); 1 position/1.41 FTE)*
Fully funds a policy analyst position, increases natural resource specialist position authority to 1.0 FTE, eliminates climate resiliency position, adds position authority — with GF match — for two federally funded planner positions.

Package 101*: Repurpose CGI Grant Funds (2 positions / 2.0 FTE)*
Uses Community Green Infrastructure grant funding to continue two limited duration positions to administer the grant program through the 2025-27 biennium.

Package 501*: HH-HAPO Budget Adjust & Continue Grant Funds ($3,528,069 GF)*
Invests an additional $3,500,000 for Housing Accountability and Production (HAPO) assistance grants and funds the approved HAPO manager position reclassification.

Package 503*: HH-Increase Housing Planning TA Funding ($1,700,000 GF)*
Provides funding to complete capacity and urbanization rulemaking and adds $1,500,000 for housing-related assistance grants.

Package 504*: HH-TA Funding for Wetlands Planning ($500,000 GF)*
Provides funding for local governments to complete wetlands planning to support housing production.

† Includes adjustments through December 2024 Emergency Board.
‡ Numbers subject to change with final reconciliation.

Package 506: *HH-Track Housing Production by Program ($300,000 GF)*
Provides funding to collect and analyze housing data to understand the outcomes of state housing policies and programs.

Package 801: *LFO Analyst Adjustments ($158,121 GF)*
Provides a one-time reappropriation of $398,000 to complete the Offshore Wind Roadmap, includes $260,000 (one-time funding) to help pay costs of new positions provided in the 2024 Legislative Session that were added to the 2025-27 budget at a lower pay step than at which they were hired, phases out $500,000 from SB 1564 (2024), with $50,000 remaining to complete housing model code work by January 1, 2026.

Package 802: *Vacant Position Reductions (-$338,447 GF; -1 position / -1.0 FTE)*
Eliminates a vacant Information Systems Specialist 8 position.

HB 5006 – Close of Session Bill

Chief Sponsor(s): at the request of Oregon Department of Administrative Services
Effective date: June 30, 2025

Summary:
Section 62: *Collins Creek Land Acquisition Partnership ($4,500,000 FF)*
Increases expenditure limitation (one-time) to pass through federal grant funding to Confederated Tribes of Siletz Indians for the Collins Creek property acquisition.

Section 224: *Statewide Adjustments ($315,369 GF, $6,460 OF, -$91,988 FF)*
Adjusts the department's budget for changes in Attorney General rates, and Department of Administrative Services state government service charges, and other charges for services.

Key Legislation

Housing

HB 2347 – Technical Fixes to Housing Legislation

Chief Sponsor(s): at the request of Governor Tina Kotek for Department of Land Conservation and Development
Effective date: January 1, 2026

Summary:
Technical fixes to HB 2001/2889 (2023): Allows DLCD to allocate housing planning grants to Tribal governments. Updates the deadline for cities to report housing permitting and production data to be at the discretion of the department. Corrects a scrivener's error related to city reports on implementation of housing production strategies.

Technical fix to HB 4064 (2022): Clarifies that local governments may only apply housing development standards to manufactured housing units that they would to site-built housing units of the same type.

Technical fix to SB 1537 (2024): Clarifies criteria for determining a complete application for a developer opting into new housing development criteria for their pending application.

Moves a statute outlining local governments' responsibility to approve an application for a permit, subdivision, or construction of needed housing from ORS 197.522 into ORS 197A.

Changes references to “single-family” and “multifamily” housing in land use statutes (ORS 197, ORS 197A, ORS 215, ORS 227, ORS 329A, and ORS 418) to “single-unit” and “multiunit.”

SB 48 – SB 1537 (2024) Technical Fixes

Chief Sponsor(s): Senate Interim Committee on Housing and Development
Effective date: September 26, 2025

Summary:[§]
Land use regulations: Clarifies that the “goal post” provisions — where a housing developer can opt into new housing development standards that have been adopted since their application was submitted and deemed complete — only apply within urban growth boundaries (UGBs).

Clarifies that when a city applies to the Housing Accountability and Production Office (HAPO or Office) for an exemption to the mandatory adjustment provisions, the period they are not subject to those provisions while the Office assesses the application is only applicable for the initial application.

One-time UGB site additions: Clarifies the definition of “site” used in the one-time UGB amendment provisions to mean: “a lot or parcel or any combination of lots and parcels that are contiguous or separated from one another by a street or road with or without common ownership.”

Amends the land need eligibility criteria for the one-time UGB amendment procedures by further clarifying that the applicable “tract” “[c]onsists of one or more lots or parcels with or without common ownership and that abut each other or are separated by only a street or a road.”

Specifies that cities are vested in their housing need eligibility data at the time of issuing public notice (i.e., that data carries forward in their application).

Allows cities to accept agreements, letters, or equivalent assurances to provide utility services to UGB expansion areas. Specifies that only a property owner of a proposed site accepted by the city has standing for judicial review of a UGB amendment decision.

Clarifies a technical error that inadvertently made only Metro eligible for the one-time UGB land exchange option.

HB 2138 – Middle Housing and Infill Development

Chief Sponsor(s): at the request of Governor Tina Kotek for Office of the Governor
Effective date: June 30, 2025 (sections where the deadline for local government compliance is different from the bill’s effective date are bolded below)
DLCD Appropriation: $3,891,599

Summary:
Middle housing: Requires counties to allow siting of middle housing on unincorporated urban lands (UULs). Defines UULs as within a UGB, zoned for urban development and not for future urbanization, and within the boundaries of public service providers.

[§] This summery covers Sections 1-8 of SB 48. Other sections of the bill are technical changes to the Moderate-Income Revolving Loan Fund, which is operated by the Oregon Housing and Community Services Department (OHCS). For more information, please visit their site.

Amends the definitions of cottage cluster, duplex, triplex, and quadplex to include detached units. Changes the allowed footprint of a cottage cluster from 900 square feet to a “small footprint.” **Changes to the cottage cluster definition do not become operative until January 1, 2028.**

Adds a definition of “zoned for residential use” to ORS 197A.420 for purposes of defining where middle housing must be sited in a jurisdiction. This definition dictates that the land must be within a UGB, have base zoning that allows for residential uses and allows the development of a detached single-unit dwelling, is not zoned primarily for uses other than residential or future urbanization, and is incorporated or a UUL.

Directs cities and counties that are required to allow middle housing to permit it on lots that have an existing single-unit dwelling, accessory dwelling unit (ADU), single-unit dwelling and ADU, or a duplex. Allows those lots to be divided through a middle housing land division process. Prohibits cities and counties from requiring a traffic impact analysis or traffic-related exactions for middle housing projects of 12 units or less and on a lot created by a land division more than five years prior.

Requires local governments to implement a density bonus for producing an affordable or accessible homeownership unit, where the developer will receive an additional one unit for a duplex or triplex development and an additional two units for a quadplex, cottage cluster, or townhouse development. Allows local governments to implement a more localized density bonus instead.

Makes the due date for city and county compliance with these provisions January 1, 2027.

Requires the Department of Administrative Services (DAS) to publish a maximum sales price and income eligibility by region for purposes of administering the density bonus.

Single-room occupancies: Requires local governments to allow up to three times the number of single-room occupancy units permitted by the maximum density on a lot. Prohibits local governments from requiring more parking for a single room occupancy unit than they would for one-third of a regular unit (such as three single room occupancy units counting as one unit for purposes of parking requirements). Specifies that residential care facilities as defined in ORS 443.400 are not included under these provisions. **Makes the due date for city and county compliance with these provisions January 1, 2027.**

Promoting housing density: Invalidates prohibitive covenants and restrictions to developing ADUs, middle housing, or other housing types that would be developed below the maximum density of the zone in place before January 1, 2020. **Becomes operative January 1, 2027.**

Requires local governments to apply clear and objective standards to tree removal codes related to housing development.

Expedited and middle housing land divisions: Defines a single middle housing development for purposes of qualifying for a middle housing land division (MHLD). Allows nonconforming units on a lot to qualify for a MHLD. Allows a local government to require or not require separate utilities for water and wastewater. Provides that a local government may only prohibit subsequent land divisions if the minimum density for the zoning of the land has been met. Directs cities and counties to develop a simultaneous subdivision and MHLD application process. Removes the noticing requirement and local appeals process for MHLDs and expedited land divisions.

Rulemaking: Directs LCDC to adopt rules by January 1, 2028, with a focus on increasing development efficiency, implementing findings from the SB 1537 (2024) Section 5 studies, and conforming with the policy objectives of ORS 197A.025, on:

- Siting and design standards for manufactured middle housing,
- Siting and design standards for accessory dwelling units and single-room occupancies,
- Defining "small footprint" and "community amenity" for cottage clusters,
- Amending existing siting and design standards for middle housing,
- Defining permissible criteria for discretionary review,
- Developing model system development charges (SDCs) for residential development, and
- Estimating reasonable zoned capacity for an inventory of buildable lands.

Directs LCDC to provide a report to the Legislature on the feasibility of a safe harbor for local governments who utilize the model SDC method by July 1, 2028.

HB 2316 – Home Start Lands (State-Owned Lands for Housing)

Chief Sponsor(s): Representative Mannix
Effective date: September 26, 2025

Summary: Directs the Department of Administrative Services (DAS) to identify lands owned by the state inside UGBs to designate as Home Start Lands if they are better used for housing than their current use. DAS may also identify land that can be exchanged for real property of equal value to designate as Home Start Lands. Prescribes that local governments may nominate lands to DAS for designation of Home Start Lands. These lands must be subject to an affordability covenant making them available to low- or moderate-income households.

Dictates that Home Start Lands can be used for single-unit dwellings, middle housing, or more dense housing if the zoning permits. Provides exceptions for using the lands including a slope of 25 percent or greater, the property being within a 100-year floodplain, or otherwise regulated for land use goal protections. States that the development must meet the local government's minimum density requirements and clear and objective standards as outlined in ORS 197A.400. Terminates Home Start Lands designation after three years of non-development or if DAS or the local government decides to terminate it.

Specifies conditions of disposition of land including selling, transferring, or leasing for 99 years. Dictates that the housing developed must be available for sale or for lease to households of low- or moderate- income for a period of 30 years. Dictates that a notice of sale must be published at least once weekly for three weeks in a local newspaper in the county where the land for sale is. Outlines capital improvements developers must complete, and what assistance is available from DAS. States that proceeds of the sale of land must be placed in the newly created Home Start Lands Fund to implement the program. Requires that a home for sale be the owner's primary residence (nine months out of a year) for at least five years after purchase. Requires DAS to coordinate with the Department of State Lands (DSL), and optionally, HAPO, to administer the above sections. Provides a property tax exemtpion framework for up to five years.

HB 2258 – Oregon Homes (Preapproved Residential Site Criteria)

Chief Sponsor(s): House Interim Committee on Housing and Homelessness
Effective date: June 24, 2025
DLCD Appropriation: $631,806

Summary: Allows LCDC to adopt rules requiring local governments to issue land use decisions on lots meeting certain criteria. Those lots must be lawfully established, within a UGB, zoned to allow residential use, within a specified size and slope range, not in areas protected for natural resources or hazards, and vacant or partially vacant. Approved residential developments must be either single-family, middle housing, or small multiunit housing types. The commission may also establish the procedures for approval at the local level, allowable variances, design standards, and land use standards including specific tree protections. Directs LCDC to adopt the first rules by January 1, 2027. Allows the Department of Consumer and Business Services (DCBS) to establish preapproved building plans or approve plans submitted by developers and coordinate the land use approvals established by LCDC.

HB 3031 – Housing Infrastructure Financing Program

Chief Sponsor(s): at the request of Governor Tina Kotek for Oregon Business Development Department
Effective date: July 1, 2025

Summary: Directs the Oregon Infrastructure Finance Authority (OIFA) to create housing infrastructure financing as grants or loans to local jurisdictions in Oregon including intergovernmental entities and federally recognized tribes. These funds can be used to develop or improve infrastructure or site development (including privately owned sites) projects related to transportation, water, wastewater, storm water, or for increasing capacity of these systems due to specific proposed housing developments. Outlines the criteria to qualify for these funds. The criteria address the number of housing units, locations within and not within UGBs, city population numbers, density priorities, affordable housing covenants, and timelines. Provides an existing definition for "housing authority" and allows for partnerships between housing authorities and housing developers with criteria for what the written agreement must contain. Directs the OIFA on how the funds should be apportioned. Directs HAPO to assist in the development of requirements and prioritization of funding. Directs OIFA to coordinate with OHCS with respect to the Housing Project Revolving Loan Fund. Allows the Oregon Business Development Department (OBDD) to adopt rules for the implementation of this section. The new Housing Infrastructure Project Fund will have its own State Treasury fund distinct and separate from the General Fund. OBDD may accept donations, grants, contributions, or gifts from non-state sources for deposit into the fund. The fund will earn interest and be continuously appropriated to OBDD.

The program is funded through SB 5531, which includes authorization for $10,000,000 in lottery bond proceeds. HB 5006 provides allocation for program staff of $1,200,000 in Lottery Funds and $1 of expenditure limitation from the Housing Infrastructure Project Fund. OBDD is required to bring projects back to the legislature for consideration in 2026.

SB 974 – Residential Development Application Approval Processes

Chief Sponsor(s): Senator Anderson, Senator Jama, Senator Broadman, and Senator Meek
Effective date: September 26, 2025 (alternative dates for local government compliance are noted below)

Summary:
Engineering review timelines: Defines “final engineering plans” and establishes a timeline for when local governments must approve these plans for residential development applications within a UGB — 30 days to establish completeness of the application, 120 days to review and issue a decision, and optional, mutually agreed upon extensions for up to 245 days total.

Urban housing applications: Applies new review process criteria to applications for an upzone, a planned unit development, or a variance for residential development on residentially zoned or planned for land within an urban growth boundary, and calls them “urban housing applications.” The first issuance of a decision on the application must be done without a public hearing. Clarifies how the urban housing applications are appealable to the Land Use Board of Appeals. **Sets the operative date for cities to conform with the urban housing application processing requirements as July 1, 2026.**

Design standards: Prohibits a local government from applying design standards to residential developments inside UGBs with 20 or more units (except for multifamily buildings). Design standards do not include building height, setbacks, and other regulations pertaining to health, environment, and safety. **Repeals design standard provisions on January 1, 2033.**

SB 10 – Technical Change to Moderate-Income Housing Predevelopment Loans Program

Chief Sponsor(s): Senator Wagner
Effective date: April 7, 2025

Summary: HB 2001 (2023) established the Moderate-Income Housing Predevelopment Loans program to provide financing and refinancing to local governments and housing developers for residential predevelopment costs. SB 10 moves that program from the Oregon Facilities Authority to the Network for Oregon Affordable Housing through a pass-through grant from Oregon Housing and Community Services.

HB 3505 – Residential Sprinkler System Development Charges

Chief Sponsor(s): Representative Marsh
Effective date: January 1, 2026

Summary: Prohibits a local government from imposing a new or increased system development charge on a residential development for the installation of a sprinkler system or the increased capacity of a water meter for the sprinkler system.

HB 3144 – Manufactured Housing CC&Rs

Chief Sponsor(s): Representative Marsh *Effective date:* January 1, 2026
Summary: Deems a provision in a recorded instrument void and unenforceable if it restricts siting manufactured housing and was executed on or after the effective date of the bill. Makes void and unenforceable a provision in a governing document that restricts manufactured

housing siting. Extends the sunset for the Manufactured and Marina Communities Dispute Resolution Advisory Committee established by SB 586.

HB 3145 – Funding for Affordable Manufactured Housing

Chief Sponsor(s): Representative Marsh, Senator Anderson, Representative Diehl, Representative Bowman, Representative Gamba, and Senator Patterson
Effective date: September 26, 2025

Summary: Directs Oregon Housing and Community Services (OHCS) to use Local Innovation and Fast Track (LIFT) funding for manufactured homes. Allows up to five recipients or locations. Prescribes preferences for funding such as geographical diversity and Oregon-sourced materials. Dictates that recipients must cooperate on the report required by Section 5. Prescribes that $25,000,000 of LIFT funding should be used for these purposes if not otherwise obligated. Directs OHCS to contract with the Network for Oregon Affordable Housing (NOAH) to convene a public-private advisory committee to offer guidance on project proposals, which is to consist of representation from DLCD, DCBS, the Oregon Housing Stability Council, local governments, private firms, and individuals in the development community. The committee will provide recommendations for project approval to OHCS. NOAH will also provide technical assistance and support industry awareness and funding. Directs OHCS to submit a report to the Legislature by September 15, 2027, on the activities of the program and contractor. **Repeals bill provisions on January 2, 2028.** Appropriates $650,000 to OHCS to contract with NOAH.

Urbanization

SB 1129 – Urban Reserves Rulemaking

Chief Sponsor(s): Senator Broadman
Effective date: May 27, 2026

Summary: Directs LCDC to amend rules relating to urban reserves by January 1, 2026 to allow local governments to:

- Assign lower priority to exception and non-resource lands containing subdivisions or planned unit developments as compared to other exception and non-resource lands, and
- Assign lower priority to the inclusion of otherwise high priority lands if it is difficult or cost prohibitive to service them with urban services.

HB 2647 – City of Monmouth UGB Land Exchange

Chief Sponsor(s): Representative Evans and Senator Patterson
Effective date: January 1, 2026

Summary: Allows the City of Monmouth to complete a UGB land exchange instead of the process outlined in SB 1537 (2024). Allows it to remove 90 or fewer acres of land which have:

- More than 25 percent of its acreage mapped as flood hazards or wetlands,
- Not been annexed by the city,
- Not been designated for residential use, and
- Not been served by city sewer service.

Allows the city to bring in 75 or fewer net residential acres to the UGB, which must have:

- Not more than 25 percent of its acreage mapped as hazards or floodplains,
- Ability to be connected to water and sewer services, and
- Owners that consent to addition to the UGB and annexation to the city.

HB 3921 – City of Roseburg UGB Land Exchange

Chief Sponsor(s): Representative Osborne and Senator Brock Smith
Effective date: May 28, 2025

Summary: Requires the Director of the DLCD to issue an order acknowledging the UGB exchange for the City of Roseburg that was submitted on October 22, 2024. Deems all urban growth boundary adjustments, city boundaries, comprehensive plan amendments and land use regulations approved and acknowledged, notwithstanding ORS Chapter 197 and other state land use planning laws and rules.

HB 2356 – Metro Service District Annexation

Chief Sponsor(s): Representative McLain (at the request of Metro Regional Government)
Effective date: January 1, 2026

Summary: Notwithstands requirements of ORS 268.354 and ORS 198 to automatically bring properties annexed by a city into the metropolitan service district of that urban growth boundary.

Resource Lands

HB 3681 – EFSC Contested Cases and Transmission Line Condemnation

Chief Sponsor(s): Representative Gamba
Effective date: January 1, 2026

Summary: Modifies the Energy Facility Siting Council (EFSC) contested case process for site certificate applications and changes the review criteria for a certificate of public convenience and necessity for overhead transmission lines.

Directs the Public Utility Commission (PUC) to consider certificate petitions without requiring petitioner to first obtain required state or local land use approvals.

Clarifies that in proceedings for condemnation, a certified copy of a high voltage transmisison line cite certificate is conclusive evidence that the line is a public use and is necessary for public convenience.

HB 3874 – Wind Energy Project Size Increase for ESFC Site Certification

Chief Sponsor(s): Representative Helm, Representative Gamba, and Representative Owens
Effective date: January 1, 2026

Summary: Increases minimum size for wind energy project to get an EFSC site certificate from 50 megawatts to 100 megawatts. Wind projects generating at least 50 megawatts and less than 100 megawatts are required to provide a decommissioning plan with financial assurances that the site will be restored to a “useful, nonhazardous condition.”

Counties are responsible for approving requirements during construction and operation of wind energy projects between 50-100 megawatts and ensuring they are safely and properly removed from the landscape at the end of their lifecycle.

SB 75 – Wildfire Home Hardening Requirements Clarification

Chief Sponsor(s): Senate Interim Committee on Natural Resources and Wildfire
Effective date: January 1, 2026

Summary: Corrects an error in ORS 215.291 and ORS 215.495 clarifying when home hardening building code and defensible space requirements apply. Removes wildfire hazard language and related regulatory requirements for home hardening building codes and defensible space for rural homes for purposes of developing an accessory dwelling unit on lands zoned for rural residential uses, or replacement dwellings on lands zoned for farm or forest uses.

SB 83 – State Wildfire Map Repeal and Defensible Space / Replacement Dwelling Requirements

Chief Sponsor(s): Senate Interim Committee on Natural Resources and Wildfire
Effective date: June 26, 2025

*Summary:*** Repeals the state wildfire hazard map created by SB 762 (2021) — and revised by SB 80 (2023) — and its application to defensible space requirements, accessory dwelling units and replacement dwellings, building codes, comprehensive planning, and other areas. Changes existing statute related to ORSC R327 building code standards for wildfire hazard mitigation, defensible space and the wildland urban interface (WUI), fire protection for lands outside of forest protection districts, and Oregon Conservation Corps Program for grant-supported fuels reduction projects. Makes adoption of R327 building code and defensible space standards optional for local governments. Includes conforming amendments related to replacement dwellings on farm and forest land and ADUs in areas zoned for residential development.

Defensible space: Amends ORS 426.392 (minimum defensible space requirements and rules) to remove reference to the state wildfire map, including the ability for local governments to administer, consult on, and enforce defensible space requirements based on the map. Defines defensible space as “a natural or human-made area in which material capable of supporting the spread of fire has been treated, cleared or modified to slow the rate and intensity of advancing wildfire and allow space for fire suppression operations to occur.” Directs the State Fire Marshal (SFM) to create a defensible space model code for inclusion in the community risk-reduction program but prohibits the SFM from requiring local governments to adopt it. The SFM may assist local governments to facilitate the creation of defensible space.

Wildland urban interface: Amends ORS 477.015 (urban interface protections and definitions) to:

- Define “wildland” as forestland or “an unimproved area that contains enough unmanaged vegetation, at any time of the year, to constitute a fire hazard in the judgment of the forester, regardless of how the areas is zoned or taxed,” and
- Revise the definition of “wildland-urban interface” to mean a “geographic area in which there is a concentration of dwellings in an urban or suburban setting near wildland.”

** This summary does not include changes to ORS 476.690 relating to the Wildfire Programs Advisory Council.

Among other things, directs the Department of Consumer and Business Services (DCBS) to adopt the wildfire hazard mitigation code standards from Section R327 of the 2023 Oregon Residential Specialty Code, and prohibits DCBS from requiring local governments to adopt them.

Comprehensive planning: Amends ORS 197.716 to remove reference to statute requiring the Oregon Department of Forestry (ODF) to adopt a definition of the "wildland urban interface."

Accessory dwelling units and replacement dwellings: Revises ORS 215.495 to remove reference to the statewide wildfire hazard map and map-related provisions in statutes authorizing a county to approve ADUs and replacement dwellings in high wildfire hazard zones.

Removes requirements for ADUs to comply with applicable state/local defensible space standards if identified on the state wildfire map as located in the WUI.

Removes requirement for ADUs or replacement dwellings to be altered, restored, or replaced to comply with the construction provisions in Section R327 of the Oregon Residential Specialty Code.

SB 85 – Wildfire Risk Report

Chief Sponsor(s): Senate Interim Committee on Natural Resources and Wildfire
Effective date: May 28, 2025

Summary: Requires DCBS and the SFM — in collaboration with the Department of Forestry and insurance industry representatives — to evaluate and develop community-based wildfire risk mitigation actions, programs, and strategies to reduce wildfire risks and improve insurance affordability in Oregon.

Requires DCBS and SFM to submit a report to the State Wildfire Programs Director, the Wildfire Programs Advisory Council, and the interim legislative committees related to wildfire by February 2, 2026.

Ocean and Coastal

HB 2925 – Ocean Shores Permitting

Chief Sponsor(s): at the request of Governor Tina Kotek for State Parks and Recreation Department
Effective date: January 1, 2026

Summary: Revises Oregon Parks and Recreation Department's (OPRD) permitting process for ocean shore improvements and expands notice requirements. Authorizes OPRD to issue emergency permits under specific circumstances and creates a framework for general authorization permits for ocean shore improvements that are similar in nature, have predictable effects and relate to low-impact, restorative, or conservation-focused projects. Applies to OPRD permit applications submitted on or after the bill's effective date.

HB 3963– Offshore Wind Roadmap Extension

Chief Sponsor(s): Representative Gomberg
Effective date: September 26, 2025

Summary: Extends the deadline from September 1, 2025, to January 1, 2027, for the Department of Land Conservation and Development to complete Oregon's Offshore Wind Roadmap as directed by HB 4080 (2024).

SB 179 – Landowner Immunity

Chief Sponsor(s): Senate Interim Committee on Judiciary
Effective date: January 1, 2026

Summary: Makes the 2024 temporary changes to immunity for landowners who allow public use of land without charge for recreational purposes permanent.
Allows local governments included in ORS 174.116 to opt into ORS 105.668, which limits liability from ordinary negligence claims arising from the use of trails or structures on public easements or unimproved rights of way by foot, equine, bicycle or other nonmotorized means.

Adds immunity to ORS 105.688 for improved paths, trails, roads and other rights of way that are used by the public to access land for recreational purposes and limits immunity for improvement, design, or maintenance that was completed in a manner constituting gross negligence or reckless, wanton or intentional misconduct, or for which the actor is strictly liable.

Adds to the "recreational purposes" defined in ORS 105.672 the non-exclusive list of outdoor activities including running, walking, and bicycling.

SB 504 – Nonstructural, Nature-Based Solutions to Shoreline Stabilization Rulemaking

Chief Sponsor(s): Senator Brock Smith
Effective date: January 1, 2026
DLCD Appropriation: $268,488

Summary: Directs LCDC to adopt rules by January 1, 2028, to allow, define, and provide guidance on nonstructural, nature-based solutions to be used for shoreline stabilization in estuaries, coastal shorelands, and the ocean shore. Allows the Department of State Lands (DSL) and the State Parks and Recreation Department (OPRD) to adopt conforming rules by January 1, 2029.

In its rulemaking, DLCD is directed to, at a minimum:

- Define "nonstructural, nature-based solutions".
- Provide guidance for the use of nonstructural, nature-based solutions to minimize harmful impacts from flooding and erosion.
- Require that nonstructural, nature-based solutions conform with statewide land use planning goals and is prioritized over structural solutions to address erosion and flooding.
- Not change rules allowing ODOT to use structural shoreline stabilization methods.

The rules advisory committee (RAC) must include the following interests:[††]

- Coastal engineering professionals
- Restoration professionals
- Environmental and recreational organization representatives
- Tribal representatives
- Land owners/managers
- Fish and wildlife professionals
- Local government officials

SB 793 – Department of State Lands Territorial Sea Fees

Chief Sponsor(s): at the request of Governor Tina Kotek for Department of State Lands
Effective date: June 20, 2025

Summary: Modifies and increases DSL rulemaking authority to adopt new rules for establishing fees for easements on state land, including the territorial sea. Easements on state land within the territorial sea need to adhere to specific policies for routing and installing infrastructure.

Previously, DSL charged a one-time application fee of $5,000 for easements within the territorial sea and $750 for easements on other state lands. Moving forward, application and renewal fees must be reasonably calculated to offset the cost to DSL for granting and renewing easements. Requires the Director of DSL to adopt the rules by January 1, 2027.

Administrative and Miscellaneous

HB 2005 – Siting of Psychiatric and Behavioral Health Care Facilities

Chief Sponsor(s): Representative Kropf and Representative Andersen
Effective date: June 30, 2025

Summary:[‡‡] Requires local governments to allow by right a residential treatment facility or residential home within a UGB on lands zoned for residential commercial, employment, and industrial uses under specific criteria, in addition to public lands (excluding park lands). There are exceptions for lands that have natural resource or hazard restrictions or cannot be provided with public services. Does not require local governments to update any analyses related to land use goals. Exempts these decisions from the Land Use Board of Appeal's (LUBA) authority. Requires a local government to issue a decision within 120 days.

Within an urban growth boundary, requires a local government to allow by right a mental or psychiatric hospital on lands zoned for commercial, employment, and industrial uses, as well as public lands (excluding park lands), and where it is adjacent to an existing or pending crisis stabilization center. Exceptions are made for lands that have natural resource or hazard restrictions or cannot be provided with public services. Does not require local governments to update any analyses related to land use goals. Exempts these decisions from LUBA authority. Requires a local government to issue a decision within 120 days. Requires a local government

[††] HB 3569 (2025) requires the sponsoring legislator to be invited to serve as a non-voting member on legislatively mandated RACs that are appointed on or after January 1, 2026.
[‡‡] This summery covers Sections 58-63 of HB 2005. Other sections are not relevant to land use.

to allow by right a crisis stabilization center within a UGB if the property is owned by a public body and adjacent to an existing or pending mental or psychiatric hospital.

Repeals ORS 197.670, which addresses existing zoning requirements and prohibitions for residential homes and facilities.

HB 2256 – Private Right to Action for Conservation-Purchased Lots

Chief Sponsor(s): Representative Fragala, Senator Prozanski, and Senator Manning, Jr.
Effective date: January 1, 2026

Summary: ORS 92.018 establishes buyer's remedies for purchasing an illegally established unit of land, which includes individual action against the seller for damages. HB 2256 amends ORS 92.018 to establish that a purchaser does not have individual right to action if it is a holder (such as a government entity, trust, or Tribal government per ORS 271.715), the unit of land was separately described in an instrument executed before January 1, 2025, and the unit of land has a conservation easement. If the unit of land is subsequently sold within five years for non-conservation purposes, the new buyer may have individual right to action against the original buyer.

HB 2658 – Frontage Improvements for Building Alterations

Chief Sponsor(s): Representative Evans
Effective date: January 1, 2026

Summary: Prohibits a municipality over 15,000 in population from requiring a frontage improvement as a condition of approval for a construction permit to alter or renovate an existing building, so long as there is no increase to the square footage, the alteration cost does not exceed a limit set by the director of the DCBS, and the changes do not result in a change of occupancy classification. Sets alteration cost limit initially at $150,000, with annual increases due to the Consumer Price Index. If frontage improvements along a state highway are required for final action on a permit or zone change, requires ODOT or the municipality to coordinate on if design, engineering, or construction plans already exist. Makes these provisions applicable to all size cities on January 1, 2031.

HB 2069 – Tribal Task Force

Chief Sponsor(s): Representative Sanchez
Effective date: June 24, 2025

Summary: Creates the Governor's Task Force on Tribal Consultation to identify and clarify requirements of state agencies to engage in Tribal consultation, to be completed by December 31, 2026.

HB 3136 – Real Estate Professionals on Planning Commissions

Chief Sponsor(s): Representative Breese-Iverson, Senator Meek, and Senator Anderson
Effective date: January 1, 2026

Summary: Amends regulations regarding participation on county and city planning commissions to specify that only when a planning commission has five or fewer members is there a two-person limit on participating persons that can be involved in selling or developing real estate.

HB 3560 – Childcare Facility Siting Expansion

Chief Sponsor(s): Representative Marsh, Representative Neron, Senator Reynolds, Representative Andersen, Representative Bowman, Representative Chotzen, Representative Dobson, Representative Fragala, Representative Gamba, Representative Helm, Representative Hudson, Representative Kropf, and Representative E. Levy
Effective date: January 1, 2026

Summary: Changes zoning requirements to allow child care centers as an outright use on land zoned for multiunit residential and institutional uses. Relocates the child care facility siting statute from ORS 329 to ORS 197. Modifies the definition of "child care center" to include a preschool recorded program, school-age recorded program or a parent cooperative. Inside Metro's UGB, this bill permits child care centers in areas zoned for multiunit residential densities of at least 17 units per acre. Outside of the Metro UGB, this bill permits child care centers on residential lands zoned for densities of 12 units per acre or greater and on commercial and industrial land, but not heavy industrial land. Local governments may not add additional conditions of approval before allowing a child care center to co-locate with a conditional institutional use. **Local governments must update their land use laws to comply by January 1, 2027.**

HB 3569 – Legislators as Non-Voting Members on Rules Advisory Committees

Chief Sponsor(s): Representative Gamba
Effective date: January 1, 2026

Summary: Requires an agency that appoints a rules advisory committee regarding rules implementing legislation to invite one of the following to serve on the committee as a nonvoting member:

- The first chief sponsor or first chief sponsor's designee of the relevant legislation, or
- The chair or chair's designee of the committee that sponsored the legislation.

Applies to advisory committees appointed on or after the effective date.

SB 817 – LUBA Fee Increase

Chief Sponsor(s): at the request of Governor Tina Kotek for Land Use Board of Appeals
Effective date: January 1, 2026

Summary: Increases LUBA fees for filing a notice of intent to appeal from $300 to $350 and a motion to intervene from $100 to $200.

SB 967 – Local Improvements IGAS

Chief Sponsor(s): Senator Broadman and Senator Nash
Effective date: January 1, 2026

Summary: Allows local governments to enter into an intergovernmental agreement for purposes of allocating authority over local improvements within a UGB. Requires local improvements to still comply with applicable land use regulations.

SB 1099 – Preschools in Places of Worship

Chief Sponsor(s): Senator Starr and Senator Anderson
Effective date: June 3, 2025

Summary: Requires local governments to allow preschool or pre-kindergarten education on land where places of worship are allowed.

Contact Information

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