

D R A F T

SUMMARY

Permits local governments to adopt land use regulations or functional plan provisions, or impose conditions for approval of permits, that effectively establish sales or rental price for up to 30 percent of new residential development or limit sales or rental purchase to class or group of purchasers or renters in exchange for one or more developer incentives.

A BILL FOR AN ACT

Relating to affordable housing; amending ORS 197.309.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 197.309 is amended to read:

197.309. *[(1) Except as provided in subsection (2) of this section,]* **Notwithstanding ORS 91.225**, a city, county or metropolitan service district may *[not]* adopt a land use regulation or functional plan provision, or impose as a condition for approving a permit under ORS 215.427 or 227.178[,] a requirement, that has the effect of establishing the sales **or rental** price for a **new** housing unit or residential building lot or parcel, or that requires a **new** housing unit or residential building lot or parcel to be designated for sale **or rent** to *[any]* a particular class or group of purchasers~~[.]~~ **or renters based on income, provided the regulation, provision or requirement:**

(1) **Does not require more than 30 percent of housing units within a development to be sold, or rented, at below-market rates; and**

(2) **Offers developers one or more of the following incentives:**

(a) **Density adjustments.**

(b) **Fee waivers or reductions.**

(c) **Waivers of system development charges or impact fees.**

1 **(d) Finance-based incentives.**

2 **(e) Preferential treatment for processing of permits.**

3 **(f) Expedited service for local approval processes.**

4 **(g) Modification of height, floor area or other site-specific require-**
5 **ments.**

6 **(h) State-authorized property tax exemptions or abatements.**

7 *[(2) This section does not limit the authority of a city, county or metropol-*
8 *itan service district to:]*

9 *[(a) Adopt or enforce a land use regulation, functional plan provision or*
10 *condition of approval creating or implementing an incentive, contract commit-*
11 *ment, density bonus or other voluntary regulation, provision or condition de-*
12 *signed to increase the supply of moderate or lower cost housing units; or]*

13 *[(b) Enter into an affordable housing covenant as provided in ORS 456.270*
14 *to 456.295.]*

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