

OREGON LEGISLATURE HOUSING BILLS 2025 SESSION

OREGON CITY PLANNING COMMISSION

August 25, 2025

INTRODUCTION

Purpose:

To inform the Planning Commission and the public about housing-related legislation passed during the 2025 session.

Bills:

SB 1537 (2024) – Mandatory adjustment exception - status update

SB 974 – Design exceptions, limited review process, and engineering review shot-clock

HB 2138 – Middle housing revisions (Governor's bill)

HB 2258 – Pre-approved site and building plans

HB 3031 - Housing related infrastructure

SB 1537 (2024) – MANDATORY ADJUSTMENTS EXEMPTION

The Bill:

Where requested as part of an application for housing, local governments must grant adjustments/waivers to certain design and development standards (including historic preservation overlay required protections).

Oregon City's Exemption Request:

Bill allows for local governments to request an exemption from HAPO to the obligation to grant mandatory waivers:

- Oregon City filed for an exemption before the obligation to grant mandatory adjustments took effect, and does not have to grant SB 1537 adjustments/waivers while the exemption request is being reviewed.
- The exemption is currently being processed by HAPO (Housing Accountability and Production Office) with a decision expected in the fall.

HAPO decision could be: (1) approval to avoid all adjustments, (2) approval to require that the City approve some types of adjustments or (3) denial of the request.

SB 974 – DESIGN STANDARD PRE-EMPTION

Requires cities to waive “standards intended to preserve the desired character, architectural expression, decoration or aesthetic quality of new homes, including standards regulating:”

Waived Design Standards

- Façade materials, colors or patterns
- Roof decoration, form or materials
- Accessories, materials or finishes for entry doors or garages
- Window elements such as trim, shutters or grids
- Fence type design or finishes

(Waived design standards, cont'd)

- Architectural details such as ornaments, railings, cornices and columns
 - Size and design of porches and balconies
 - Variety of design or floorplan
 - Front or back yard area landscaping materials or vegetation
- * * * Given the “including” language above, this may be a non-exclusive list

Waiver Applies to:

Development proposals that include:

- more than 20 single family or middle housing units; or
- an application for 1 or 2 housing units with a shared wall, floor or ceiling.

Waiver does not apply to:

Development proposals that include:

- An application for 19 or fewer single dwelling units, manufactured dwellings, or units of middle housing;
- An application for 3 or more housing units with a shared wall, floor, or ceiling;
- Setbacks, building height, accessibility, fire standards, public health or safety, water quality standards, Goal 5 implementing standards, Goal 7, the Willamette River Greenway implementing standards

Effective **September 26, 2025**

SB 974 CONT. — EXPEDITED HOUSING REVIEW

SB 974 alters the following city procedures and standards:

- For all engineering plans necessary for development, including engineering building permits, and public works permits, requires a 14-day completeness period, followed by a 120-day deadline for review, plus mutual extension for up to 245 days total. Becomes operative on **7/1/2026**
- For the following types of residential land use applications (now defined as “urban housing applications”), limits public notice to those within 100 feet and replaces the initial public hearing with a 14-day comment:
 - Zone change to allow for more dense development
 - A planned unit development or
 - A variance

City may provide a de novo appeal right that includes a hearing

Becomes operative on **7/1/2026**

HB 2138: MIDDLE HOUSING EFFORTS

GOVERNOR'S MIDDLE HOUSING ENCOURAGEMENT BILL

- No traffic study or off-site exactions for middle housing developments for 12 or fewer middle housing units **or** if the development lot was created within the past 5 years.
- Where an accessible (Type A) or affordable (<120% AMI) middle housing unit is proposed within a duplex or triplex, city must allow one additional unit creating a triplex or fourplex. For townhouses, quadplex or cottage cluster, two additional units are allowed.
- In multi-family zones that allow five or more units, additional density and limited parking for single-room occupancies.
- Voids all recorded covenant provisions that prohibit middle housing (and manufactured housing) otherwise allowed by zoning.
- Tree removal codes related to housing must be clear and objective.
- Middle housing land divisions processed within 63 days, with no notice to anyone other than the applicant.

HB 2138 UPCOMING RULEMAKING

HB 2138 asks that before January 1, 2028, LCDC adopt rules that:

- Eliminate siting and design standards that prevent or discourage manufacture, site-built or prefabricated housing;
- Define “unreasonable cost and delay” that effects ADUs and SROs;
- Incentivizing cottage clusters and defining the qualification for “small footprint or floor area”;
- Amending siting and design parameters for middle housing types
- Amending permissible discretionary criteria available on the alternative track
- Developing a model system development charge system for residential development types
- Estimating reasonable zoned capacity for an inventory of buildable lands.

HB 2258 – LCDC / DAS MANDATED APPROVALS

Directs LCDC to adopt rules requiring that cities approve applications for certain single family, middle housing and small multiunit housing on lands zoned for residential use, *even where it might contravene any comprehensive plan, land use regulation or statewide planning goal requirement:*

- Qualifying property must be larger than 1,500 square feet, smaller than 20,000 square feet, vacant **and not located on steep slopes**
- LCDC may set conditions limiting city procedures, design standards, densities, parking requirements and tree protections.
- Building plans preapproved by the Building Codes division

Implementing rules to be adopted before January 1, 2027.

HB 3031 – INFRASTRUCTURE FINANCING

Creates a housing infrastructure financing program with \$10 million in funding to be used in grants, loans or forgivable loans for transportation, water, wastewater or stormwater infrastructure necessary to accommodate housing. Eligibility requires:

- 1) At least 17 dwelling unit per net residential acre
- 2) Grant and forgivable loans are limited to very low income, low income or moderate income affordable housing

PUBLIC RECORDS AND MEETING REMINDERS

Public records include “any writing that contains information relating to the conduct of the public’s business.”

- Written notes, social media posts, emails or texts sent during a public meeting could be public records, even if they are personal

Serial Meetings: “A quorum of a governing body may not meet in private for the purpose of deciding on or deliberating toward a decision” unless an exception applies.

- Electronic communications among a quorum of participants, or through an intermediary, creates a public meeting. No concurrency is required. Motive or knowledge of others activities may not be considered.
- “Deliberation” includes (1) deciding what the city should do; (2) gathering information to support a decision; (3) assessing alternatives; (4) weighing information, and (5) making a decision.
- The penalty for violating public meetings law can be up to \$1,000 per violation to which a public official may be *personally liable*.

QUESTIONS?

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