

# House Bill 2001 -11: Section by Section Summary

*Updated on March 3, 2023*

## About this summary

The purpose of this memorandum is to provide plain language summaries of provisions included in the -11 amendment of House Bill 2001 (2023 Session). This memorandum focuses on provisions of the bill originally included in House Bill 2889 that implement an Oregon Housing Needs Analysis into state and local planning programs. [This bill includes technical notes, which are denoted in blue.](#)

## Relevant Acronyms:

**DAS** – Department of Administrative Services  
**DLCD** – Department of Land Conservation and Development  
**HCA** – Housing Capacity Analysis  
**HPS** – Housing Production Strategy  
**LCDC** – Land Conservation and Development Commission

**MFI** – Median Family Income  
**OHCS** – Oregon Housing and Community Services  
**OHNA** – Oregon Housing Needs Analysis  
**ORS** – Oregon Revised Statute  
**PRC** – Population Research Center  
**UGB** – Urban Growth Boundary

## House Bill 2001 -11 Amendment

Relating to housing; declaring an emergency

**Summary (as it relates to the OHNA):** Establishes Oregon Housing Needs Analysis in Oregon Department of Administrative Services. Requires cities outside Metro to plan for housing needs as allocated by analysis. Requires Metro to adopt similar methodology to allocate housing needs to cities within Metro. Requires Housing and Community Services Department to develop housing production dashboard and housing equity indicators. Allows Department of Land Conservation and Development to audit, and to enter into housing acceleration agreement with, certain cities that are not adopting or implementing housing production strategies or that are lowest performing as measured by dashboard and indicators. Allows department to seek, and Land Conservation and Development Commission to issue, specific enforcement orders for certain continued noncompliance by cities in addressing housing. Amends land use requirements for local governments related to urbanization, including by requiring cities to measure and plan for development-ready lands, requiring Metro to adopt housing coordination strategy and allowing cities outside of Metro to adopt rural reserves. Requires commission to adopt or amend implementing rules.

## Oregon Housing Needs Analysis (Sections 1-8)

**SECTION 1 (1) Oregon Housing Needs Analysis Methodology:** Establishes the Oregon Housing Needs Analysis (OHNA) within the Department of Administrative Services (DAS). The purpose of the OHNA is:

- Production of housing to meet the need of Oregonians at all levels of affordability; and
- Production of housing in a way that creates more housing choice by affirmatively furthering fair housing.

**SECTION 1 (2) OHNA Components:** Establishes the three OHNA components completed by DAS:

- A statewide 20-year housing needs analysis (Section 2 (1))
- An allocation of housing need to cities and counties (Section 2 (2), (3), & (4))
- Subsidized affordable and total housing production targets (Section 3)

**SECTION 1 (3) & (4) OHNA Process:** Subsection (3) specifies that – after the public process to establish a methodology is completed – the results of the methodology are not land use decisions appealable under ORS 197.180. Subsection (4) requires DLCD and OHCS to assist DAS in completing the OHNA and enables the two agencies to study and recommend methodological changes to the OHNA and solicit comments from stakeholders to inform recommendations.

**SECTION 2 (1) 20 Year Housing Need:** Requires DAS to establish, through the OHNA, an estimate of 20-year housing need for data regions. The 20-year housing need shall include the following major factors:

- Population and household growth;
- Current housing underproduction;
- Housing needed for people experiencing homelessness; and
- Housing units projected to be converted into second and vacation homes.

**SECTION 2 (2) & (3) 20 Year Housing Need Allocation:** Requires the OHNA methodology to allocate 20-year need to all cities. (Note: Metro will retain statutory responsibility for calculating 20-year need for the region which is discussed in greater detail in sections below.) The allocation must consider:

- Forecasted population growth;
- Forecasted regional job growth;
- An equitable distribution of housing by income level;
- The OHNA estimates made under subsection (1); and
- The purpose of the Oregon Housing Needs Analysis under Section 1 (1).

**SECTION 2 (4) OHNA Income Levels:** Establishes the following income bins by which needed housing will be reported:

- Housing affordable to households making:
  - Below 30% Median Family Income (MFI);
  - 30% to 60% MFI;
  - 60% to 80% MFI;
  - 80% to 120% MFI; and
  - Above 120% MFI.

**SECTION 3 Housing Production Targets:** Requires DAS to allocate housing production targets for total production and production of publicly-supported housing affordable to households earning less than 80% MFI for cities above 10,000 in population. These articulate goals that will serve as the basis for tracking and evaluating progress towards achieving greater production and affordability.

**SECTION 4 Housing Production Dashboard:** Requires OHCS to publish a housing production dashboard in which cities and members of the public can readily access information generated by the OHNA, including comparative assessments of local progress towards housing production targets. The dashboard must include the progress that cities above 10,000 population are making on total and publicly-supported production and a comparative analysis of cities within the region and across similar market typologies.

The information on the dashboard will be based on the OHCS inventory of affordable housing as well as permitting data reported to DLCD in Section 37.

[Technical note: A prototype assessment is explored in the OHNA Technical Report \(Appendix D\).](#)

**SECTION 5 Statewide Housing Equity Indicators:** Requires the OHNA to include a comprehensive equity analysis, to the extent of best available data. This analysis will provide baseline equity analysis that local jurisdictions currently must complete as part of a Housing Production Strategy and will track important equity-related housing outcomes of statewide concern. Subsection (2) outlines the following series of potential types of information that can be reported:

- Housing outcomes (such as cost burden, units to own/rent, housing condition for various demographics, including race or ethnicity, disability status, English proficiency, and age);
- Housing types produced and overall land efficiency of housing production of housing production;
- Accessibility and visitability, as defined by the Department of Consumer and Business Services, of new housing stock;
- Risk of gentrification and displacement;
- Housing segregation by race and income;
- Environmentally just housing outcomes, informed by a mapping tool developed by the Environmental Justice Council;
- Tenants who spend more than 50% of their household income on rent (i.e. ‘severely cost burdened’); and
- Other measurable factors or indicators identified by the department.

[Technical note: Some, but not all, of these categories are explored in the original pilot methodology \(pg.7\) and the OHNA Technical Report \(Appendix D, pg. 17\)](#)

**SECTION 6 OHNA Deadlines:** Outlines the deadlines by which DAS, OHCS, and DLCD must complete specific milestones including:

- DLCD – Adopt a housing production target schedule no later than March 1, 2024
- DAS – Conduct initial analysis & allocation; establish production targets no later than January 1, 2025
- OHCS – Publish the statewide housing production dashboard and equity indicators no later than January 1, 2025

**SECTION 7 Placeholder Budget:** This is a placeholder to provide adequate budget for DAS and OHCS to complete the requirements of Sections 1 to 5.

### Urbanization Generally (Sections 8-13)

**SECTION 8 (1) LCDC Rulemaking Principles:** Articulates principles LCDC must apply in adopting or administering rules under ORS 197.286 to 197.314 (Housing and Urbanization statutes). These principles include (paraphrased for brevity):

- Housing that is safe, accessible and affordable in the community of their choice should be available to every Oregonian.
- Building enough equitable housing must be a top priority.

- The development and implementation of the housing production strategy should be the focal point by which the department collaborates with local governments to address and eliminate local barriers to housing production.
- Expertise, technical assistance, model ordinances and other tools and resources to address housing production should be provided to local governments, using cooperative planning tools, but not to the exclusion of the expedient use of enforcement authority.
- Housing production should support fair and equitable housing outcomes, environmental justice, climate resilience and access to opportunity.
- Housing production should not be undermined by litigation, regulatory uncertainty or repetitive or unnecessary procedures.
- Local governments, to the greatest extent possible, should take actions within their control to facilitate the production of housing to meet housing production targets.

**SECTION 8 (2) Public Bodies Supporting Production:** Subsection (2) requires all public bodies under ORS 174.109 to use their authority to remove barriers and create pathways for production of needed housing and collaborate with DLCDC on facilitating production, affordability, and choice

**SECTION 8 (3) LCDC Rulemaking Authority:** Enables LCDC to approve a range of methodologies, policy options, or assumptions that a local government may adopt in determining:

- Needed housing;
- Housing production strategies or housing coordination strategies;
- Buildable lands or housing capacity;
- Amendments to urban growth boundaries; or
- Adoption or amendments to urban or rural reserves.

**SECTION 9 LCDC Rulemaking:** Directs the Land Conservation and Development Commission (LCDC) to adopt rules related to housing production strategies and housing accountability on or before January 1, 2025 and rules related to buildable lands inventories and urbanization-related processes on or before January 1, 2026. The purpose of these rules is to provide greater flexibility, options, and certainty for jurisdictions to demonstrate compliance with statute and Goals 10 and 14. Additionally, it's intended to provide more 'off-the-shelf' policy options that support housing production, diversity, and affordability.

Subsection (2) details the priorities that LCDC must weigh in adopting rules. These priorities relate to providing greater certainty and flexibility to local governments pursuing urbanization related analysis and concurrent actions that increase the developability of lands brought into the UGB. Priorities include:

- Facilitating and encouraging housing production, affordability and housing choice on buildable lands within an urban growth boundary;
- Providing greater clarity and certainty in the adoption and acknowledgement of housing capacity analyses, urban growth boundary amendments, urban growth boundary exchanges or urban reserves to accommodate an identified housing need;
- Reducing analytical burden, minimizing procedural redundancy and increasing legal certainty for local governments pursuing urban growth boundary amendments, urban growth boundary exchanges or urban reserves where a housing need is identified, especially for smaller cities, consistent with the appropriate protection of resource lands; and

- Supporting coordinated public facilities planning, annexation, and comprehensive plan amendments to facilitate the development of lands brought into an urban growth boundary.

Section 9 (3) requires LCDC to consult with other state agencies, provide clarity on strategies adopted by cities that fulfill Goal 10 requirements, and recognize actions already taken by local governments.

**SECTION 9 (4) LCDC Authority to Postpone Applicability:** This subsection enables LCDC to postpone the applicability of this bill to cities that are currently underway with Goal 10 processes to no later than January 1, 2026, to avoid changing the law before a city has completed the work.

[Technical note:](#) For cities with upcoming deadlines that have not yet begun work, LCDC has statutory authority to push back deadlines and postpone beginning Goal 10-related work until the OHNA is fully implemented.

**SECTION 10 & 11 Placeholder Budget:** This is a placeholder to provide adequate budget for DLCD implementation and LCDC rulemaking in the current and next biennium.

**SECTION 12 Definitions:** Amends statutory definitions of ORS 197.286 to align with the implementation of an OHNA.

[Technical note:](#) Urban, unincorporated areas in Metro have been removed from applicability under HB 2001 -11, with the expectation that LPRO will facilitate a work group directed to provide legislative recommendations by the 2024 Legislative Session on how these areas are incorporated into the policy.

**SECTION 13 Development-Ready Lands:** As part of a buildable lands inventory, this section requires cities to determine the amount of buildable lands likely to support production of housing during the period of their housing production target (i.e. over six years for Metro cities and eight years for non-Metro cities). These lands are:

- Annexed and zoned to allow housing through clear and objective standards and procedures;
- Readily served through adjacent public facilities or identified for near-term capital improvements in an adopted capital improvement plan
- Not encumbered by local, state, or federal protective regulations or have appropriate entitlements to prepare land for development

If a city finds that there is insufficient development-ready land to accommodate their housing production target, they must take actions in their Housing Production Strategy that prepare lands for development or increase capacity of development-ready lands.

### **Housing Production Accountability (Sections 14-19)**

**SECTION 14 Housing Accountability:** Amends the current “Housing Accountability” statute (ORS 197.293) to establish a framework by which DLCD periodically evaluates production progress and refers underperforming cities to a housing acceleration program. This framework consists of several steps:

- Subsection (1) articulates principles that LCDC must apply in implementation:
  - Increasing housing production;
  - Developing affordable and equitable housing;
  - Forming partnerships with cities and with other public bodies;

- Responding proportionately to housing underproduction;
  - Escalating enforcement to address persistent, repeated or deliberate noncompliance with housing production targets; and
  - Considering the availability of state resources to support housing production.
- Subsections (2) and (3) require DLCD to evaluate city progress and performance on production, affordability, and choice, and for cities that are underperforming, not completing HPS requirements by the deadline, or referred by an enforcement order, refer into the housing acceleration program.
- Subsections (4) and (5) requires DLCD to evaluate state and local barriers to housing production affordability and choice within six months. It outlines a variety of required factors the department must consider, such as local and state regulatory barriers, capacity, and resources. Additionally, it requires the agency to notify other public bodies and enables the agency to request concurrent OHCS review.
- Within six months of the audit being complete, subsection (6) requires DLCD and the city to enter a proportionate housing acceleration agreement informed by the audit. Subsection (7) requires the department to provide support and funding for implementation and assistance in pursuing other state or public funds. A city under this agreement falls onto one of two tracks:
  - Subsection (8) specifies that, if the factors affecting housing production are a consequence of policies/practices directly within a city’s control, the city must adopt an amended HPS within six months and actions within a year of HPS adoption.
  - Subsection (9) specifies that, for cities not required to amend their HPS, the city must adopt findings describing how the city addressed the audit’s findings and recommendations.
- Subsection (10) enables DLCD to grant narrow timeline extensions for good cause
- Subsection (11) specifies that this process and local actions are not land use decisions nor are subject to appeal or review
- Subsection (12) requires public bodies to assist cities and DLCD and ensure their rules or policies do not unduly delay implementation.

**SECTION 15 LCDC Enforcement Order Request:** Amends the statute on filing a request for an enforcement order (ORS 197.319) to allow DLCD to submit a request and for LCDC assign a hearings officer or administrative law judge more expeditiously for cases specific to Housing Accountability.

**SECTION 16 LCDC Enforcement Order Authority:** Amends the ‘enforcement order authority’ statute (ORS 197.320) to require LCDC to issue an enforcement order for cities with a population of 10,000 or greater that (paraphrased for brevity):

- Has a pattern or practice of violating housing-related statutes or implementing policies that create additional, unnecessary cost or delay to affordable or market-rate housing production;
- Has a pattern or practice of creating adverse disparate impacts to state or federal protected classes or inhibiting equitable access to housing choice;
- Has failed to enter into a housing acceleration agreement; or
- Has materially breached a term of a housing acceleration agreement, including a failure to meet the timeline for performance.

**SECTION 17 LCDC Enforcement Order Compliance:** Amends the enforcement order compliance statute (ORS 197.335) to specify the types of actions LCDC may take in an order, including requirements for a city to:

- Comply with the housing acceleration agreement.
- Take specific actions that are part of the city’s housing production strategy.
- Impose appropriate models that have been developed by department, including model ordinances, procedures, actions or anti-displacement measures.
- Reduce maximum timelines for review of needed housing or specific types of housing or affordability levels, including through ministerial approval or any other expedited existing approval process.
- Take specific actions to waive or amend local ordinances.
- Forfeit grant funds under subsection (4) of this section.

**SECTION 18 & 19 Effective Date:** Establishes an effective date of January 1, 2025 and enables DLCD and LCDC to take any necessary actions needed to exercise the duties and functions required for implementing the housing accountability framework.

### **Urbanization Outside of Metro (Sections 20-24)**

**SECTION 20 Statute Amendment:** Specifies the following sections are added to ORS 197.286 to 197.314.

**SECTION 20 Non-Metro City Buildable Lands:** Creates a distinct buildable lands statute (ORS 197.296) that is applicable to cities outside of the Portland Metro Region. Subsection (2) clarifies the schedule by which jurisdictions must complete Goal 10 planning, which is the same as the current rule: once every eight years for cities above 10,000 population. Subsection (2)(d) clarifies that small cities can, but are not required to, conduct Housing Capacity Analysis.

**SECTION 21 Buildable Lands:** Similar to the current buildable lands statute (ORS 197.296), with changes reflecting a shift in approach towards emphasizing housing production:

- Subsections (1) & (2) describe applicability and deadlines, which are substantially similar to current law (once every eight years as scheduled by the commission)
- Subsection (3) and (4) describes the parameters and requirements associated with inventorying and estimating the capacity of buildable lands. These parameters are primarily similar to current law, with a few amendments to reflect a shift in approach towards production.
  - Note: LCDC will adopt rules that articulate more “off the shelf” assumptions that cities can make about this subsection. This includes assumptions cities can make about the redevelopment ability of land and the effect of specific market or regulatory conditions on housing capacity.
- Subsection (5) requires that when a deficiency of buildable lands is identified a city must adopt a UGB amendment, ‘efficiency measures’, or a combination of both. A city may demonstrate ‘efficiency measures’ were already adopted as part of a previous HPS. This reflects the recognition of ‘efficiency measures’ as a type of housing production strategy.
- Subsection (6) outlines the parameters and assumptions a city must make associated with the adoption of ‘efficiency measures’. This reflects current statute.

**SECTION 17 Needed Housing:** Creates a separate “needed housing” statute for cities that is separate and distinct from Metro (ORS 197.303). The statute is similar but adjusted to use allocated housing need as the basis for 20-year need. It broadens the definition of “needed housing” to include middle housing and accessible housing. It also clarifies that cities determine housing type, characteristics, and locations based on the allocated need and must demonstrate that needed housing is:

- Attainable for the allocated housing need by income, including consideration of publicly supported housing;
- Appropriately responsive to current and projected market trends; and
- Responsive to the fair and equitable housing outcomes outlined in Section 28 (the HPS statute).

**SECTION 24 Priority Scheme Adjustments:** Makes minor revisions related to the priority scheme statute for cities outside the metro, acknowledges cities outside the metro can now adopt rural reserves, cities expanding a UGB can first prioritize urban reserves before prioritizing non-resource lands.

### **Metro Urbanization (Sections 25-27)**

**SECTION 25 Buildable Lands:** Modifies the “Buildable Lands” statute (ORS 197.296) to separate Metro and cities outside of the Metro. Metro will be required to estimate 20-year need in a manner similar to the OHNA, including incorporating consideration of the effect of second and vacation homes.

[Technical Note:](#) This statute retains a current inconsistency of the buildable lands statute (ORS 197.296). Subsections (6)-(9) requires Metro to adopt ‘efficiency measures’ on a finding of deficiency of lands, similar to cities. However, Metro does not have the same types of tools and actions available to cities that constitute ‘efficiency measures’. For example, Metro cannot upzone lands or allow a greater variety of housing types in response to a deficiency, because those are controlled by cities and counties.

**SECTION 26 Metro City Buildable Lands:** Updates the Metro city buildable land statute to reflect the recognition of ‘efficiency measures’ as a type of housing production strategy.

**SECTION 27 Needed Housing:** Modifies the “needed housing” statute (ORS 197.303) to only apply to Metro and removes cities outside of the Metro to a separate statute (Section 17). This statute is amended to align Metro’s determination of need and allocation process with the Oregon Housing Needs Analysis, including that Metro incorporate estimates of homelessness, underproduction, and second and vacation homes. It also requires that they estimate need by income and allocate this need to cities in a substantially similar manner as the OHNA.

### **Housing Production Strategies (Section 28-30)**

**SECTION 28 (1) & (2) Housing Production Strategy:** Adjusts statutes related to the Housing Production Strategy (ORS 197.290) to clarify the intent to further “housing choice for all’ and advance fair and equitable housing outcomes in statute. This includes planning for:

- The development of needed housing;
- The development and maintenance of housing that is of diverse housing types, high-quality, affordable and accessible;
- Housing with access to economic opportunities, services and amenities; and
- Affirmatively furthering fair housing (defined in subsection (9)).



**SECTION 28 (3) Actions in a Housing Production Strategy:** Clarifies actions that local governments can take to respond to identified housing need, promote housing production and overcome locally specific development barriers. In addition to the original provisions of the statute, this subsection further clarifies and articulates the types of actions that increase housing production, affordability, and choice. This includes ‘efficiency measures’ which were historically part of the buildable lands statute (ORS 197.296).

**SECTION 29 Conforming Amendments:** Sections 30 is added to and made a part of ORS 197.296 to 197.314.

**SECTION 30 Housing Coordination Strategy:** Establishes a Housing Coordination Strategy required for Metro and optional for other regional/county entities. This section recognizes a coordinating role that regional governments play in housing planning and outlines the actions and tools that could be included in a Housing Coordination Strategy. Subsection (4) outlines the following actions that may be included in a Housing Coordination Strategy:

- The identification or coordination of resources that support the production of needed housing, including funding, staff capacity or technical support at the regional or state level.
- The identification of local or regional impediments to developing needed housing, including financial, regulatory, or capacity related constraints.
- Regional strategies that coordinate production of needed housing between local governments within a region and that are developed in consultation with impacted local governments.
- The identification of specific actions that cities in the region may consider as part of a housing production under ORS 197.290.
- Any other actions identified by rule of the LCDC that may promote the quantity or quality of developed housing in the region.

Subsection (5) clarifies that the Housing Coordination Strategy does not implicate Metro’s Regional Growth Management decision. Subsection (6) & (7) mirror current provisions in the HPS document on required considerations and denoting the strategy is not a land use decision subject to appeal or review, except by DLCD under ORS 197.291.

[Technical note:](#) The purpose of this document is to describe the regional tools that Metro brings to the table to support production, affordability, and choice in recognition of the different regional tools that are available to Metro (and optionally, other regional entities). Subsection (5) clarifies that coordination strategy does not implicate the Metro growth management decision, including Metro’s assessment of buildable lands. Metro makes this determination once every six years under ORS 197.296, described earlier in this summary. This subsection does not prevent Metro from adopting a UGB amendment if a need is identified under ORS 197.296.

**SECTION 31 HPS Submittal and Review Process:** Subsections (1)-(7) outlines the Housing Production Strategy submittal and review process which are unchanged from the current statute. Subsection (8) enables LCDC to specify circumstances in which an action in an HPS is exempt from concurrent analyses related to transportation or economic development.

### **Urban and Rural Reserves (Sections 32-)**

**SECTION 32 Rural Reserves for non-Metro Cities:** Enables non-Metro jurisdictions to establish rural reserves. Subsection (4) clarifies that neither urban nor rural reserves have Measure 49 implications if

they do not create new restrictions on property use, nor do they affect “right to farm” laws that protect farm and forest activities.

**SECTION 33 Urban Reserves:** Amends the urban reserve statute mostly to clean up (“conform”) amendments. Subsection (4)(a) and (5) enables local governments to optionally establish urban reserves before pursuing a UGB amendment, rather than concurrently or after.

**SECTION 34:** Ensures that changes to the Rural and Urban Reserve statute will not affect existing urban or rural reserves or require a jurisdiction to recomplete the process.

### **Local Housing Reports (Sections 35-39)**

**SECTION 35. Reporting Requirements:** Moves reporting requirements specific to DLCDC to ORS Chapter 197 and focuses this statute on rent burden reporting and engagement under OHCS.

**SECTION 36 Conforming Amendments:** Moves sections 31 and 32 to ORS 197.286 to 197.314.

**SECTION 37 Reporting Requirements:** Subsection (1) moves the annual local permitting reporting requirement for cities above 10,000 population to ORS Chapter 197. Includes several refinements, including:

- Subsection (1)(a)(E) requires reporting of accessible units.
- Subsection (1)(b) clarifies that cities only need to report affordable housing that would not be captured on the OHCS affordable housing inventory.
- Subsections (2) & (3) requires DLCDC to report production data to OHCS and DAS.

**SECTION 38 Pre-HPS Survey:** Moves the pre-HPS survey requirement to Chapter 197. Makes minor timing modifications based on the housing capacity analysis deadline, rather than the housing production strategy.

**SECTION 39 Reporting Requirement Repealed:** ORS 197.178 – an outdated reporting requirement for quasi-judicial housing applications - is repealed.

### **Population Forecast (Sections 40-41)**

**SECTION 40 Population Forecast:** Modifies the population forecast statute to require the Population Research Center (PRC) to include projections by race/ethnicity, disability, and for tribal lands. It also enables DLCDC to fund PRC to complete this work from appropriations other than DLCDC’s general grant funding.

**SECTION 41 Metro Population Forecast:** Modifies the population forecast statute to require Metro to include projections by race/ethnicity and disability.

### **Non-OHNA Policies (Sections 42-70)**

This memorandum does not include a summary of other policies that are unrelated to the implementation of the Oregon Housing Needs Analysis.

### **Conforming Amendments (Sections 71-104)**

**Sections 71-104 Conforming Amendments:** Conforms statutory language with the policy changes above.