OREGON
Department of Land Conservation & Development

Senate Bill 1537 Guidance

(Updated August 25, 2025)

Senate Bill 1537 Background

Senate Bill 1537 (SB 1537 or the bill) was adopted by the Oregon State Legislature in 2024 and signed into law on May 6, 2024. The bill offers a menu of tools that will provide the support needed to ease Oregon's housing and homelessness crisis and help communities thrive. In conjunction with other bills (the package) and investments made during the 2024 legislative session, the bill will make meaningful progress in addressing the current housing shortage while preserving Oregon's land use system and ensuring strong environmental protections. The package establishes the Housing Accountability and Production Office (HAPO or the office), which will be run by the Department of Land Conservation and Development (DLCD) and Department of Consumer and Business Services (DCBS) Building Codes Division (BCD). The office will facilitate and support housing production by assisting local governments and housing developers in understanding and applying state housing laws related to land use, the state building code, and related permitting. Additionally, the office will coordinate state agencies involved in housing development to overcome housing production barriers. This office must be operational by July 1, 2025.

In addition to the HAPO, the bill includes policies and investments to boost housing production statewide, including:

1. Reducing regulatory and procedural barriers to housing production through a mix of limited duration and permanent measures.
2. Providing qualifying local governments a one-time option to add or exchange land to an urban growth boundary through an expedited process to build affordable and market-rate housing.
3. Allocating funding and loans to support housing focused infrastructure development, land acquisition for housing development, and low- and moderate-income housing development.

Guidance

DLCD and HAPO staff have received a significant number of questions regarding SB 1537, such as how cities can best prepare to comply with the law and take advantage of options available. Below are answers to commonly asked questions that fall under the purview of DLCD.

If you find that you have a question that has not been addressed in this document, please reach out to DLCD staff at housing.dlcd@dlcd.oregon.gov or HAPO staff at HAPO.DLCD@dlcd.oregon.gov. To stay apprised of updates pertaining to HAPO or funding availability, please sign up to DLCD's Housing GovDelivery.

Additionally, the guidance provided in this document represents DLCD and HAPO staff's best understanding of statute and is not intended to provide definitive legal interpretation, advice, or guidance. For such questions, DLCD and the HAPO advise consulting legal counsel.

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Sections 1 – 7, Housing Accountability and Production Office (HAPO)

Effective date: June 7, 2024 | Operative date: July 1, 2025 | Sunset date: N/A

Question 1: What is the Housing Accountability and Production Office?

Answer: *The Housing Accountability and Production Office is a joint office between the Department of Land Conservation and Development and the Building Codes Division of the Department of Consumer and Business Services. SB 1537 directs DLCD and BCD to establish a joint office that is operational by July 1, 2025. More information on HAPO is available for review on DLCD's website.*

Question 2: What is HAPO's function and duties?

Answer: *HAPO's specific duties are outlined in Section 1 (2) of SB 1537, which breaks down to three primary functions. The office:*

1. *Serves as a resource for local governments and housing developers in complying with state housing laws and reducing barriers to the development of housing. This includes technical and financial assistance, guidance, mediation, and investigation of complaints submitted to the office. The office may pursue an enforcement action on a found violation of state housing law where voluntary remedies to identified violations are not taken.*
2. *Coordinates various state agency policies, programs, and funding related to housing production.*
3. *Produces studies, research, guidance, and best practices to reduce barriers to housing production. This includes studies on relevant state and local barriers to production, the provision of model codes, and the development of 'ready-build' plans.*

Question 3: *What are "housing l*aws"?

Answer: *SB 1537 defines specific statutes as "housing laws" under the authority of HAPO in Section 1 (5)(a). In short, 'housing laws' are a subset of land use and building code statutes and associated administrative rules that apply to local governments and relate to housing development or the permitting or division of land for housing. The HAPO will prepare a more comprehensive overview of "housing laws" related to land use planning (not including state building code) in the coming months.*

"Housing laws" do not comprehensively include all laws related to housing. As an example, long-range planning responsibilities under Goal 10 and Goal 14, including the Oregon Housing Needs Analysis, are not encompassed under the definition of "housing law" but remain a local statutory obligation. Other examples of laws related to housing that are not encompassed in this definition include landlord/tenant law, fair housing law, condominium law, or affordable housing financing.

"(a) 'Housing law' means ORS chapter 197A and ORS 92.010 to 92.192, 92.830 to 92.845, 197.360 to 197.380, 197.475 to 197.493, 197.505 to 197.540, 197.660 to 197.670, 197.748, 215.402 to 215.438, 227.160 to 227.186, 455.148, 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170, 455.175, 455.180, 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220, 455.465, 455.467, and administrative rules implementing those laws, to the extent that the law or rule imposes a mandatory duty on a local government or its officers, employees or agents and the application of the law or rule applies to residential development or pertains to a permit for a residential use or a division of land for residential purposes."

Question 4: Will HAPO take enforcement actions against cities that violate state housing laws?

Answer: *HAPO is directed to prioritize providing technical assistance, mediation, and remedies to support and incentivize voluntary local compliance with state housing laws. The office is also authorized and directed to utilize certain enforcement tools where a violation is identified and after a local government does not take action to remedy the violation. The HAPO is committed to developing consistent internal procedures in coordination with local governments to ensure the use of enforcement tools are clear and consistent.*

Where HAPO is authorized to pursue an enforcement-related action, the office may:

1. *Initiate a request for an enforcement order of the Land Conservation and Development Commission.*
2. *Seek a court order against a local government under ORS 455.160 (3) related to timely building code inspections and plan reviews.*
3. *Participate in and seek review of a land use decision that pertains to housing laws*
4. *Apply to a circuit court for an order compelling compliance with any housing law, except for matters under the exclusive jurisdiction of the Land Use Board of Appeals.*

Question 5: When will HAPO be operational and reviewing local development ordinances?

Answer: *HAPO is required to be operative and ready to review complaints of potential violations on July 1, 2025. BCD and DLCD are allowed under the bill to take actions before the operative date necessary to set up the office, such as hiring staff, procurement of services, convening implementing partners, internal and operational work, or distributing technical assistance funding to local governments.*

Question 6: What types of resources will HAPO provide?

Answer: *The office is directed to provide a range of financial and technical assistance to local governments and housing developers, including:*

1. *Financial and consultant support to support local compliance with state housing laws.*
2. *Guidance to local staff on the applicability of housing laws to the development process.*
3. *Technical and best practices resources to reduce barriers to housing production, such as model land use codes, ready-build plans, and research.*
4. *Coordination with other state agencies to identify and direct policies, programs, and funding to reduce barriers to housing production.*

Question 7: If a local government identifies a housing-related code issue, are there funding resources available to help fix it?

Answer: *Yes. The HAPO – through DLCD – was appropriated $4 million in local planning assistance funding to support any needed land use or zoning code work. This money is appropriated to a distinct fund that extends beyond the current biennium, past June 30, 2025, if necessary. The department will be requesting additional resources to recapitalize this fund for the 2025-2027 biennium. The HAPO is currently working with its procurement team to establish a process where local governments can formally request funding for code work. To stay apprised of future updates on funding availability, please keep in touch with your DLCD Regional Representative.*

Question 8: Will HAPO develop and distribute resources other than technical and funding assistance, such as model codes?

> ***Answer:*** *Yes, HAPO has general direction to develop model land use codes and "ready-build" plans to support local implementation of housing laws. Additionally, DLCD has direction and appropriation to develop specific model ordinances under a separate bill – which must be complete by January 1, 2026.*

Question 9: What is the role of the Building Codes Division (BCD) in the HAPO office?

> ***Answer:*** *BCD will staff the office by providing expertise and customer service in the administration of building code as it relates to housing development. Additionally, BCD will coordinate with DLCD via HAPO on issues where land use and building codes intersect, such as in the development of "ready-build" housing plans.*

Question 10: Does HAPO review local Goal 10 requirements, including Housing Capacity Analyses (HCAs) and Housing Production Strategies (HPS)?

> ***Answer:*** *No. HAPO's directed focus is on the application of housing laws to the development of housing. In relationship to land use planning, the office will primarily focus on local development review and its relationship with statute and administrative rule. The Land Conservation and Development Commission (LCDC) and the DLCD Housing Division maintain authority over Goal 10 implementation, including Housing Capacity Analyses and Housing Production Strategies*

Question 11: Will HAPO refer or audit cities that are referred into the housing acceleration program[1] under the Oregon Housing Needs Analysis policy (HB 2001/2889; 2023 Session)?

> ***Answer:*** *No. The HAPO is statutorily prohibited from utilizing the authority of DLCD in implementing the Housing Acceleration Program. While HAPO may be able to provide code support and expertise where warranted, the responsibility for conducting audits under the Housing Acceleration Program will remain the responsibility of the DLCD Housing Division.*

[1] To learn more about the housing acceleration program, please visit DLCD's House Bill 2001 Rulemaking webpage.

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Sections 8 – 9, Opting into Amended Housing Regulations – the "Goal-Post Rule"

Operative date: June 7, 2024 | Sunset date: N/A

Question 12: What is the "goal-post rule"?

Answer: *State law sets parameters and timelines on the local review of housing. ORS 227.178 for cities and ORS 215.427 for counties outline the requirements and timelines that cities and counties must follow when reviewing applications for permits, limited land use decisions, or zone changes. One component of this statute is the goal-post rule, which clarifies that the city or county must apply the standards and criteria that were applicable when an application was first submitted.*

Question 13: How does SB 1537 change the goal-post rule?

Answer: *SB 1537 amends the goal-post rule to enable an applicant for the development of housing to "opt in" to new standards adopted by a city or county that were adopted after the applicant submitted an application. This enables an applicant to apply a city or county's new development standards and criteria if they choose to, without having to withdraw and resubmit their application.*

The goal-post rule is otherwise unchanged by SB 1537.

Question 14: What types of applications does this change apply to? Does it apply to building permits?

Answer: *This change applies to all permits and zone changes under ORS 227.175 and 215.427. It does not apply to building permits or other types of applications that are unaffected by the goal-post and 120-day rules set forth by these statutes.*

Question 15: How does this change affect statutory timelines for reviewing land use applications?

Answer: *An applicant may submit a request to apply newly adopted standards to a land use application any time after application submittal up to the issuance of public notice of the application. If an applicant requests to opt into newly adopted standards, the application would be deemed automatically incomplete and the timelines for completeness review and final decisions restart as if a new application were submitted.*

Question 16: What additional information would an applicant need to provide for completeness under the new criteria?

Answer: *The city or county determines what additional information, if any, is necessary to review the application under the newly applicable criteria. This process follows the typical completeness process, in which a city or county either deems an application complete or notifies the applicant in writing what information is missing and needed to render a decision.*

Question 17: Can a city or county deny this request?

Answer: *A city or county may deny this request if the city has issued public notice of the application or if the applicant had previously requested to opt into newly applicable standards for a given application. Otherwise, a city or county is required to accommodate the request.*

Question 18: Can the city or county charge the applicant a second fee if they make a request?

Answer: *The city or county may not require the applicant to pay a fee, except to cover additional costs incurred by the city to accommodate the request. This means a city or county can charge for additional*

staff time or resources spent reviewing the application under the new standards but would not be permitted to simply charge the same fee twice if that did not reflect the cost incurred for review.

Question 19: Can the city or county require the applicant submit new application submittal materials?

Answer: *The city or county may require the applicant to provide additional information needed to render a decision under the new standards. This could include information resubmittal if the change affects the entire application, or the information is needed to understand the change in context. However, the city may not otherwise require the applicant submit an entirely new application or duplicative information.*

Question 20: If the city or county requires certain processes or hearings for a given application, can they require these to be repeated by the applicant?

Answer: *The city or county may not require an applicant to repeat processes or hearings that are inapplicable to the change in standards or criteria.*

Question 21: Does a city or county need to notify an applicant of a change in regulations applied during the pendency of their application?

Answer: *There is nothing in the statute requiring nor prohibiting notification to the applicant. The only notification requirements that would apply are those that apply to land use regulations generally (e.g., Measure 56).*

Section 10, Attorney Fees

Operative date: June 7, 2024 | Sunset date: N/A

Question 22: What are attorney fees under SB 1537?

Answer: *Attorney fees are costs awarded to a prevailing party or parties on appeal. Attorney fees include legal costs incurred by the party or parties. This includes prelitigation legal expenses incurred by the prevailing party or parties, including land use application preparation and processing expenses as well as costs to support the application in local land use hearings or proceedings.*

Prior to SB 1537, state law required the Land Use Board of Appeals (LUBA) to award attorney fees to applicants of affordable housing development, if that applicant appealed a denial by a local government and LUBA reversed the decision. SB 1537 expands this to award attorney fees to both applicants of housing development and to local governments in certain circumstances.

Question 23: Who awards, who is awarded, and who pays attorney fees under SB 1537?

Answer: *SB 1537 requires LUBA to award attorney fees to the following parties:*

1. (Existing policy) – Applicants for the development of affordable or publicly-supported housing, if LUBA reverses a local quasi-judicial land use decision denying the application. The local government would pay the attorney fees to the applicant.
2. (New under SB 1537) – Applicants for the development of housing that was approved by a local government if LUBA affirms the decision. The petitioner would pay the attorney fees to the applicant.
3. (New under SB 1537) – The local government that approves a quasi-judicial land use decision for the development of housing if LUBA affirms the decision. The petitioner would pay the attorney fees to the local government.

Note: LUBA is directed to award attorney fees for both affordable and non-affordable housing within urban growth boundaries (UGBs). Only affordable housing is eligible for attorney fees outside of a UGB. LUBA would not award attorney fees for other kinds of housing outside of a UGB.

LUBA procedure for appeals (OAR 661-010-0075) outlines the process and parameters for awarding attorney fees.

Question 24: Would a local government be required to pay attorney fees to an applicant for housing under SB 1537?

Answer: *SB 1537 does not introduce new requirements for local governments to pay attorney fees to an applicant for housing. Under existing state law prior to SB 1537, local governments can be required to pay attorney fees to an applicant for the development of affordable or publicly-supported housing if the local government denies the application and the applicant prevails on appeal.*

Local governments would not be required to pay attorney fees to applicants for non-affordable housing if the local government denies the application and the applicant prevails on appeal. Attorney fees would only be awarded to both the applicant and local government if the local government approves the application, the decision is appealed, and LUBA affirms the decision.

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Sections 37 – 43, Housing Land Use Adjustments

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

Question 25: What is an adjustment?

Answer: *An adjustment is a deviation from an existing land use regulation.*

An adjustment does not include:

1. *Use of a property that is otherwise not allowed in a zone.*
2. *Deviations to standards related to:*

Accessibility	*Local tree codes*
Affordability	*Hazardous/contaminated site clean-up*
Fire ingress/egress	*Wildlife protection*
Safety	

Statewide land use planning goals related to natural resources, natural hazards, the Willamette River Greenway, estuarine resources, coastal shorelands, beaches and dunes, or ocean resources

3. *A complete waiver of land use regulations or changes beyond explicitly requested and allowed adjustments.*
4. *Deviations to requirements related to fire or building codes, federal or state air, water quality or surface, ground or stormwater requirements, or requirements of any federal, state or local law other than a land use regulation.*

Question 26: What does SB 1537 require related to adjustments?

Answer: *SB 1537 requires local governments grant adjustments to specific development and design standards applied to the development of housing if the application meets certain conditions.*

Question 27: What types of housing applications are eligible for adjustments?

Answer: *Section 38 (2) (a) through (g) outline all of the conditions that must be met to be eligible for an adjustment:*

(a) The application is for a building permit or quasi-judicial, limited, or ministerial land use decision
(b) The development is on lands zoned to allow for residential or mixed-use residential uses
(c) The development meets minimum net densities articulated in Section 55 (3)(a)(C):
- *(A) 17 du/ac in the Metro UGB*
- *(B) 10 du/ac in cities of 30,000 population or more (not in the Metro UGB)*
- *(C) 6 du/ac in cities of 2,500 population or more (not in the Metro UGB)*
- *(D) 5 du/ac in cities less than 2,500 population (not in the Metro UGB)*

(d) The development is within an urban growth boundary, not including unincorporated lands
(e) The development is of net new housing units, including single-family, multifamily, mixed-use, manufactured home parks, accessory dwellings, or middle housing
(f) The application requests no more than 10 distinct adjustments, and
(g) The application states how at least one of the following criteria applies:
- *(A) The adjustment makes housing development feasible when it otherwise would not be*
- *(B) The adjustment reduces the sale/rental price per unit*
- *(C) The adjustment will increase the number of units in the application*
- *(D) All units are subject to an affordable housing covenant to be affordable to moderate income (80-120% Median Family Income) households for at least 30 years*

(E) 20% of units are subject to an affordable housing covenant to be affordable to low-income households (80% Median Family Income) for at least 60 years

(F) The adjustment enables the provision of accessibility or visitability features that would not otherwise be feasible

(G) The units are subject to a zero equity, limited equity, or shared equity ownership model making them affordable to moderate income households for 90 years.

Question 28: Are counties required to grant adjustments on unincorporated lands?

Answer: *No. Applications are only eligible for adjustments on lands within a UGB and annexed to a city.*

Question 29: What procedure must a local government use to process adjustment requests?

Answer: *Adjustments made under this statute are limited land use decisions (see Limited Land Use Decision section below on page 16 for more detail). A city may use an existing process or develop and apply a new process that complies with the requirements of statute.*

Question 30: What counts as a distinct adjustment?

Answer: *A distinct adjustment is an adjustment to one of the development or design standards listed in Section 58 (4) or (5) where each discrete adjustment to a listed development or design standard that includes multiple component standards must be counted as an individual adjustment.*

For example, if an applicant requested an adjustment to "roof forms and materials" (Section 38 (5)(c)), including an adjustment to both the form and the material the roof, that adjustment would count as one distinct adjustment.

As another illustrating example, if an applicant requested an adjustment to "Side or rear setbacks, for an adjustment of not more than 10 percent" (Section 38 (4)(a)) for multiple lots in a subdivision, this would count as one distinct adjustment.

Question 31: Is "net residential density" defined?

Answer: *Yes. The bill requires a specific number of "units per net residential acre" to qualify for an adjustment based on city population size. A "net residential acre" means an acre of residentially designated buildable land, not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints.*

Question 32: What evidence must be submitted to demonstrate Section (2) (a) through (g) are met? How would a local government verify the conditions in the statute sufficient for an approval or denial?

Answer: *The applicant must submit information demonstrating that the criteria in Section (2) (a) through (g) are met. If the applicant fails to include this information, a local government may deny the request for adjustment, with findings related to how the criteria are or are not met. For the following standards, this includes:*

(a) A narrative confirmation that the application is for a building permit or a quasi-judicial, limited or ministerial land use decision.

(b) A narrative confirmation that the development is on lands zoned to allow for residential uses, including mixed-use residential uses.

(c) A narrative and corroborating site information demonstrating that the development proposal, in total on the site, meets the minimum net residential densities of Section 55 (3)(a)(C).

(d) A narrative confirming that the development is both within an urban growth boundary and annexed to a city.

(e) A narrative and corroborating site information confirming that the development will create net new housing units that include:

- *(A) Single-family or multifamily*
- *(B) Mixed-use residential where at least 75 percent of the developed floor area will be used for residential uses*
- *(C) Manufactured dwelling parks*
- *(D) Accessory dwelling units, or*
- *(E) Middle housing as defined in ORS 197A.420*

(f) A narrative confirming that the total requested adjustments do not exceed 10 distinct adjustments (see question above for what counts as a 'distinct adjustment')

(g) A narrative that states how one of the following criteria apply:

- *(A) The adjustment makes housing development feasible when it otherwise would not be*
- *(B) The adjustment reduces the sale/rental price per unit*
- *(C) The adjustment will increase the number of units in the application*
- *(D) All units are subject to an affordable housing covenant to be affordable to moderate income (80-120% Median Family Income) households for at least 30 years*
- *(E) 20% of units are subject to an affordable housing covenant to be affordable to low-income households (≤80% Median Family Income) for at least 60 years*
- *(F) The adjustment enables the provision of accessibility or visitability features that would not otherwise be feasible, or*
- *(G) The units are subject to a zero equity, limited equity, or shared equity ownership model making them affordable to moderate income households for 90 years.*

Question 33: Can a local government apply a condition(s) of approval to ensure that the requirements of Section 38 (a) through (g) (outlined in question 27) are met?

Answer: *There is nothing in statute prohibiting a local government from applying conditions of approval under the mandatory adjustment section necessary to ensure the development proposal complies with the conditions outlined in Section 38 (a) through (g) that qualify an application for adjustments.*

With that said, a local government is limited in requiring anything beyond what is authorized in statute. Additionally, any condition of approval must be clear and objective, similar to any other condition of approval applied to the development of housing.

Question 34: Does a local government need to amend their development codes to incorporate these provisions? Is adoption by reference sufficient?

***Answer**: A local government may adopt conforming amendments to implement Section 38 by reference or apply the statute directly for adjustment requests. THE HAPO does not recommend updating codes implementing this section, given that the provision will sunset in 2032.*

Question 35: Will HAPO prepare a model code or set of standards local governments can apply to implement Section 38?

Answer: *There are no specific plans yet for HAPO to produce a model set of standards. This may change once HAPO staff are onboarded.*

Question 36: Is there a process for requesting an exemption to Section 38?

Answer: *Yes, the statute enables HAPO to grant an exemption to this section if a local government meets certain requirements. The local government must demonstrate:*

1. *The local government has a process or processes by which all of the listed development and design adjustments may be granted, and*
2. *The local government either:*
    a. *Has granted 90% of all requested adjustments in the last 5 years, or*
    b. *Has a flexible development process that can accommodate specific project needs, as demonstrated by housing developer testimonials*

HAPO must open a public comment period for at least 45 days and provide a final decision on an exemption within 120 days of receiving the application from a local government. This decision may not be appealed. This decision may include specific conditions of approval necessary to conform with the statutory requirements and may be revoked if HAPO finds that the local government is violating the terms of the exemption or otherwise engaging in a pattern or practice of creating unreasonable cost or delay to housing production.

Question 37: How would a local government prepare & submit an application? Is there a guidance document available for this?

Answer (updated response): *The HAPO published a guidance document with instructions for local governments seeking to apply for exemptions or time extensions for both limited land use decisions and housing land use adjustments. Additionally, the Office published a dashboard that tracks the status of mandatory adjustments, including submitted exemption requests.*

To stay apprised of submitted exemption requests, please sign up to DLCD's Housing GovDelivery.

Question 38: When can a local government submit an application for an exemption?

Answer (updated response): *Exemption requests may be submitted to the HAPO at any time until the sunset date of the bill. Once submitted, the HAPO will have a 120-day period to prepare a final order. Additionally, the office must open a 45-day public comment period for a submitted request.*

Question 39: Will a local government be required to grant adjustments through the state process until the exemption decision is made?

Answer (updated response): *During the pendency of an exemption application submitted to HAPO, the adjustment requirements under section 38, SB 1537 do not apply to a local government. The local government must apply the local adjustment process or processes in lieu of section 38.*

Questions about specific adjustments in Section 38 (4) and (5)

Question 40: What specific development and design standards can an applicant request an adjustment to?

> ***Answer:*** *Section 58 (4) & (5) outline the specific development and design standards that local governments must grant adjustments to. For convenience, they are copied below in* ***bold text****. Questions about specific development & design standards are included with the standards.*

Development Standards – Section 38 (4)

(4) A local government shall grant an adjustment to the following development standards:

(a) Side or rear setbacks, for an adjustment of not more than 10 percent.

Question 41: How are adjustments reconciled with middle housing dimensional standards, set forth in Chapter 660, Division 046?

> ***Answer:*** *Local governments are required to grant adjustments to the dimensional standard adjustments included in Sections (4) and (5) to middle housing. The statute supersedes administrative rule parameters related to dimensional standards for middle housing.*

(b) For an individual development project, the common area, open space or area that must be landscaped on the same lot or parcel as the proposed housing, for a reduction of not more than 25 percent.

Question 42: Our city applies multiple types of common/landscape/open space standards. Can an applicant ask for a 25% adjustment for each? Does this count as one or multiple 'distinct adjustments'

> ***Answer:*** *Yes, an applicant may request a 25% adjustment for each standard that falls under this category. It counts as one 'distinct adjustment'*

(c) Parking minimums.

Question 43: Does the parking adjustment have a specified level of adjustment?

> ***Answer:*** *The statute enables a request for a full adjustment to minimum parking requirements.*

Question 44: Do parking minimums as a by-right adjustment also include the provisions for EV charging spaces?

> ***Answer:*** *While this provision enables an adjustment to minimum required parking spaces, it does not enable an adjustment to a standard that requires a proportion of provided parking spaces to include EV charging capabilities.*

(d) Minimum lot sizes, not more than a 10 percent adjustment, and including not more than a 10 percent adjustment to lot widths or depths.

(e) Maximum lot sizes, not more than a 10 percent adjustment, including not more than a 10 percent adjustment to lot width or depths and only if the adjustment results in:

(A) More dwelling units than would be allowed without the adjustment; and

(B) No reduction in density below the minimum applicable density.

(f) Building lot coverage requirements for up to a 10 percent adjustment.

(g) For manufactured dwelling parks, middle housing as defined in ORS 197A.420, multifamily housing and mixed-use residential housing:

(A) Requirements for bicycle parking that establish:

(i) The minimum number of spaces for use by the residents of the project, provided the application includes at least one-half space per residential unit; or

(ii) The location of the spaces, provided that lockable, covered bicycle parking spaces are within or adjacent to the residential development;

(B) For uses other than cottage clusters, as defined in ORS 197A.420 (1)(c)(D), building height maximums that:

(i) Are in addition to existing applicable height bonuses, if any; and

(ii) Are not more than an increase of the greater of:

(I) One story; or

(II) A 20 percent increase to base zone height with rounding consistent with methodology outlined in city code, if any;

Question 45: If a local government applies a height bonus, an applicant requests a height adjustment in addition to this bonus, and the combined results in an increase greater than one story, is that acceptable?

Answer: *It can be if the height does not result in more than a 20% increase to the base zone height. If the request results in a height that exceeds 20% the base zone height, it would not be eligible for an adjustment.*

***[Clarification after initial publication]*:** *Nothing in this provision prevents an applicant from requesting one story in addition to an existing height bonus, which is not contingent on the base zone height.*

(C) Unit density maximums, not more than an amount necessary to account for other adjustments under this section; and

Question 46: What does 'not more than an amount necessary to account for other adjustments' mean? Provide an example.

Answer*: This means that maximum densities cannot be fully waived, but they can be adjusted to accommodate other adjustments herein that increase density. For example, if an applicant requests an adjustment to minimum lot size that increase the density of the proposal, the applicant may also request an adjustment to unit density maximums to accommodate that change, if the unit density would otherwise prohibit the adjusted lot sizes.*

(D) Prohibitions, for the ground floor of a mixed-use building, against:

(i) Residential uses except for one face of the building that faces the street and is within 20 feet of the street; and

(ii) Nonresidential active uses that support the residential uses of the building, including lobbies, day care, passenger loading, community rooms, exercise facilities, offices, activity spaces or live-work spaces, except for active uses in

specifically and clearly defined mixed use areas or commercial corridors designated by local governments.

Question 47: Our mixed-use zone requires that X% of the ground floor of a mixed-use building must be commercial. Does this provision enable an adjustment to this standard?

Answer: *Yes. These provisions enable an adjustment to allow either residential uses or nonresidential active uses on the ground floor instead of commercial uses, with limitations outlined in the statutory language above.*

Question 48: What areas are included in "specifically and clearly defined mixed use areas or commercial corridors designated by local governments"?

Answer: *These include mixed use main streets, centers, and corridors designated by local governments in a comprehensive plan, zoning district, or overlay zone. Examples include Centers and Corridors in Metro's Regional Framework Plan, Climate-Friendly Areas, or 'Main Streets'/'Downtown'-type zones and areas included in a local government's comprehensive plan.*

Question 49: Does (D)(ii) exempt Metro Regional Centers from adjustments to prohibitions on residential or nonresidential active uses?

Answer: *Local governments do not need to grant adjustments to restrictions on nonresidential active uses supporting residential uses in Metro Regional Centers and Corridors. They would still need to grant adjustments to prohibitions for ground floor residential uses, except for one face of a mixed use building that faces the street and is within 20 feet of the street, within these areas, as described in (D)(i).*

Design Standards – Section 38 (5)

(5) A local government shall grant an adjustment to design standards that regulate:

(a) Facade materials, color or pattern.

(b) Facade articulation.

(c) Roof forms and materials.

(d) Entry and garage door materials.

(e) Garage door orientation, unless the building is adjacent to or across from a school or public park.

Question 50: What does "orientation" include? Does it distinguish between the direction a garage faces or the proportion of facade that comprises a garage?

Answer: *Garage door orientation includes any standard related to the physical position or direction of the garage. This includes directional requirements (e.g. street- or alley-facing requirements) and positional requirements (e.g. primary structure requirements). It would not encompass standards related to the proportion of a façade containing a garage.*

(f) Window materials, except for bird-safe glazing requirements.

(g) Total window area, for up to a 30 percent adjustment, provided the application includes at least 12 percent of the total facade as window area.

(h) For manufactured dwelling parks, middle housing as defined in ORS 197A.420, multifamily housing and mixed-use residential:

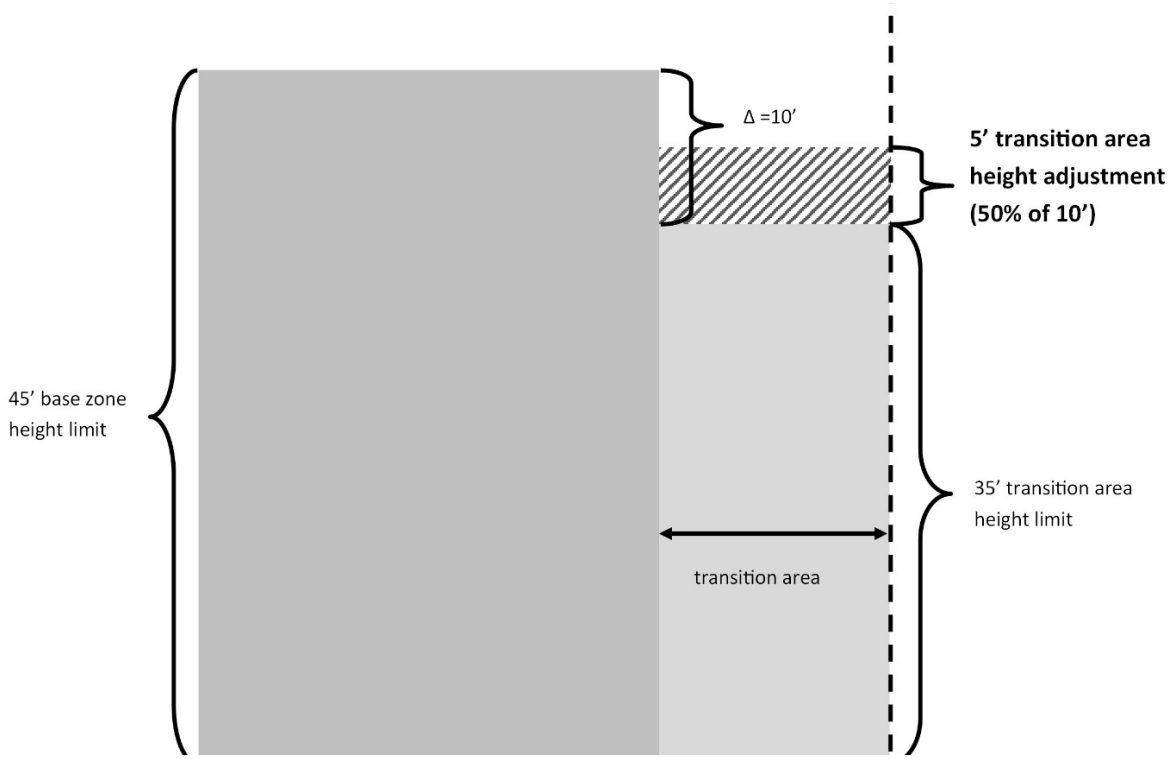
(A) Building orientation requirements, not including transit street orientation requirements.

(B) Building height transition requirements, not more than a 50 percent adjustment from the base zone.

Question (raised after initial publication): What does a "50 percent adjustment from the base zone" mean in context of a building height transition requirement? What should the 50 percent calculation be based on?

Answer: *For the purposes of calculating a 50 percent adjustment, the adjustment would be the delta between the height maximum and the lowest point of the height transition.*

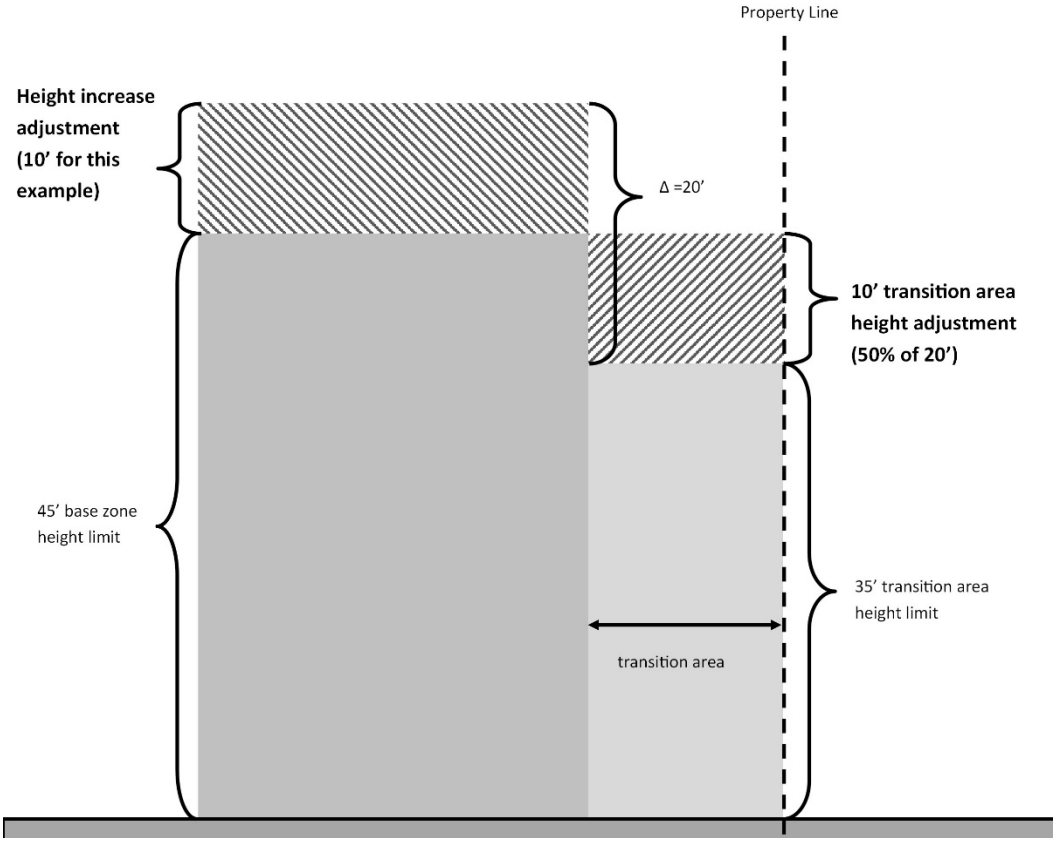
For example, if a base zone required a reduction from a height maximum of 45 feet to 35 feet within a specified distance from a property line (i.e. a 10-foot delta between the highest and lowest point), the applicant may request this step down be adjusted from 35 feet to no greater than 40 feet (i.e. a 5-foot delta). See the diagram below illustrating the adjustment.



In a similar example, if a city applied a requirement for a building to fit within an 45-degree plane from a height maximum of 35 feet down to a terminus of 15 feet at the property line (i.e. a 20-foot delta between the highest and lowest point), the city must allow an adjustment to adjust the terminus from 15 feet to no greater than 25 feet (i.e. a 10-foot delta between the highest and lowest point).

Question (raised after initial publication): How does this interact with the height bonus in section 38 (4)(g)(B)?

Answer: *The height bonus increases the height maximum, which therefore increases the delta between the highest and lowest point of the height transition and should be incorporated in the adjustment. For example, if a base zone required a reduction from a height maximum of 45 feet to 35 feet within a specified distance from a property line (i.e. a 20-foot delta between the highest and lowest point), and the applicant requested a height bonus bringing the maximum to 55 feet, the applicant may request the step down be adjusted from 35 feet to 45 feet (i.e. a 10-foot delta). See the diagram below illustrating the adjustment.*



Question (raised after initial publication): Does this apply to building height transition requirements applied through an overlay zone, even if the base zone does not contain a height transition requirement?

***Answer*:** *This requirement does not apply to height transition requirements established through an overlay zone. It only applies to height transition requirements applied via the base zone.*

(C) Requirements for balconies and porches.

Question 51: Our city's code requirements for balconies and porches relate to open space requirement (a balcony can satisfy a private open space requirement). How would adjustments work in this instance?

Answer: *An applicant could request a distinct adjustment to either the open space standard, the balcony/porch requirement, or both if the request does not exceed ten distinct adjustments.*

(D) Requirements for recesses and offsets.

OREGON
Department of Land Conservation & Development

Sections 44 – 47, Limited Land Use Decisions

Operative date: January 1, 2025 | Sunset date: N/A

Question 52: What are limited land use decisions?

Answer: *Limited land use decisions are a kind of land use decision that utilizes an administrative review process outlined by a local government within certain parameters outlined in ORS 197.195. Limited land use decisions provide notice and opportunity for written comments, and final decisions are accompanied with staff findings explaining the criteria or standards related to the decision. Local governments may provide for a local hearing on appeal of a limited land use decision. Often, local governments conform with limited land use decision statute by applying a '"Type II" or "administrative" process where the final decision is rendered at the staff level, with an opportunity to appeal to a hearings officer or planning commission.*

Question 53: How does SB 1537 change limited land use decisions?

Answer: *SB 1537 makes two substantive changes to the limited land use statute:*

1. *It adds three new types of applications to the statute: replats, property line adjustments, and extensions, alterations, or expansions of a nonconforming use.*
   Note: Tentative subdivision or partition plans and site/design review for outright permitted uses are already included as types of limited land use decisions.
2. *It requires cities to apply limited land use procedures to all of these application types, except a city may instead alternatively apply a ministerial process (e.g. Type I or plan check).*

Question 54: What review processes are allowed for review of limited land use decisions?

Answer [updated as of August 2025]: *HAPO staff understands the amendments to allow cities to continue to use the existing procedures in their land use ordinances. The amended ORS 197.195(6) directs a city to use only the procedures in this section to review of limited land use decisions. The reference to "this section" includes ORS 197.195(3)(a), which directs cities and counties to use the review procedures in its acknowledged comprehensive plan. It was understood that the legislative intent of this provision was to require administrative review of limited land use decisions. However, the amendments do not appear to preclude a city from applying its existing review procedures.*

The amendments in ORS 197.195(6) mention only cities. County government procedures are not affected.

Question 55: ***[deleted]***

Question 56: Our city already applies an administrative process to these application types. Do we need to change anything?

Answer: *A city may continue applying either a process that conforms with the limited land use decision statute or a ministerial process. ORS 197.195(6) now specifically allows a city to use a ministerial process for review of a limited land use decision where the decision is made under land use standards that do not require interpretation or the exercise of policy or legal judgment.*

Question (raised after initial publication; updated August 2025): Will there be future legislative changes to the limited land use decision statute?

Answer: *The subject of land use review procedures for residential development may be revisited by the legislature. HAPO understood the legislative intent of amendments to ORS 197.195(6) to require administrative review for applications to reduce barriers to housing production. There may be future legislative efforts to amend these statues consistent with that intent.*

Notwithstanding future legislation, there are good reasons why a local government should evaluate its land use review procedures. Amending review procedures helps address housing affordability and production goals in the near term. For residential development, ORS 197A.400 requires a local government adopt and apply only clear and objective standards, conditions and procedures. A quasi-judicial review involving a hearing would be superfluous since public comment and deliberation aren't needed to determine if the approval standards are met. It's suggested that residential development, including land division and design review, not involve more than a Type II review, and reviews that don't involve interpretation or the exercise of policy or legal judgment can be a Type I or ministerial permit review.

Question 57 and 58: ***[deleted]***

Question 59: Is there a process for requesting an exemption to this change?

Answer: *Yes, the statute enables HAPO to grant a limited exemption or time extension if a local government demonstrates a substantial hardship resulting from increased costs or staff capacity needed to implement the limited land use procedures in SB 1537.*

Question 60: How would a local government prepare and submit an application? Is there a guidance document available for this?

Answer: *The HAPO published a guidance document with instructions for local governments seeking to apply for exemptions or time extensions for both limited land use decisions and housing land use adjustments.*

To stay apprised of submitted exemption requests, please sign up to DLCD's Housing GovDelivery

[Update for questions 59 and 60*]: The exemption process of SB 1537 Section 46 remains in effect. However, since the amendments to ORS 197.195(6) do not appear to restrict a local government's review procedures for limited land use decisions, there is currently little practical purpose for a city to request this exemption.*

OREGON
Department of Land Conservation & Development

Sections 48 – 60, One-time Site Additions to UGBs

Operative date: June 7, 2024 | Sunset date: January 2, 2033

Question 61: Which cities are eligible to utilize the option for a one-time expansion to a UGB? And how is eligibility determined?

Answer: *Cities are required to demonstrate a need for the addition in two distinct ways; 1) a need for additional land, and 2) a need for affordable housing. Both criteria must be met to determine eligibility based on the following:*

1a) Those cities that have not adopted any UGB expansions for residential use in the previous 20 years, or expansions by Metro in a location adjacent to the city, and do not have within the existing UGB an undeveloped contiguous tract that is zoned for residential use larger than 20 net acres are eligible; or

1b) Those cities that have adopted an UGB expansion over the previous 20 years, or expansions by Metro in a location adjacent to the city, must demonstrate that 75 percent of these lands are developed or have an acknowledged comprehensive plan with land use designations in preparation for annexation, and public facilities plan and associated financing plan.

AND

2a) Cities with a greater percentage of severely cost-burdened households than the average for Oregon based on the Comprehensive Housing Affordability Strategy data from the US Department of Housing and Urban Development are eligible; or

2b) Cities with at least 25 percent of renter households being severely rent burdened based on the most recent housing equity indicator data under ORS 456.602 (2)(g) are eligible.

Metro will review applications for substantial compliance with the applicable provisions of sections 49-59 of the SB 1537.

Question 62: What sites are eligible for addition to a UGB?

Answer: *Sites must be adjacent to the existing UGB or separated by only a street or road. In addition, sites must be:*

1. *Designated as an urban reserve under ORS 197A.230 to 197A.250, including a site whose designation is adopted under ORS 197.652 to 197.658*
2. *Designated as non-resource land, or*
3. *Subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland*

A city may only amend its UGB once under the options included in SB 1537. Cities within Metro may only petition to add a site within the Metro UGB if it is designated as an urban reserve.

Question 63: What is required of cities for soliciting potential sites to be included in the UGB?

Answer: *A city must provide public notice of their intention to expand the UGB, including the following information:*

1. *The city's intention to select a site for inclusion within the UGB*

2. *Each basis under which the city has determined its eligibility.*
3. *A deadline for submissions of applications that is at least 45 days following the date of notice, and*
4. *A description of the information, form and format required of an application, including the requirements for a binding conceptual plan per Section 55 of the bill.*

A copy of this notice must be provided to each county in which the city resides, and each special district providing urban services within the city's UGB, and Metro, if the city is within the Metro UGB.

Question 64: What must be included in the conceptual plan for added sites?

Answer: *Before a city amends a UGB, or petitions Metro for a UGB amendment, a city shall adopt a binding conceptual plan as an amendment to its comprehensive plan. The conceptual plan must:*

(a) Establish the total net residential acres within the site and must require for those residential areas:
  (A) A diversity of housing types and sizes, including middle housing, accessible housing and other needed housing.
  (B) That the development will be on lands zoned for residential or mixed-use residential uses.
  (C) The development will be built at net residential densities specified depending on the city's population.
(b) Designate within the site:
  (A) Recreation and open space lands, and
  (B) Lands for commercial uses, either separate or as a mixed use, that meet the specified provisions of the bill.
(c) If the city has a population of 5,000 or greater, include a transportation network for the site that provides diverse transportation options, including walking, bicycling and transit use if public transit services are available, as well as sufficient connectivity to existing and planned transportation network facilities as shown in the local government's transportation system plan as defined in Land Conservation and Development Commission rules.
(d) Demonstrate that protective measures will be applied to the site consistent with the specified statewide land use planning goals.
(e) Include a binding agreement among the city, each owner within the site and any other necessary public or private utility provider, local government or district, as defined in ORS195.060, or combination of local governments and districts that the site will be served with all necessary urban services as defined in ORS 195.065, or an equivalent assurance, and
(f) At least 30 percent of the residential units are subject to affordability restrictions as specified under Section 55 (f) of the bill.

Question 65: What is required for each completed application submitted to a city?

Answer: *Each application filed for a city's review must:*

(a) Be completed for each property owner or group of property owners that are proposing an urban growth boundary amendment.
(b) Be in writing in a form and format as required by the city
(c) Specify the lots or parcels that are the subject of the application
(d) Be signed by all owners of lots or parcels included within the application, and
(e) Include each owner's signed consent to annexation of the properties if the site is added to the urban growth boundary.

Question 66: What requirements are specified for cities reviewing applications submitted for addition to a UGB?

Answer: *After the deadline for submission, the city shall review all applications for compliance with the applicable sections of the bill. In addition:*

(b) *For each completed application that complies with the applicable sections of the bill, the city shall provide notice to the residents of the proposed site area who were not signatories to the application.*
(c) *Provide opportunities for public participation in selecting a site, including, at least:*
  (A) *One public comment period, and*
  (B) *One meeting of the city's planning commission at which public testimony is considered, one meeting of the city's council at which public testimony is considered, or one public open house*
  (C) *Notice on the city's website or published paper of record at least 14 days before:*
    (i) *A meeting from the list above, and*
    (ii) *The beginning of the comment period specified above.*
(d) Consult with, request necessary information from, and provide the opportunity for written comment from:
  (A) The owners of each lot or parcel within the site.
  (B) If the city does not currently exercise land use jurisdiction over the entire site, the governing body of each county with land use jurisdiction over the site
  (C) Any special district that provides urban service to the site, and
  (D) Any public or private utility that provides utilities to the site.

Question 67: What limitations are specified for additions to a UGB?

Answer: *The total acreage of the site cannot exceed:*

1. 100 net residential acres for a city with a population of 25,000 or greater.
2. 50 net residential acres for a city with a population of less than 25,000.
3. Within *Metro, the total net residential acres included in site petitions cannot exceed 300 net residential acres added to the UGB.*

A city within Metro may petition Metro to add a site within the Metro UGB if the site satisfies requirements of section 50 (1) of the bill and is designated as an urban reserve. Metro will review applications for substantial compliance with the applicable provisions of sections 49-59 of the bill.

Question 68: What alternative UGB amendment options does the bill provide?

Answer: *The following two alternatives are provided within the bill:*

1. *Section 56: An alternative for a small addition of 15 net residential acres or less with the following requirements:*
   - *Enforceable and recordable agreements with each landowner of a property within the site to ensure that the site will comply with the affordability requirements described in the bill*
   - *A binding agreement with each owner within the site and any other necessary public or private utility provider, local government or district, as defined in ORS 195.060, or combination of local governments and districts to ensure that the site will be served with all necessary urban services as defined in ORS 195.065*
   - *This alternative does not apply to a city within Metro.*

2. *Section 58: An alternative to add one or more sites and remove one or more tracts of land from the UGB, provided:*
    - *The acreage of the added site and removed lands must be roughly equivalent.*
    - *The removed lands must have been zoned for residential uses.*
    - *The added site must be zoned for residential uses at the same or greater density than the removed lands.*

    Under the first alternative, cities are required to demonstrate a need for the UGB amendment but are not required to prepare a concept plan. Under the second alternative, cities are not required to demonstrate a need for the UGB amendment, nor is concept planning required.

Question 69: What coordinating role does the county have for an amendment to a UGB under the options in this bill?

Answer: *For cities outside of Metro, the county shall approve an amendment to a UGB made under the options provided by the bill and shall cooperate with a city to facilitate the coordination of functions under ORS 195.020 to facilitate the city's annexation and the development of the site.*