

- 1 (5) Cities and counties must develop a list of key destinations, as provided in OAR 660-012-0360.
- 2 (6) Cities and counties must meet the parking management requirements as provided in OAR 660-
- 3 012-0400.

4 **0310: Designation of Climate-Friendly Areas**

5 This rule describes the requirements for the designation of Climate-Friendly Areas. The rule sets out
6 some basic standards for which areas should and should not be considered for designation as a Climate-
7 Friendly Area.

- 8 (1) Cities and Counties may not designate Climate-Friendly Areas in areas subject to protections
9 established under authority of Statewide Planning Goal 7. Cities and Counties shall designate
10 Climate-Friendly Areas in places that contain, or are planned to contain, a mixture of allowed
11 uses as provided in OAR 660-012-0325. Climate-Friendly Areas may be designated in centers,
12 including planned or existing downtowns, neighborhood centers, or other districts. Climate-
13 Friendly Areas may be designated in areas that are served, or planned for service, by high quality
14 transit services.
- 15 (2) Cities and counties outside a metropolitan service district shall designate Climate-Friendly Areas
16 as provided in OAR 660-012-0012. Counties with planning jurisdiction in areas provided with
17 urban water, sanitary sewer, stormwater, and transportation services within an identified urban
18 growth boundary shall coordinate with the respective city to address Climate-Friendly Area
19 requirements for those areas as provided in OAR 660-012-0012.
- 20 (3) Within the urban growth boundary of a metropolitan service district, a county with planning
21 jurisdiction in unincorporated areas provided with urban water, sanitary sewer, stormwater, and
22 transportation services; or a city shall adopt a regional center or town center boundary as a
23 Climate-Friendly Area consistent with the adopted urban growth management functional plan as
24 provided in OAR 660-012-0012. A local government may adopt regional or town center
25 boundaries larger than those identified in the adopted urban growth management functional plan,
26 but may not reduce the size of these areas.
- 27 (4) After March 31, 2023, a City or County with planning jurisdiction in an unincorporated area
28 within an urban growth boundary provided with urban water, sanitary sewer, stormwater, and
29 transportation services with a population within an urban growth boundary exceeding 2,500 shall
30 designate Climate-Friendly Areas as provided in OAR 660-012-0320 within two years of
31 reaching a population exceeding 2,500.
- 32 (5) After March 31, 2023, a City or County with planning jurisdiction in an unincorporated area
33 within an urban growth boundary provided with urban water, sanitary sewer, stormwater, and
34 transportation services with a population exceeding 10,000 within an urban growth boundary
35 shall comply with the requirements of Section (6) of this rule.
- 36 (6) Local governments subject to OAR 660-008-0045 and the requirements of this rule shall maintain
37 sufficient lands within Climate-Friendly Areas to accommodate at least 30 percent of the total
38 identified housing need. Compliance with this requirement shall be demonstrated in each Housing
39 Capacity Analysis following the designation of Climate-Friendly Areas. Climate-Friendly Area
40 zoning and development regulations shall be established to meet this requirement concurrent or
41 prior to the adoption of the Housing Capacity Analysis as provided in OAR 660-012-0320.

- 1 (7) A local government not subject to OAR 660-008-0045 shall maintain sufficient lands within
 2 Climate-Friendly Areas to accommodate at least 30 percent of the city’s housing need. Cities
 3 shall take all necessary actions to maintain the sufficiency of Climate-Friendly Areas within one
 4 year of the release of final population forecasts as provided in OAR 660-032-0020(1) or (2), or
 5 concurrent with the adoption of a new housing capacity analysis, as provided in ORS
 6 197.296(10). Housing need estimates based on population forecast data shall determine housing
 7 needs for a twenty-year planning period, utilizing the methodology for converting population
 8 projections to housing unit needs from the most recent adopted and acknowledged housing
 9 capacity analysis. Amendment or expansion of Climate-Friendly Areas shall follow the process
 10 provided in OAR 660-012-0320.
- 11 (8) If a city, metropolitan service district, or county has not designated sufficient Climate-Friendly
 12 Areas as required in this rule, the commission may:
- 13 (a) Initiate periodic review for the subject local government to address the requirement; or
 14 (b) Issue an enforcement order to the local government, consistent with ORS 197.646

15 **0320: Process for Designation of Climate-Friendly Areas**

16 This rule describes the process to be followed for cities and counties to designate Climate-Friendly
 17 Areas, including consideration for, and mitigation of, potential inequitable impacts that might result
 18 from Climate-Friendly Area designation, such as the displacement of priority populations.

- 19 (1) Cities and counties subject to the requirements of OAR 660-012-0310 shall designate Climate-
 20 Friendly Areas sufficient to accommodate at least thirty percent of the total identified number of
 21 housing units necessary to accommodate all current and future housing needs over the planning
 22 period. A local government may designate one or multiple Climate-Friendly Areas.
- 23 (2) Cities and counties shall calculate the housing that can be accommodated in Climate-Friendly
 24 Areas by estimating the buildable square footage within Climate-Friendly Areas, based on net
 25 zoned area, allowed building heights, and setbacks established within the Climate-Friendly Area.
 26 Where the local government has not established a maximum building height, assumed building
 27 height shall be one hundred feet. Local governments may assume that residential dwellings will
 28 occupy thirty percent of the full buildable square footage within Climate-Friendly Areas. Local
 29 governments may assume an average dwelling unit size of nine hundred square feet in order to
 30 convert the estimated residential building area into an estimate of the number of dwelling units
 31 that may be accommodated in Climate-Friendly Areas.
- 32 (3) Cities and counties shall adopt a Climate Friendly element to the comprehensive plan concurrent
 33 with the designation of Climate-Friendly Areas as provided in OAR 660-012-0012. The Climate
 34 Friendly element, and findings adopted in support of the element, shall include the items provided
 35 below in subsections a – e.
- 36 (a) Maps illustrating all Climate-Friendly Areas, as well as calculations of dwelling units that
 37 can be accommodated within the Climate-Friendly Areas as a percent of the city’s
 38 housing needs, as identified in the most recent adopted and acknowledged housing
 39 capacity report.
- 40 (b) Documentation that the land use and development requirements identified in OAR 660-
 41 012-0325 have been adopted and are effective within designated Climate-Friendly Areas.
- 42 (c) The number of existing dwelling units within Climate-Friendly Areas and the number of
 43 income-restricted dwelling units within Climate-Friendly Areas.

- 1 (d) A narrative summary of the public engagement process used to consider and designate
 2 Climate-Friendly Areas, consistent with the requirements of OAR 660-012-0115 through
 3 660-012-0130.
- 4 (e) Plans for achieving fair and equitable housing outcomes within Climate-Friendly Areas,
 5 as identified in OAR 660-008-0050(4)(a) - (f). Analysis of OAR 660-008-0050(4)(f) shall
 6 include analysis of spatial and other data to determine which potential Climate-Friendly
 7 Areas may have the potential to displace residents who are members of state and federal
 8 protected classes. The local government shall also identify actions that will be employed
 9 to mitigate or avoid potential displacement.
- 10 (4) For cities and counties identified in OAR 660-012-0310(6), the information provided in
 11 compliance with OAR 660-012-0320(3) shall provide a basis for subsequent Housing Production
 12 Strategy Reports to assess progress towards fair and equitable housing production goals in
 13 Climate-Friendly Areas, per OAR 660-008-0050(4)(a).

14 **0325: Land Use Requirements in Climate-Friendly Areas**

15 This rule describes development codes and other land use requirements cities and counties must adopt
 16 for Climate-Friendly Areas.

- 17 (1) Development regulations for a Climate-Friendly Area shall allow mixed-use development within
 18 individual buildings or on development sites, including:
- 19 (a) Multifamily residential;
 20 (b) Attached single family dwellings;
 21 (c) Office;
 22 (d) Retail, services, and other commercial uses;
 23 (e) Public uses, including school and childcare uses.
- 24 (2) Local governments shall prioritize locating government facilities that serve the public within
 25 Climate-Friendly Areas.
- 26 (3) Uses and standards required in a Climate-Friendly Area as provided in this rule must be permitted
 27 in all parts of each Climate-Friendly Area.
- 28 (4) Development within a Climate-Friendly Area shall be permitted through a non-discretionary land
 29 use decision process.
- 30 (5) Development regulations for Climate-Friendly Areas must require a minimum residential density
 31 of fifteen dwelling units per net acre, with no maximum density limit.
- 32 (6) Allowed building height within a Climate-Friendly Area shall be no less than 100 feet.
- 33 (7) Local governments may not establish front, side, or rear setbacks for buildings within Climate-
 34 Friendly Areas, except those which may be required for life safety purposes.
- 35 (8) Local governments may not adopt other land use regulations in Climate-Friendly Areas that
 36 would effectively negate the allowances provided in this rule, such as Floor-Area Ratio
 37 restrictions.

- 1 (9) Within newly-developing Climate-Friendly Areas or for redevelopment within developed
2 Climate-Friendly Areas the length of any block face shall not exceed 250 feet. Pedestrian
3 accessways, trails, streets, or public alleys through a block may be used to meet the block face
4 standard.
- 5 (10) Local governments shall prioritize locating parks, open space areas, plazas, and similar public
6 amenities within Climate-Friendly Areas.
- 7 (11) Local governments shall address the following requirements in Climate-Friendly Areas:
- 8 (a) The land use requirements in OAR 660-012-0330;
- 9 (b) The applicable parking requirements in OAR 660-012-0410;
- 10 (c) The applicable pedestrian system planning requirements in OAR 660-012-0510 or OAR
11 660-012-0515;
- 12 (d) The applicable bicycle system planning requirements in OAR 660-012-0610 or OAR
13 660-012-0615;
- 14 (e) The applicable bicycle parking requirements in OAR 660-012-0630;
- 15 (f) The applicable public transportation system planning requirements in OAR 660-012-
16 0710 or OAR 660-012-0715; and
- 17 (g) The applicable street and highway system planning requirements in OAR 660-012-0810
18 or OAR 660-012-0815.
- 19 (12) Local governments within a metropolitan service district subject to the requirements of OAR 660-
20 012-0310 shall either:
- 21 (a) Adopt findings as provided in OAR 660-012-0320(3) that demonstrate that development
22 allowances within an adopted town or regional center are consistent with the
23 requirements of this rule, or
- 24 (b) Adopt findings demonstrating that development allowances within an adopted town or
25 regional center will achieve equal or better climate and equity outcomes in relation to the
26 requirements of this rule.

27 **0330: Land Use Requirements**

28 These land use requirements apply to cities and counties within metropolitan areas and have to do with
29 how land use interacts with the transportation system. Many of these requirements are in the existing
30 rules, however this rule extends and adds to the existing requirements. These requirements apply across
31 the urban area, and are in addition to the Climate-Friendly Area specific requirements in those areas.

32 The rule requires local governments to provide for walkable and connected neighborhoods; for
33 commercial and mixed-use districts to be oriented towards pedestrians and transit, to place limits on
34 auto-oriented land uses; some additional requirements for larger cities; and to have protections for
35 existing and future transportation facilities.

Climate-Friendly and Equitable Communities Rulemaking Advisory Committee

MEETING 7



TO: Climate-Friendly and Equitable Communities Rulemaking Advisory Committee Members
FROM: Bill Holmstrom and Kevin Young, DLCD Rulemaking Lead Staff
SUBJECT: **RAC 7 Item 8: Draft Housing Rules Amendments**
DATE: August 11, 2021

This document includes the proposed amendments to the Housing Rules (OAR Chapter 660, Division 8) as part of the Climate Friendly and Equitable Communities Rulemaking. Proposed amendments are shown with underline for new language.

660-008-0010

Allocation of Buildable Land

(1) The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

(2) For purposes of preparing Housing Capacity Analyses as provided in OAR 660-008-0045, the following provision shall apply to local governments also subject to the requirements of OAR 660-012-0310. Following the initial designation of Climate-Friendly Areas as required in OAR 660-012-0315, local governments shall maintain sufficient lands within Climate-Friendly Areas to accommodate at least thirty percent of identified needed housing. Demonstration of compliance with this requirement shall be included in each subsequent Housing Capacity Analysis. Land use requirements in Climate-Friendly Areas as provided in OAR 660-012-0325 shall be established for any newly designated Climate-Friendly Area concurrent with or prior to the adoption of a Housing Capacity Analysis.

(3) A local government which has submitted a notice of proposed amendment to the department for a housing capacity analysis prior to December 31, 2025, may rely on data from recent development trends and activity within Climate-Friendly Areas for land need projections, notwithstanding zoned housing capacity within these areas.

(4) Beginning January 1, 2026, a local government subject to the requirements of OAR 660-012-0310 must demonstrate that at least 30 percent of housing units within the urban growth boundary are located within Climate-Friendly Areas in order to justify expansion of an urban growth boundary based on an identified residential land need.

Housing Production Strategy Report Structure

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296(3) or ORS 197.296(10) for the most recent 20-year period described in the city's Housing Capacity Analysis. At a minimum, this Report must include the following components:

(4) Achieving Fair and Equitable Housing Outcomes – A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors:

(a) Location of Housing - How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people who are part of state and federal protected classes. [Cities subject to OAR 660-012-0310](#) must also describe actions taken by the city to promote the production of affordable housing, to mitigate or avoid the displacement of members of state and federal protected classes, and to increase the residency of state and federal protected classes within Climate-Friendly Areas.

(b) Fair Housing - How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity;

(c) Housing Choice – How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.

(d) Housing options for residents experiencing homelessness – How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness;

(e) Affordable Homeownership and Affordable Rental Housing – How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies; and

(f) Gentrification, Displacement, and Housing stability – How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.