

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Land Conservation and Development
Agency and Division

660
Administrative Rules Chapter Number

In the Matter of: Amendment of rules under OAR 660, division 24, regarding urban growth boundary (UGB) amendments

RULE CAPTION

Amend rules under OAR 660, division 24, interpreting Goal 14 regarding UGB adoption and amendment
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Statutory Authority: ORS 197.040

Other Authority: Statewide Planning Goals, especially Goal 14

Statutes Implemented: ORS 195.015 and 195.036; ORS 197.295 to 197.314; 197.610 to 197.650; 197.764

Need for the Rule(s): These amended rules are necessary to clarify and streamline the process for adoption and amendment of Urban Growth Boundaries (UGBs). Requirements for amending urban growth boundaries (UGBs) are currently provided in Statewide Planning Goal 14, as well as Oregon State Statutes and LCDC administrative rules, especially OAR 660, division 24. The proposed amended rules would include additional "safe harbors" intended to reduce the time and costs for amending a UGB, especially with regard to determination of housing need, housing density and mix, employment need, and related topics. The proposed amendments may clarify application of ORS 197.298, Goal 14, and applicable rule provisions regarding location analysis for UGB amendments. The proposed amendments would also clarify procedures for LCDC approval of urban growth boundaries in the manner of periodic review in accordance with ORS 197.626, and may clarify procedures in OAR 660, division 24, regarding UGB adjustments. The Commission may consider additional rule clarifications or amendments to the UGB process that may be proposed during the public comment period.

Documents Relied Upon, and where they are available: ORS 195 and 197, statewide planning Goals (OAR 660, division 015), and related administrative rules, especially OAR 660, division 24. These documents are available on the agency's web site at <http://www.oregon.gov/LCD/index.shtml> or by contacting Bryan Gonzalez at the Department of Land Conservation and Development at 503-373-0050, ext 322.

Fiscal and Economic Impact, including Statement of Cost of Compliance: Statutory provisions at ORS 183.335(2)(b)(E) and (G), and ORS 183.540, require agencies to consider whether a proposed rule amendment will have any significant economic impact on business and whether options should be considered to reduce any negative impacts of the rule on business. The proposed amended rules will provide economic benefits to local governments, individual businesses and property owners due to the clarification and streamlining of UGB amendment requirements and procedures.

Statutory provisions also require agencies to "Assess what economic and property interests will be, or are likely to be, affected by the proposed rule;"... "Assess the likely degree of economic impact on identified property and economic interests;"... and ... "Assess whether alternative actions are available that would achieve the underlying lawful governmental objective and would have a lesser economic impact." The statute states that the requirements "shall not be interpreted as requiring an assessment for each lot or parcel that could be affected by the proposed rule." (ORS 197.040). The result of the proposed amended rules will be a more streamlined process for UGB amendments. In that regard, the proposal would ultimately benefit economic and property interests. The department cannot compute the actual cost savings, since this will vary widely among different urban areas throughout the state.

Statutory provisions also require the agency to estimate the effect of proposed rules on the cost to construct a 1,200 square foot dwelling on a 6,000 square foot parcel (ORS 183.534). ORS 183.335(2)(b)(E) and 183.530 require the agency to prepare a Housing Cost Impact Statement on a form prepared by the State Housing Council and incorporate that statement into this statement of need required by ORS 183.335(5) (See ORS 183.534). The Housing Cost Impact Statement is attached and is incorporated into this statement by this reference.

How were small businesses involved in the development of this rule? These proposed rules were developed with the assistance of a work group that included a broad range of interests, including advocates for residential and other development interests. These advocates represent the interests of both large and small businesses. The department provides broad notice of the proposed rules, including notices to a range of business interests. Because the proposed amendments clarify and streamline existing provisions of UGB policy, and because amendments to UGBs are, in general, favorable to the economic development of Oregon communities, the department anticipates that small businesses will benefit from the rule proposals.

Administrative Rule Advisory Committee consulted? Yes

Authorized Signer

Bryan Cruz Gonzalez
Printed name

10/15/08
Date

HOUSING COST IMPACT STATEMENT

FOR ESTIMATING THE EFFECT OF A PROPOSED RULE OR ORDINANCE ON THE COST OF DEVELOPING
A *TYPICAL 1,200 SQ FT DETACHED SINGLE FAMILY DWELLING ON A 6,000 SQ FT PARCEL OF LAND.
(ORS 183.534) FOR ADMINISTRATIVE RULES

AGENCY NAME:

Department of Land Conservation and Development

HEARING DATE:

December 4, 2008

ADDRESS: 635 Capitol Street NE

CITY/STATE: Salem, OR 97301

PHONE: (503) 373-0050

PERMANENT:

TEMPORARY:

EFFECTIVE DATE: Upon Filing

**BELOW PLEASE PROVIDE A DESCRIPTION OF THE ESTIMATED SAVINGS OR ADDITIONAL COSTS THAT
WILL RESULT FROM THIS PROPOSED CHANGE.**

PROVIDE A BRIEF EXPLANATION OF HOW THE COST OR SAVINGS ESTIMATE WAS DETERMINED.
IDENTIFY HOW CHANGE IMPACTS COSTS IN CATEGORIES SPECIFIED

Description of proposed change: (Please attach any draft or permanent rule or ordinance)

Amended rules under OAR 660, division 24, interpreting Goal 14 regarding urban growth boundary (UGB) adoption and amendment.

Description of the need for, and objectives of the rule:

These rules are necessary to clarify and streamline procedures and requirements of Goal 14 regarding the adoption or amendment of urban growth boundaries.

List of rules amended:

OAR chapter 660, division 24, including the following new rules: OAR 660-024-0010 Definitions; OAR 660-024-0020 Adoption or Amendment of a UGB; OAR 660-024-0040 Land Need; OAR 660-024-0050 Land Inventories; OAR 660-024-0060 Boundary Location Alternatives Analysis; OAR 660-024-0070 UGB Adjustments.

Materials and labor costs increase or savings: The proposed rules are not expected to affect housing materials or labor costs.

Estimated administrative, construction or other costs increase or savings: The proposals may reduce administrative, construction or other housing costs to the extent that those costs are affected by land supply inside UGBs, but it is not possible to estimate the amount of such reduction.

Land costs increase or savings:

The proposed amended rules will probably reduce housing land costs because those costs are affected by the available land supply inside UGBs. However, it is not possible to estimate the amount of this reduction.

Other costs increase or savings: None

*Typical-Single story 3 bedrooms, 1 ½ bathrooms, attached garage (calculated separately) on land with good soil conditions with no unusual geological hazards.

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