



**MEMORANDUM**

**TO:** Deschutes County Board of Commissioners  
**FROM:** Will Groves, Planning Manager  
**DATE:** July 12, 2023  
**SUBJECT:** Department of Land Conservation and Development – Housing-Related  
Urbanization Planning Assistance Grant

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Staff seeks Board of County Commissioners (Board) approval, including a letter of support from the Board, to apply for funding from the Department of Land Conservation and Development (DLCD) Housing-Related Urbanization Planning Assistance Grant for two projects.

- Clear and Objective Standards Code Updates (under House Bill 3197)
- Code Amendments to Address Future Urbanization

The deadline for submitting the grant application is July 31, 2023. If awarded in September, the grant period is expected to end in May 2025.

**I. Planning Assistance Grant Overview**

DLCD anticipated the Oregon Legislature to appropriate funds to DLCD for the purpose of providing planning assistance to local governments to:

- 1) Develop, adopt, and implement plans needed to support housing production, affordability, and choice, including housing capacity analyses (HCA) and housing production strategies (HPS) under Goal 10.
- 2) Develop, adopt, and implement urbanization and public facilities plans to support development readiness or amend an Urban Growth Boundary where a need is identified.
- 3) Update local development codes and comprehensive plans to comply with applicable state housing statutes and reduce regulatory barriers to housing production.

DLCD was appropriated \$3.5 million by the Oregon Legislature during the 2023 Session to assist local governments in this critical housing planning work.

The Long Range Planning Division has identified two potential projects that address housing in Deschutes County. In consultation with DLCD, staff has determined potential eligibility for Housing Planning Assistance funds for the following two projects. For reference, the application and criteria can be found at the following link: [https://www.oregon.gov/lcd/UP/Documents/2023-25\\_DLCD\\_Housing\\_PA\\_Application.pdf?utm\\_medium=email&utm\\_source=govdelivery](https://www.oregon.gov/lcd/UP/Documents/2023-25_DLCD_Housing_PA_Application.pdf?utm_medium=email&utm_source=govdelivery)

### **Clear and Objective Standards – HB 3197**

The Oregon Legislature recently enacted HB 3197 into law. It requires counties to adopt and apply clear and objective standards, conditions, and procedures regulating housing in unincorporated communities, Rural Residential Exception Areas, and non-resource lands. It has a two-year effective date of July 1, 2025.

Under Board direction, CDD will likely need to develop a multi-phased, multi-year work program to comply with HB 3197. This law requires amending definitions, land division code, five rural residential zones, Sunriver Urban Unincorporated Community zones, Tumalo and Terrebonne Rural Community zones, Flood Plain Zone, and Landscape Management, Sensitive Bird and Mammal, and Wildlife Area Combining Zones, with detailed findings, including those relating to Goal 5. Given this scope and anticipated staff resources, consultant services would likely be required.

As of the writing of the memorandum, staff is consulting with DLCD representatives to determine an appropriate funding request amount, pending Board direction.

### **Code Amendments to Address Future Urbanization**

The continued land use applications for plan amendment/zone changes have resulted in significant land areas being rezoned from Exclusive Farm Use to rural residential (either RR-10 or MUA-10). For properties closer to the Bend UGB, it is important to anticipate future urbanization to ensure orderly development once those properties are annexed into the City of Bend. This project would explore code amendments that would require land divisions to be completed as cluster developments within a certain distance—likely two miles—of a UGB. This change would allow some development now while retaining the greater proportion of a site for future development.

As of the writing of the memorandum, staff is consulting with DLCD representatives to determine an appropriate funding request, pending Board direction.

### **III. Next Steps**

As noted above, staff seeks Board approval to submit grant applications to DLCD and will return to the Board for future updates.

#### Attachment

1. BOCC Letter of Support