



2024 Legislative Session

Recap

The recently concluded legislative session proved to be a pivotal period marked by significant discussions and achievements, albeit with some challenges. In its condensed 35-day duration (technically 32 days), housing and Measure 110 discussions took center stage, showcasing the increasing policy-driven nature of Oregon's legislative short sessions.

Despite initial concerns following the Oregon Supreme Court ruling (days before session began) on the constitutionality of Measure 113 (which disqualified legislators with ten unexcused absences from floor sessions from holding next term of office), which sparked rumors of a potential walkout, the session unfolded relatively congenially. Notably, Republicans refrained from walking out, allowing priorities to be addressed, deadlines to be met, and bills to be passed.

One of the session's most notable accomplishments was the swift action taken on Measure 110, which reclassified possession penalties for specified drugs. Although debates persisted regarding whether to fully repeal or amend the measure, legislators ultimately reached a compromise, driven by a shared recognition of the urgent need to address homelessness, mental health, and opioid crises.

The Governor's priority bills, SB 1530A and 1537A, originated as a \$500 million package devoted to programs and infrastructure to support increased housing needs. The bill was paired down to \$350 million for housing programs (\$250 million) and infrastructure (\$100 million). The remaining money went into the Christmas Tree Bill (the vehicle with agency budgets and capitol construction projects).

\$5.9 Million Ask Toward Rehabilitating Sandy's Wastewater Treatment Plant

Sandy actively advocated for a \$5.9 million appropriation from the Legislature to fund the construction of a vital new headworks facility at its wastewater treatment plant. This critical infrastructure project garnered widespread support from legislators, reflecting its reasonable nature and the pressing challenges faced by the city, including the housing moratorium.

During the interim, we met with the governor's office and members of the Capitol Construction Committee as well as with Rep. David Gomberg, who ended up leading the charge on infrastructure projects.

In December, Sandy filed a Capitol Construction request with the Legislative Fiscal Office to work during the Legislative Session.

As you may remember, in 2023, the Legislature attempted to pass a variance bill (HB 3414B) that would have required a local government to grant an adjustment to up to ten specified development and design standards for an application for a building permit or quasi-judicial land use decision. This bill died by one vote. Cities, including Sandy, did not support the variance bill backed by the Governor and the Homebuilders Association. Therefore, the Governor decided to include an infrastructure package to entice cities to get on board with the 2024 variance bill. Interestingly, this added a second path to find Capitol funding. The Governor's original proposal allocated \$200 million for infrastructure, but it was whittled down in Ways and Means to \$100 million.

Under new leadership in both the House and the Senate, Rep. David Gomberg took control of all the infrastructure projects to be eventually amended into the Governor's Housing Priority Bill(s), alienating himself from the traditional Capitol Construction path through Ways and Means and its Co-Chairs. He asked the League of Oregon Cities (LOC) to compile a list of infrastructure projects from cities across the state that are needed to increase housing. Sandy sent its information to the LOC, who then shared the list with Rep. David Gomberg. The list was just under a billion dollars in total. Rep. Gomberg worked with the Speaker's office to pare down the long list and compile a list of \$100 million in infrastructure projects. This list was put into HB 4128 in the House Committee on Agriculture, Land Use, Natural Resources, and Water with subsequent referral to Ways and Means. At the eleventh hour, Sandy was removed from the "Gomberg List" because the decision makers decided to limit all projects to \$3 million.

At this point in time, Senator Bonham, Mayor Pulliam and I advocated for Sandy asking Rep. Gomberg to add Sandy back on the list, but at the \$3 million level. Gomberg agreed and Sandy was put back on the list. HB 4128A passed out of the committee with Sandy at the \$3 million allocation. Procedurally, the bill moved from the policy committee to Ways & Means and the list was then amended into the Governor's bill, SB 1530. During this transition, Sandy was removed from the list.

Depending on who you ask, we've received multiple answers as to why we were removed. I am still doing my best to find out what exactly happened, but everyone continues to point fingers.

Throughout the entire session, we met with all the members of the House policy committee, the capitol construction committee, the co-chairs of Ways and Means, the Speaker and Senate President's office, all supportive and most of whom knew exactly what we needed as the "housing moratorium city" – for better or worse. We continued pressing Ways and Means once we fell off the "Gomberg List" a second time and Sen. Bonham strongly supported our efforts, even having dinner with Sen. Steiner (co-chair). She was frustrated at the new process initiated by Gomberg and argued that it was not vetted enough in the Senate. The Senate worked on their own version of the "Gomberg List" with Senators Jama and Anderson. I truly believe that the lack of communication between the House and the Senate was part of the issue, but it still does not explain why we were taken out of HB 4128.

This outcome was far from what we wanted. I'm truly sorry as I do not know what else any of us could have done. Even though the republicans did not walk this session, partisan politics of the state and nation is greatly affecting the legislative process on all levels.

The session wrapped up on Thursday, March 7 at approximately 8:30 pm.

While the specific reasons for Sandy's exclusion remain unclear, it is evident that communication gaps between the House and Senate, as well as shifting political dynamics, played a role. Despite these challenges, our advocacy efforts persisted throughout the session, engaging with key stakeholders and decision-makers to highlight Sandy's urgent needs and garner support.

Looking ahead, it is imperative that we build upon the groundwork laid during this session and continue advocating for Sandy's priorities. With upcoming changes in leadership and the prospect of renewed legislative focus on housing and infrastructure, now is the time to reaffirm our commitment to addressing Sandy's challenges.

There are two recent and major changes that could have a huge impact moving forward. First, prior to Session starting, the House Majority decided to have Speaker Rayfield continue his term as Speaker through the Legislative Session and then immediately elected Rep. Fahey as the Speaker upon sine die. Rayfield is running for attorney general and Fahey of Eugene, grew up in Illinois and graduated from the University of Notre Dame. She has focused largely on housing and homelessness during her time in the state House. Second, the upcoming primary election in Sandy's state house district has the potential of increasing the visibility of our legislative requests moving forward.

It will be vital to garner support from whoever wins the primary and really showcase what happened this past session. Sandy was the poster child, and a casualty in 2024, but the groundwork of making sure everyone knows about Sandy is done. With better leadership in the Capitol and continued advocacy Sandy's needs will not only be heard, but also acknowledged. This short session was only the start of a greater housing push next session.

CITY OF SANDY PRIORITIES

In addition to the Capitol Construction ask, the City Team tracked numerous bills during the 2024 Legislative Session, on various issues affecting the City.

PRIORITY BILLS

Recreational Immunity

SB 1576 – Passed

The Oregon Legislature approved Senate Bill 1576, which temporarily protects local jurisdictions and other owners of recreational trails from liability. The bill will sunset at the end of 2025 and elected officials have said there will be a deeper look at the law in the meantime.

The measure is part of an omnibus bill relating to civil matters that has three components. First, it provides authority for the Attorney General to disclose materials obtained in investigations of consumer data privacy violations to hired consultants. Second, it provides confidentiality for

court records of a minor's settlement agreement, when the agreement becomes part of the court's record pursuant to ORCP 27 I. Third, it temporarily allows all local governments to opt into immunity for trails or structures in public easements and rights of way; adds limited immunity for improved paths, trails, roads and other rights of way that are used to access land for recreational purposes; and adds walking, running and bicycling to the non-exclusive list of recreational purposes.

Measure 110 Fix

SB 4002A – Passed

This bill would put in place a new misdemeanor charge for drug possession, a move intended to motivate people to enter treatment with an estimated \$211 million in funding for courts, community mental health providers, treatment programs, new “shovel-ready treatment facilities” and other clinics and services. The bill’s intention is to help people avoid criminal charges and keep them out of jail unless they violate their probation.

The bill would unwind a key provision of the voter-passed Measure 110, which decriminalized possession of small amounts of hard drugs and enact a system of \$100 citations that a person could avoid if they obtained a health assessment. The bill would keep intact the measure’s provision that puts a share of cannabis revenue toward addiction services and programs.

The bill would create an unclassified misdemeanor that would carry potential jail time of up to 30 days for probation violations or up to 180 days when a defendant’s probation is revoked. But they could get an early release from jail if they entered inpatient or outpatient treatment.

Suspects caught with illegal drugs for their own use would be offered a chance to enter a deflection program to avoid jail and a record.

The proposal would give counties the option to build their own deflection programs instead of making them mandatory statewide.

Republicans unsuccessfully tried to introduce amendments that would have changed the bill with longer jail sentences and different paths for treatment.

In the end, Republicans who fought for tougher misdemeanor penalties recognized that a compromise is better than nothing.

Governor’s Housing Priority Bills

HB 1530 - Passed

The measure appropriates \$258 million for the implementation of various state programs.

To Oregon Housing and Community Services:

- \$65 million for emergency shelters
- \$40 million for the Oregon Eviction Diversion and Prevention and Eviction Prevention

Rapid Response programs and services administered by culturally responsive organizations

- \$10 million to acquire land for affordable housing
- \$5 million for individual development accounts
- \$2 million to support residents whose housing is being withdrawn from publicly supported housing, or is within a manufactured dwelling park being sold or closed

To the Oregon Department of Administrative Services:

- \$100 million for infrastructure projects supporting housing development
- \$1 million for a nonprofit to donate reused household goods and furnishings to low-income residents

To the Oregon Health Authority:

- \$18 million for recovery housing projects
- \$7.5 million for the Healthy Homes Repair Fund
- \$3.5 million for the Air Conditioner and Air Filter Deployment Program

To the State Department of Energy:

- \$4 million for the Residential Heat Pump Fund

To the Department of Human Services:

- \$2 million for emergency warming or cooling shelters

HB 1537A – Passed

The measure establishes the Housing Accountability and Production Office (HAPO) and directs HAPO to assist local governments with housing production. The measure requires local governments to grant land use regulation and design adjustments in certain circumstances and modifies the definition of limited land use decisions. It allows housing permit applicants to opt in to amended housing regulations and expands eligibility of prevailing applicants for housing development to receive attorney fees in a Land Use Board of Appeals review. Establishes the Housing Infrastructure Support Fund to provide capacity and support to municipalities for the planning and financing of infrastructure for housing unit production. Establishes the Housing Project Revolving Loan Fund to cover eligible developer costs, including infrastructure and system development charges, predevelopment costs, construction costs, and land write-downs. The measure allows cities to undergo either a one-time urban growth boundary amendment or a land exchange in specified conditions.

Planned Fires

HB 4016A – Passed

The Act makes certain changes to a program for planned fires. The Act directs an agency to extend the deadline for a grant program for protecting homes from fire. The Act directs agencies to report on creating a program for protecting homes from fire. The Act creates a fund related to responding to wildfire smoke.

Mental Health and Substance Use Care Study.

HB 4023A – Passed

This bill requires the Oregon Health Authority to study the problems in getting mental health care and substance use care in Oregon. The Act requires the OHA to send a report on its findings to the legislature. The section is repealed on January 2, 2026.

Corporate Activities Tax (CAT) Revisited

SB 1542 & HB 4055 – Failed

This bill raises the exemption and filing thresholds for the CAT tax beginning with the tax year 2025. This bill also increases the exempt amount and the filing threshold for purposes of the corporate activity tax. Applies to tax years beginning on or after January 1, 2025. BOMA is closely tracking anything tax related that would impact BOMA members. These bills died.

Industrial Land Use

HB 4042B – Failed

The Act would promote the use of industrial lands. The Act would let firms develop semiconductors in an e-commerce city in order to get an enterprise zone tax break. The bill would have authorized the Oregon Business Development Department to provide financial assistance to projects related to industrial land. Includes semiconductor-related development activities as an eligible business activity in a city designated for electronic commerce for purposes of the enterprise zone property tax exemption program. This bill ultimately died in committee.

Housing Standards in the UGB

HB 4062 – Failed

The Act would have relaxed housing standards, established a housing office to enforce housing laws, allowed a new UGB amendment and limited counties' role in UGB amendments. The bill would have required local governments to approve certain adjustments to land use regulations for housing development within urban growth boundaries. This bill did not receive a public hearing and died in committee.

Unincorporated Urban Planning

HB 4063B – Passed

The measure incorporates planning responsibilities for unincorporated areas of Metro into the Oregon Housing Needs Analysis. It allows applicants for the development of housing to opt-in to amended development regulations. It removes statutory language prohibiting buyer-provided non-customary documents in a real estate transaction. It allows middle housing partitions to be further partitioned during the same calendar year. It allows a city to administratively approve or terminate an eligible property tax exemption for single-unit housing. It clarifies language regarding Metro and the Oregon Housing Needs Analysis.

Workforce Housing

HB 4134B – Passed

This bill requires the Oregon Department of Administrative Services to provide grants to cities for specified infrastructure projects that will benefit housing developments that will make at least 30 percent of the dwelling units affordable to workforce income households. Requires cities receiving grants to provide reports to the Oregon Business Development Department.

This report has been prepared by City of Sandy's Government Affairs advocate Nellie deVries