

AGENDA BOOK
OREGON FACILITIES AUTHORITY
Business Meeting

March 13, 2023

Tonkon Torp LLP

888 SW Fifth Ave., Suite 1600, Portland, OR 97204

**SUMMARY AGENDA
OREGON FACILITIES AUTHORITY
Business Meeting
March 13, 2023
12:00 PM – 1:00 PM – OFA Business
1:00 PM – 3:00 PM – Bond Applications
888 SW Fifth Ave., Suite 1600, Portland, OR
And by Zoom conference and telephone (see below)**

Tab	Item	Action Required
1	Approval of Minutes of February 13, 2023	Yes
2	Executive Director's Reports <i>Bonding Report</i> <i>General Report</i>	No
	A Discussion About Childcare	No
3	Informational Items	No
	<i>Brief Recess</i>	
4	Consideration of a Supplemental Resolution relating to the conditional release of a Preliminary Limited Offering Memorandum for the Clackamas Middle College transaction	Yes
5	Consideration of Preliminary Approval for the application by Childpeace Montessori Community for an OFA Traditional Bond in an approximate amount of \$6,900,000	Yes
6	Consideration of Preliminary Approval for the application by City View Charter School for an OFA Traditional Bond in an approximate amount of \$18,750,000	Yes
	Other Matters for the Authority	No
	Public Comment	No

The physical location of the meeting is:
888 SW Fifth Avenue, Suite 1600, Portland, OR 97204
To attend by video conference:
<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>
To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:
(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656
Meeting ID: 929 1079 6828; Passcode: 281 854

OFA helps nonprofit organizations access lower cost financing for capital projects by facilitating the issuance of tax exempt conduit revenue bonds.

888 SW Fifth Avenue, Suite 1600
Portland, OR 97204
Ph: (503) 802-5710, Fax: (503) 972-7410 ·
<http://oregonfacilities.org/>

**WORKING AGENDA
OREGON FACILITIES AUTHORITY**

March 13, 2023

888 SW Fifth Ave., Suite 1600, Portland, OR

And by Zoom conference and telephone (see below)

12:00 PM – 3:00 PM – OFA Business and Bond Applications

<u>Tab</u>	<u>Discussion and Action</u>	<u>Time</u>
	Call to Order and Present Notice of Meeting	12:05
1.	Approval of Minutes of Meeting of February 13, 2023	12:05 – 12:10
2.	Executive Director's Reports <i>Bonding Report</i> <i>General Report</i>	12:10 – 12:30
	A Discussion About Childcare	12:30 – 12:50
3.	Oregon Bond Calendar and Other Items – Informational Only	12:50 – 12:55

Meeting recess to change rooms

4.	Consideration of a Supplemental Resolution relating to the conditional release of a Preliminary Limited Offering Memorandum for the Clackamas Middle College transaction	1:05 – 1:35
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We will hear from:

Applicant:	Mr. Brian Sien, Principal and Ms. Carla Culley, Program Coordinator
Underwriter:	Mr. Wes Olson, Piper Sandler & Co.
OFA Financial Advisor:	Ms. Maggie Marshall, PFM Financial Advisors, LLC
Bond Counsel:	Mr. Michael Schrader, Orrick, Herrington & Sutcliffe LLP
OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: Approval of Resolution 2023-3, granting approval to Clackamas Middle College for the Supplemental Resolution approving the conditional release of the Preliminary Limited Offering Memorandum upon satisfaction of the conditions listed in the Resolution.

5.	Consideration of Preliminary Approval for the application by Childpeace Montessori Community for an OFA Traditional Bond in an approximate amount of \$6,900,000	1:35 – 2:05
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We will hear from:

Applicant:	Ms. Nancy Coronado, Interim Head of School
Purchasing Bank:	Mr. Brent Wiblin, First Republic Bank
OFA Financial Advisor:	Mr. Kevin Quinn, First Tryon Advisors
Bond Counsel:	Mr. Michael Schrader, Orrick, Herrington & Sutcliffe LLP
OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: *Approval of Resolution 2023-4, granting Preliminary Approval to Childpeace Montessori Community for an OFA Traditional Bond in an approximate amount of \$6,900,000*

- 6. Consideration of Preliminary Approval for the application by City View Charter School for an OFA Traditional Bond in an approximate amount of \$18,750,000** **2:05 – 2:35**

We will hear from:

Applicant:	Ms. Nicole Kopacz, Executive Director, and Ms. Mivsam Yekutieli, Treasurer & Finance Committee Chair
Underwriter:	Mr. Wes Olson, Piper Sandler & Co.
OFA Financial Advisor:	Mr. Kevin Quinn, First Tryon Advisors
Bond Counsel:	Mr. Michael Schrader, Orrick, Herrington & Sutcliffe LLP
OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: *Approval of Resolution 2023-5, granting Preliminary Approval to City View Charter School for an OFA Traditional Bond in an approximate amount of \$18,750,000*

Public Comment: No Action Required

Other Matters for the Authority: No Action Required

The physical location of the meeting is:
888 SW Fifth Avenue, Suite 1600, Portland, OR 97204

To attend by video conference:
<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
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(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656
Meeting ID: 929 1079 6828; Passcode: 281 854

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TAB 1

Oregon Facilities Authority
Minutes of Meeting of
February 13, 2023

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on February 13, 2023, commencing at approximately 12:00 p.m. The physical location of the meeting was 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. The meeting was also held by Zoom teleconference.

Authority Members participating in the meeting (via Zoom, unless otherwise indicated) were: Chair Roy Kim, Vice-Chair Andrea Trenner, Authority Members Eric Johansen (in-person), Erika Patton, Kathleen Cornett, Erick Petersen, and Sean Hubert (*at 1:00 p.m.*).

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director (in-person), Mick Harris, Associate Executive Director (in-person), and Nick Pham, Executive Assistant, Oregon Facilities Authority; Jennifer Cordova (in-person) of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe and Michael Schrader (in-person), of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Kevin Quinn (in-person) of Tryon First Advisors, Alternate Financial Advisor to the Authority; Laura Worth of the Office of the State Treasurer (“OST”); and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice (“DOJ”).

Chair Roy Kim called the meeting to order and presented the notice of meeting.

Approval of Minutes

The Minutes of the meeting of January 9, 2022 were unanimously approved.

Executive Director Reports

Mr. Goe reported that previous Traditional Borrower, Portland Retirement Services, plans to refinance their Mirabella Portland bonds, originally issued by Hospital Facilities of Multnomah County. They expect to submit an Application for consideration in April.

Ms. Griffith reminded the Board to complete statements of economic interest in connection with their Board service. Ms. Griffith then directed the Board’s attention to the Bonding Report and the General Report, both of which were included in the Agenda Book. She reported that Childpeace Montessori School will be appearing in March for consideration of a Traditional Bond, that Forest Grove Community School is seeking a refinancing, and in April OFA is expecting a new SNAP Application

from SnowCap. Ms. Griffith led a discussion on Senate Bill 534 and OFA's potential role.

SB 534 allocates \$3,000,000 to OFA for loans relating to infrastructure for middle-level affordable housing. This bill did not originate at the Treasurer's Office, but that office is monitoring it closely. Ms. Griffith agreed to keep the Board informed of its progress (if any) through the legislative process.

OFA's Relationship with Foundations

Ms. Cornett presented a summary of Oregon's top giving foundations, and led a discussion on OFA's potential relationships and opportunities.

Ms. Griffith reviewed for the Board the collaboration between Meyer Memorial Trust ("MMT") and OFA, in which MMT provided a low-interest loan to Victory Academy and Capital Pacific Bank provided SNAP Loan financing. That collaboration helped solve the problem of "who's first" in claiming collateral upon default.

OFA and foundations assist similar nonprofits with capital projects. Ensuring that they know how OFA can help nonprofits should enhance financing for nonprofits. Ms. Griffith and Mr. Harris will produce a more specific plan for outreach in the next several months.

The Board took a brief recess and reconvened at approximately 1:00 p.m.

NAHEFFA Conference

The Board discussed the upcoming National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA") conference in Washington D.C., in April 2023. Mr. Johansen expressed interest in attending. After discussion, Ms. Patton moved to allocate \$4,500 to send a Board member to the conference. Ms. Cornett seconded the motion and the motion was unanimously approved.

Consideration of Preliminary Approval for the application by St. Vincent de Paul Society of Lane County, Inc. for an OFA SNAP Loan in an approximate amount of \$3,786,525.

Mr. Terry McDonald, Executive Director, Mr. Glen DePrater, Chief Financial Officer, and Ms. Kristen Karle, Real Estate Development Director, appeared on behalf of the Applicant. Ms. Chloe Tirabasso and Mr. Michael Deming of Summit Bank, the Sponsoring Bank, appeared to assist with the presentation. The Applicant's slide deck is available upon request.

Mr. McDonald presented on the history and mission of St. Vincent de Paul Society of Lane County, Inc. (“SVDP”). SVDP, established in 1955, provides programs to alleviate poverty. The Applicant achieves its mission through acting in the following core areas: affordable housing, emergency services, homeless services, economic development, and job training.

The Project is the construction of a retail thrift store on undeveloped land owned by the Applicant in Cottage Grove, Oregon. The building will be approximately 20,000 sq. ft., with a drive-through for donations and a loading dock. The retail store will be used solely by the Applicant and approximately 20 full-time employees. The Applicant anticipates building permits to be issued in May 2023 and to finish construction within eight months.

Ms. Tirabasso presented the financing plan. Summit Bank is offering a loan with an initial interest-only period for the first twelve months. The loan will have a 25-year amortization period and a 10-year term with option for 10-year extension. The estimated SNAP Loan interest rate is 4.90%. The Applicant plans to contribute \$862,303 of equity. The Project is estimated to cost \$4,648,828.

The Financial Advisor’s report is included in the materials. Mr. Quinn reported that he had attended the initial financing team call, and had reviewed the application. His understanding of the transaction is consistent with the plan described at the meeting.

SNAP Loan Counsel’s report is included in the materials. Ms. Cordova reported that the financing team had held a scoping call that she and Ms. McCoog attended, and the transaction is consistent with the plan described at the meeting. Hawkins will conduct the usual diligence for legal issues (including any tax issues) and will work with the financing team to create the documentation. Ms. Cordova recommended the transaction for preliminary approval.

The Associate Executive Director’s report is included in the materials. Mr. Harris welcomed St. Vincent de Paul back to OFA. He noted that this is Summit Bank’s first SNAP Loan, though the bank is familiar with the program through OFA’s informational sessions. The Applicant is experienced in both the SNAP and Traditional OFA Programs. He reported that, if approved today, OFA will hold a TEFRA hearing and expect to see SVDP back in April for final approval. Mr. Harris recommended the transaction for preliminary approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2023-2, granting Preliminary Approval to St. Vincent de Paul Society of Lane County, Inc. for an OFA SNAP Loan in an approximate amount of \$3,786,525. Mr. Johansen seconded the motion, and Resolution 2023-2 was unanimously approved.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting was adjourned at approximately 1:33 p.m.

Roy Kim, Chair

Gwendolyn Griffith, Executive Director

TAB 2

OREGON FACILITIES AUTHORITY

Gwen Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice-Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: March 6, 2023

Subject: Executive Director's Bonding Report as February 28, 2023

REPORT ON PENDING APPLICATIONS

<u>Applicant/Type</u>	<u>Amount Requested</u>
Clackamas Middle College (T)	\$ 5,000,000
Portland Village Charter School (T)	\$ 9,295,000
St. Vincent de Paul Society of Lane County, Inc. (S)	\$ 3,786,525

STATUS OF BONDING AUTHORITY – 2021-2023 Biennium

Summary of 2021-2023 Biennium Financing:

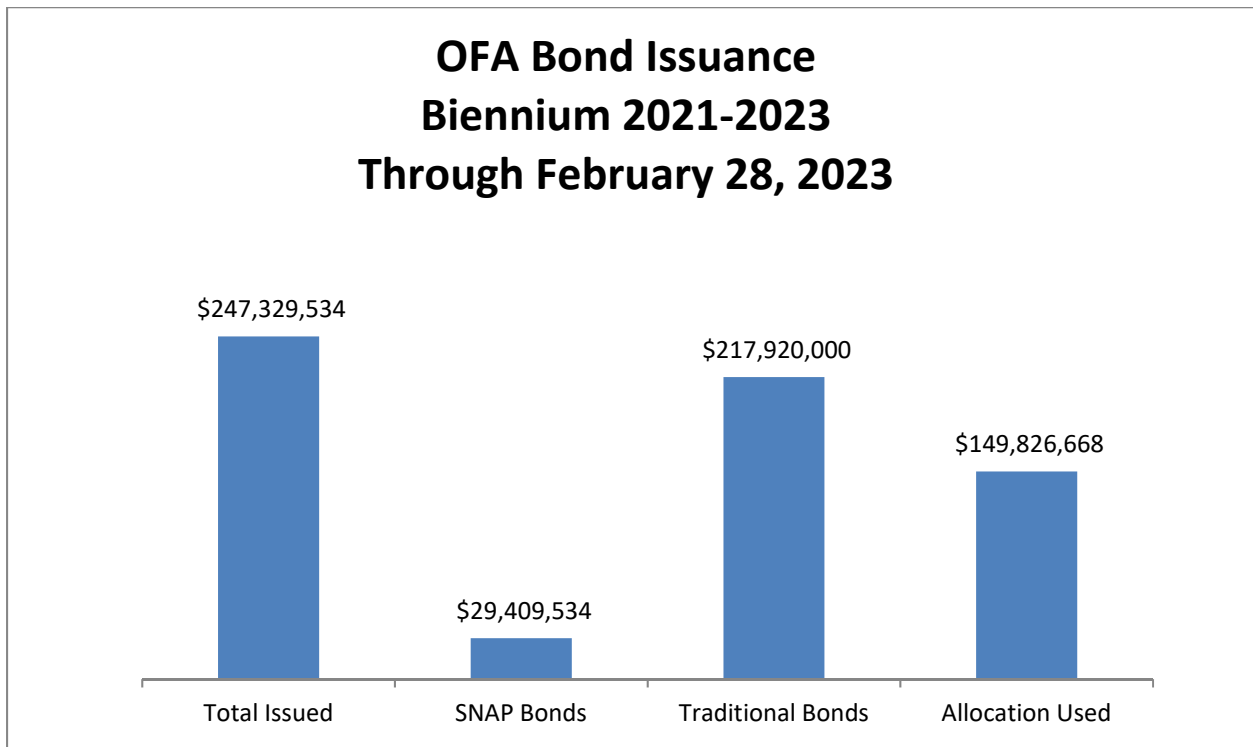
Total Authorized by Legislature	\$1,000,000,000.00
Total Utilized	- <u>149,826,668.04</u>
<i>Unused Balance</i>	\$ 850,173,331.96

BIENNIUM ALLOCATION—ANNUAL SESSIONS: For the 2021-2023 biennium, the Legislature allocated \$1 billion for OFA's issuance.

PRIVATE ACTIVITY BOND ALLOCATION: No private activity bond allocation was made to OFA for this biennium. If OFA needs allocation, the Executive Director will apply to the PAB Committee and the committee may allocate PAB to OFA. However, PAB allocation is scarce this biennium.

CLOSED TRANSACTIONS 2021-2023

Nonprofit Organization	Issued Amount	Allocation Used
Siskiyou Community Health Center	\$ 8,025,000	\$ 8,025,000
Cascade Health	\$ 7,877,866	\$ 0
Cedarwood Waldorf School	\$ 1,856,668	\$ 1,856,668
Mercy Flights, Inc.	\$ 3,800,000	\$ 3,800,000
Legacy Health	\$ 285,765,000	\$ 98,070,000
Adapt	\$ 2,850,000	\$ 2,850,000
Hope Village, Inc.	\$ 26,000,000	\$ 26,000,000
Santiam Memorial Hospital	\$ 4,225,000	\$ 4,225 000
ACE Charter School	\$ 5,000,000	\$ 5,000 000
Total:	\$ 247,329,534	\$ 149,826,668



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OREGON FACILITIES AUTHORITY

Gwendolyn Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: March 7, 2023

Subject: Executive Director's General Report

Transactions

Closed Transactions:	None
Pending Transactions:	Clackamas Middle College (T) Portland Village Charter School (T) St. Vincent de Paul Society (Eugene) (S)
New Applications:	Childpeace Montessori Community (T) City View Charter School (T)*

Proposed Legislation

The provisions of SB 534 have been incorporated into HB 2001. A copy of this bill in its current form is attached. As you will see, it incorporates many different housing-related initiatives, and the material from SB 534 begin at the bottom of page 37.

A hearing on this bill will be held on **Friday, March 10, at 9:30 am** and can be viewed live or as a recording at the following link:

https://www.oregonlegislature.gov/citizen_engagement/Pages/Legislative-Video.aspx

If enacted, this legislation would appropriate \$3,000,000 to OFA to be used as a revolving loan fund for small loans (not to exceed \$500,000) for middle market (workforce) housing projects. I included a high-level plan for implementing this legislation at OFA in last month's agenda book. As part of this plan, if this legislation is enacted, I request that a subcommittee of the Board relating to housing (currently Mr. Kim, Mr. Hubert, and Mr. Petersen) work with Mr. Harris and me to bring this plan to fruition.

Annual Statements of Economic Interests.

It's that time of year again—when Board Members must file their statements of economic interests with the Oregon Government Ethics Commission (OGE). The Statement of Economic Interest is a report that ORS 244.050 requires individuals holding certain public positions to file annually with the OGE. You should have received an email about this from the OGE on **March 15, 2023**. The filing is online. The deadline for filing is **April 15, 2023**.

Filer training is available online. <https://www.oregon.gov/ogec/public-records/Pages/SEIS.aspx>. However, if you have any questions or concerns, please feel free to reach out to me or Nick Pham.

Charter School Update from First Tyron Advisors

Kevin Quinn, of First Tyron Advisors, one of our Financial Advisors, has provided us with an overview of the outlook for charter school financings. It is included with the material on Tab 3 of this Agenda Book. Kevin would be happy to answer any questions you may have about this report. Given the number of charter school financings that OFA is working on right now (with perhaps more to come), I welcome this type of update.

Marketing

On Thursday, March 15, I will record a 5-7 minute video that offers viewers the basics of our SNAP Program. It is intended to just give an introduction to how SNAP Loans can benefit nonprofits and the types of projects that SNAP is perfectly designed to support. We will place it on our website and can make it available to interested banks or potential Applicants.

Given the level of bond work occurring at OFA right now, we have fallen behind in our outreach. I hope we can accomplish the following events (details to follow):

April 2023	Informational Session	Eugene
May 2023	Informational Session	Astoria
May 8, 2023	Board Meeting & Info Session	Medford
June, 2023	Informational Session	Gresham

Financial Report

Attached to this report are financial statements for November and December, 2022, and January, 2023. Here is a snapshot of results for these months of the fiscal year (highlighted area = new information):

Month 2022-2023	End of Month Cash Balance	Month's Actual Results (Favorable) or Unfavorable to YTD Budget	Bond Transactions Closed
January	\$759,034.62	\$28,523.71	0
December	\$788,713.03	\$28,234.90	0
November	\$804,589.70	\$27,723.63	1
October	\$805,173.99	\$9,389.88	1
September	\$789,591.91	(\$12,268.83)	0
August	\$817,208.21	(\$ 6,936.68)	1
July	\$818,018.46	(\$11,791.67)	0

The OFA financial information is provided by OST. OFA generally reports on a cash method: revenue is booked when received, and expenses are booked when paid. The exception to that is at the end of the fiscal year in June of each year. At that time, most of the income and expenses attributable to the fiscal year then ending are allocated to that year, even if paid in the new fiscal year.

The bookkeeping procedures are not tightly tied to OFA's meeting schedule, so we are often a month or more behind in reporting revenue and expenses.

Attachments:

- OFA Income and Expense Reports for November & December, 2022, & January, 2023
- HB 2001

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OREGON FACILITIES AUTHORITY
Income and Expense Report
November 2022

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Income								
Interest Income		\$4,200.00	\$350.00	\$1,771.08	\$1,421.08	\$1,750.00	\$6,400.80	\$4,650.80
Application Fees		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$1,458.33	\$500.00	-\$958.33
Closing: Reg. Bond	ACE Charter School	\$120,000.00	\$10,000.00	\$12,675.00	\$2,675.00	\$50,000.00	\$12,675.00	-\$37,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$27,083.33	\$22,072.50	-\$5,010.83
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$14,446.08	-\$1,612.25	\$80,291.67	\$41,648.30	-\$38,643.37
Expenses								
Executive Director		\$160,000.00	\$13,333.33	\$0.00	-\$13,333.33	\$66,666.67	\$25,635.00	-\$41,031.67
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$4,583.33	\$2,000.00	-\$2,583.33
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$500.00	\$0.00	-\$500.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$1,666.67	\$1,511.40	-\$155.27
Board Travel and Expenses	NAHEEFA travel	\$8,000.00	\$666.67	\$1,949.67	\$1,283.00	\$3,333.33	\$1,949.67	-\$1,383.66
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$83.33	\$0.00	-\$83.33
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$208.33	\$0.00	-\$208.33
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$16,041.67	\$11,280.00	-\$4,761.67
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$41.67	\$6.63	-\$35.04
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$1,250.00	\$0.00	-\$1,250.00
Postage		\$700.00	\$58.33	\$0.00	-\$58.33	\$291.67	\$95.42	-\$196.25
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$208.33	\$19.35	-\$188.98
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$41.67	\$3.37	-\$38.30
Banking		\$150.00	\$12.50	\$21.00	\$8.50	\$62.50	\$85.00	\$22.50
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$14,583.33	\$0.00	-\$14,583.33
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Secretary of State	\$500.00	\$41.67	\$37.50	-\$4.17	\$208.33	\$818.00	\$609.67
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$2,008.17	-\$19,946.00	\$109,770.83	\$43,403.84	-\$66,366.99
Net Cash		-\$70,750.00	-\$5,895.83	\$12,437.91	\$18,333.74	-\$29,479.17	-\$1,755.54	\$27,723.63

Cash Balance

11/1/2022 **\$805,173.99**

11/30/2022 **\$804,589.70**

Net from investments \$1,771.08

Net from operations \$10,666.83

End of 2020-2021 Fiscal Year Cash Balance per OST

\$808,990.00

Prepared by: Gwendolyn Griffith
12/30/2022

Information provided by OST

OREGON FACILITIES AUTHORITY
Income and Expense Report
December 2022

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Income								
Interest Income		\$4,200.00	\$350.00	\$2,072.85	\$1,722.85	\$2,100.00	\$8,473.65	\$6,373.65
Application Fees	Santiam	\$3,500.00	\$291.67	\$500.00	\$208.33	\$1,750.00	\$1,000.00	-\$750.00
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$60,000.00	\$12,675.00	-\$47,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$32,500.00	\$22,072.50	-\$10,427.50
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$2,572.85	-\$13,485.48	\$96,350.00	\$44,221.15	-\$52,128.85
Expenses								
Executive Director	August & September 2022	\$160,000.00	\$13,333.33	\$28,715.00	\$15,381.67	\$80,000.00	\$54,350.00	-\$25,650.00
Financial Advisor	SnowCap	\$11,000.00	\$916.67	\$1,200.00	\$283.33	\$5,500.00	\$3,200.00	-\$2,300.00
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$600.00	\$0.00	-\$600.00
Department Justice	Sep-22	\$4,000.00	\$333.33	\$459.80	\$126.47	\$2,000.00	\$1,971.20	-\$28.80
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$4,000.00	\$1,949.67	-\$2,050.33
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$100.00	\$0.00	-\$100.00
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$250.00	\$0.00	-\$250.00
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$19,250.00	\$11,280.00	-\$7,970.00
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$50.00	\$6.63	-\$43.37
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$1,500.00	\$0.00	-\$1,500.00
Postage		\$700.00	\$58.33	\$140.66	\$82.33	\$350.00	\$236.08	-\$113.92
Printing/Copying		\$500.00	\$41.67	\$109.80	\$68.13	\$250.00	\$129.15	-\$120.85
Phone		\$100.00	\$8.33	\$11.49	\$3.16	\$50.00	\$14.86	-\$35.14
Banking		\$150.00	\$12.50	\$11.00	-\$1.50	\$75.00	\$96.00	\$21.00
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$17,500.00	\$0.00	-\$17,500.00
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	September Lunch	\$500.00	\$41.67	\$160.00	\$118.33	\$250.00	\$978.00	\$728.00
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$30,807.75	\$8,853.58	\$131,725.00	\$74,211.59	-\$57,513.41
Net Cash		-\$70,750.00	-\$5,895.83	-\$28,234.90	-\$22,339.07	-\$35,375.00	-\$29,990.44	\$5,384.56

Cash Balance

12/1/2022	\$804,589.70
12/31/2022	\$788,718.03

Net from investments	\$2,072.85
Net from operations	(\$30,307.75)

Prepared by: Gwendolyn Griffith
02/01/2023

Information provided by OST

End of 2021-2022 Fiscal Year Cash Balance per OST **\$808,990.00**

OREGON FACILITIES AUTHORITY
Income and Expense Report
January 2023

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Interest Income		\$4,200.00	\$350.00	\$2,234.55	\$1,884.55	\$2,450.00	\$10,708.20	\$8,258.20
Application Fees	Portland Village School, City View Charter School, St. Vincent de Paul	\$3,500.00	\$291.67	\$1,500.00	\$1,208.33	\$2,041.67	\$2,500.00	\$458.33
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$70,000.00	\$12,675.00	-\$57,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$37,916.67	\$22,072.50	-\$15,844.17
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$3,734.55	-\$12,323.78	\$112,408.33	\$47,955.70	-\$64,452.63
Expenses								
Executive Director		\$160,000.00	\$13,333.33	\$0.00	-\$13,333.33	\$93,333.33	\$54,350.00	-\$38,983.33
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$6,416.67	\$3,200.00	-\$3,216.67
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$700.00	\$0.00	-\$700.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$2,333.33	\$1,971.20	-\$362.13
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$4,666.67	\$1,949.67	-\$2,717.00
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$116.67	\$0.00	-\$116.67
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$291.67	\$0.00	-\$291.67
Oregon State Treasurer	July - December 22, April- June 21	\$38,500.00	\$3,208.33	\$32,160.00	\$28,951.67	\$22,458.33	\$43,440.00	\$20,981.67
Dept. of Admin. Services	FBS Qtr 5	\$100.00	\$8.33	\$10.26	\$1.93	\$58.33	\$16.89	-\$41.44
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$1,750.00	\$0.00	-\$1,750.00
Postage		\$700.00	\$58.33	\$0.00	-\$58.33	\$408.33	\$236.08	-\$172.25
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$291.67	\$129.15	-\$162.52
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$58.33	\$14.86	-\$43.47
Banking		\$150.00	\$12.50	\$13.00	\$0.50	\$87.50	\$109.00	\$21.50
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$20,416.67	\$0.00	-\$20,416.67
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	SOSO 4th & 7th Qtr Records Mgmt	\$500.00	\$41.67	\$75.00	\$33.33	\$291.67	\$1,053.00	\$761.33
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$32,258.26	\$10,304.09	\$153,679.17	\$106,469.85	-\$47,209.32
Net Cash		-\$70,750.00	-\$5,895.83	-\$28,523.71	-\$22,627.88	-\$41,270.83	-\$58,514.15	-\$17,243.32

Cash Balance

1/1/2023	\$788,718.03
1/31/2023	\$759,034.62

Net from investments	\$2,234.55
Net from operations	(\$30,758.26)

Prepared by: Gwendolyn Griffith
3/6/2023

Information provided by OST

End of 2021-2022 Fiscal Year Cash Balance per OST

\$808,990.00

A-Engrossed House Bill 2001

Ordered by the House March 1
Including House Amendments dated March 1

Sponsored by Representative DEXTER, Senators JAMA, ANDERSON, Representative HELFRICH; Representatives FAHEY, GAMBA, GOMBERG, JAVADI, REYNOLDS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires Housing and Community Services Department to study housing. Directs department to submit findings to interim committees of Legislative Assembly related to housing not later than September 15, 2024.]

Establishes Oregon Housing Needs Analysis in Oregon Department of Administrative Services. Requires cities outside Metro to plan for housing needs as allocated by analysis. Requires Metro to adopt similar methodology to allocate housing needs to cities within Metro. Requires Housing and Community Services Department to develop housing production dashboard and housing equity indicators.

Allows Department of Land Conservation and Development to audit, and to enter into housing acceleration agreement with, certain cities that are not adopting or implementing housing production strategies or that are lowest performing as measured by dashboard and indicators. Allows department to seek, and Land Conservation and Development Commission to issue, specific enforcement orders for certain continued noncompliance by cities in addressing housing. Amends land use requirements for local governments related to urbanization, including by requiring cities to measure and plan for development-ready lands, requiring Metro to adopt housing coordination strategy and allowing cities outside of Metro to adopt rural reserves. Requires commission to adopt or amend implementing rules.

Modifies emergency housing assistance program and state homeless assistance program to provide services and assistance to school-aged children experiencing or at risk of experiencing homelessness. Modifies eligibility requirements for applicants for grants from homeless youth services enhancement program and host home project program. Makes programs permanent.

Requires Housing and Community Services Department to provide grants or loans for modular housing and components. Sunsets January 2, 2026.

Requires Oregon Facilities Authority to provide financing for infrastructure and predevelopment costs for moderate income housing. Sunsets January 2, 2026.

Requires residential landlords to extend notice periods for terminations of tenancy based on nonpayment of rent and to include additional notices. Requires landlords and clerk to also include notice with summons for nonpayment of rent. Postpones dates for first appearance and trial for evictions based on such termination notices. Requires landlord to attest to belief that tenant who is absent at first appearance remains in possession of premises before default eviction judgment.

Requires public bodies and grantees to inform tenants and landlords regarding rental assistance applications.

Requires courts to annually set aside and seal certain inoperative residential eviction judgments.

Requires State Department of Agriculture to provide grants to improve certain existing agriculture workforce housing. Sunsets January 2, 2026.

Allows certain moneys appropriated to Housing and Community Services Department for use in Oregon Balance of State Continuum of Care to be spent under emergency procurement authority.

Appropriates moneys from General Fund to Housing and Community Services Department, Oregon Department of Administrative Services, Land Conservation and Development Commission, Oregon Facilities Authority and State Department of Agriculture for purposes of Act.

Declares emergency, effective on passage.

1 Relating to housing; creating new provisions; amending ORS 90.394, 94.536, 105.115, 105.124, 105.135,
2 105.137, 195.033, 195.036, 195.060, 195.141, 195.143, 195.145, 195.300, 197.015, 197.286, 197.290,
3 197.291, 197.293, 197.296, 197.297, 197.298, 197.299, 197.302, 197.303, 197.304, 197.307, 197.313,
4 197.319, 197.320, 197.335, 197.480, 197.522, 197.637, 197.764, 197.831, 197A.300, 197A.305, 197A.310,
5 197A.312, 197A.320, 215.457, 215.501, 270.005, 456.586, 458.650, 466.055 and 527.755 and section
6 8, chapter 420, Oregon Laws 2021, sections 1, 2 and 6, chapter 531, Oregon Laws 2021, and
7 sections 6 and 9, chapter 552, Oregon Laws 2021; repealing ORS 197.178, 197.766, 197A.405,
8 197A.407, 197A.409, 197A.411 and 197A.413; and declaring an emergency.

9 **Be It Enacted by the People of the State of Oregon:**

10
11 **OREGON HOUSING NEEDS ANALYSIS**
12

13 **SECTION 1. (1) There is established within the Oregon Department of Administrative**
14 **Services the Oregon Housing Needs Analysis. The purposes of the Oregon Housing Needs**
15 **Analysis are to further the:**

16 (a) Production of housing to meet the need of Oregonians at all levels of affordability;
17 and

18 (b) Production of housing in a way that creates more housing choice by affirmatively
19 furthering fair housing, as defined in ORS 197.290.

20 (2) The Oregon Housing Needs Analysis consists of three components as follows:

21 (a) The annual statewide housing analysis under section 2 (1) of this 2023 Act;

22 (b) The allocated housing need under section 2 (2) of this 2023 Act; and

23 (c) The housing production targets under section 3 of this 2023 Act.

24 (3) Actions taken by the department under sections 1 to 3 of this 2023 Act are not subject
25 to ORS 197.180 and are not land use decisions.

26 (4) The Department of Land Conservation and Development and the Housing and Com-
27 munity Services Department:

28 (a) Shall assist the Oregon Department of Administrative Services with its duties under
29 sections 1 to 3 of this 2023 Act.

30 (b) May study and recommend methodological changes to the Oregon Department of
31 Administrative Services to improve the Oregon Housing Needs Analysis' functions and suit-
32 ability for its purposes under subsection (1) of this section. The departments may solicit
33 written and oral public testimony to inform their recommendations.

34 **SECTION 2. (1) On an annual basis the Oregon Department of Administrative Services**
35 **shall conduct a statewide housing analysis. The analysis must be conducted statewide and**
36 **segmented into regions as determined by the department. The analysis shall estimate factors**
37 **including, but not limited to:**

38 (a) Projected needed housing units over the next 20 years;

39 (b) Current housing underproduction;

40 (c) Housing units needed for people experiencing homelessness; and

41 (d) Housing units projected to be converted into vacation homes or second homes during
42 the next 20 years.

43 (2) At the time the department performs the housing analysis under subsection (1) of this
44 section, the department shall allocate a housing need for each city.

45 (3) In making an allocation under subsection (2) of this section, the department shall

consider:

(a) The forecasted population growth under ORS 195.033 or 195.036;

(b) The forecasted regional job growth;

(c) An equitable statewide distribution of housing for income levels described in subsection (4) of this section;

(d) The estimates made under subsection (1) of this section; and

(e) The purpose of the Oregon Housing Needs Analysis under section 1 (1) of this 2023 Act.

(4) In estimating and allocating housing need under this section, the department shall segment need by the following income levels:

(a) Housing affordable to households making less than 30 percent of median family income;

(b) Housing affordable to households making 30 percent or more and less than 60 percent of median family income;

(c) Housing affordable to households making 60 percent or more and less than 80 percent of median family income;

(d) Housing affordable to households making 80 percent or more and less than 120 percent of median family income; and

(e) Housing affordable to households making 120 percent or more of median family income.

SECTION 3. (1) The Oregon Department of Administrative Services shall allocate housing production targets to each city with a population of 10,000 or greater and to each unincorporated urbanized area within the Metro urban growth boundary. Housing production targets shall describe the proportion of the allocated housing need that the department determines should be produced in each city within six years for a city or urbanized area inside Metro and within eight years for a city or urbanized area outside Metro.

(2) The housing production targets must be separated into:

(a) A total target; and

(b) A target for publicly supported housing affordable to households making less than 80 percent of the median family income.

(3) In establishing housing production targets under this section, the department:

(a) May include a greater proportion of the allocated housing need to accommodate people experiencing homelessness and housing underproduction within a city;

(b) Is not required to consider allocation of needed housing by Metro under ORS 197.296 or 197.303; and

(c) Shall coordinate the allocation of the targets with a schedule developed by the Department of Land Conservation and Development for requiring housing production strategies under ORS 197.290.

SECTION 4. (1) The Housing and Community Services Department may adopt rules to implement this section and section 5 of this 2023 Act.

(2) On an annual basis the Housing and Community Services Department shall update a publicly available statewide housing production dashboard.

(3) The dashboard shall include, for each city with a population of 10,000 or greater:

(a) Progress toward housing production by affordability levels, as described in section 2 (4) of this 2023 Act and total housing targets; and

(b) A comparative analysis of progress in comparison to the region and other local governments with similar market types.

(4) Information in the dashboard must be based on:

(a) Inventory of publicly supported housing, as defined in ORS 456.250, that is maintained by the department; and

(b) Information submitted to the department under section 37 (3) of this 2023 Act.

SECTION 5. (1) On an annual basis the Housing and Community Services Department shall update publicly available statewide housing equity indicators.

(2) The indicators shall include, for each city, quantifiable data, to the extent that the department can determine, define or estimate it, displaying:

(a) Housing outcomes, such as cost burden and availability of housing units to own or to rent, and housing condition for various demographics, including race or ethnicity, disability status, English proficiency and age;

(b) Housing types produced and overall land efficiency of housing production;

(c) New housing units built to standards, as defined by the Department of Consumer and Business Services by rule, relating to accessibility and visitability;

(d) Risk of gentrification and displacement;

(e) Housing segregation by race and income;

(f) Environmentally just housing outcomes, informed by the environmental justice mapping tool, developed by the Environmental Justice Council under section 12, chapter 58, Oregon Laws 2022;

(g) Residential tenants who spend more than 50 percent of their household income on gross rent for housing; and

(h) Other measurable factors or indicators identified by the department.

SECTION 6. (1) No later than March 1, 2024, the Department of Land Conservation and Development shall adopt a housing production target schedule under section 3 (3)(c) of this 2023 Act.

(2) No later than January 1, 2025, the Oregon Department of Administrative Services shall:

(a) Conduct the initial statewide housing analysis and the initial estimate and allocation of housing need under section 2 of this 2023 Act.

(b) Establish the initial housing production targets under section 3 of this 2023 Act.

(3) No later than January 1, 2025, the Housing and Community Services Department shall:

(a) Publish the statewide housing production dashboard under section 4 of this 2023 Act; and

(b) Publish statewide housing equity indicators under section 5 of this 2023 Act.

(4) The schedule adopted by the Department of Land Conservation and Development under subsection (1) of this section is not a land use decisions and is not subject to appeal.

SECTION 7. In addition to and not in lieu of any other appropriation, there is appropriated for the biennium beginning July 1, 2023, out of the General Fund:

(1) To the Housing and Community Services Department, the amount of \$____, to perform the duties of the department under sections 1 to 5 of this 2023 Act.

(2) To the Oregon Department of Administrative Services, the amount of \$____, to perform the duties of the department under sections 1 to 5 of this 2023 Act.

URBANIZATION GENERALLY

SECTION 8. (1) In adopting rules under ORS 197.286 to 197.314 and statewide planning goals relating to housing or urbanization, or administering the rules or statutes, the Land Conservation and Development Commission and Department of Land Conservation and Development shall be guided by the following principles:

(a) Housing that is safe, accessible and affordable in the community of their choice should be available to every Oregonian.

(b) Building enough equitable housing must be a top priority.

(c) The development and implementation of the housing production strategy should be the focal point by which the department collaborates with local governments to address and eliminate local barriers to housing production.

(d) Expertise, technical assistance, model ordinances and other tools and resources to address housing production should be provided to local governments, using cooperative planning tools embodied in ORS 197.291 and 197.293, but not to the exclusion of the expedient use of enforcement authority, including compliance orders under ORS 197.319 to 197.335.

(e) Housing production should support fair and equitable housing outcomes, environmental justice, climate resilience and access to opportunity.

(f) Housing production should not be undermined by litigation, regulatory uncertainty or repetitive or unnecessary procedures.

(g) Local governments, to the greatest extent possible, should take actions within their control to facilitate the production of housing to meet housing production targets under section 3 of this 2023 Act.

(2) Each public body, as defined in ORS 174.109, shall use its authority to remove barriers to, and to create pathways for, the development of needed housing and shall collaborate with the department and local governments to identify and implement strategies to support housing production where there is insufficient housing production and choice.

(3) In adopting rules implementing ORS 197.286 to 197.314 and statewide land use goals relating to housing and urbanization, the commission may approve a range of methodologies, policy options or assumptions that a local government may adopt in determining:

(a) Needed housing;

(b) Housing production strategies or housing coordination strategies;

(c) Buildable lands or housing capacity;

(d) Amendments to urban growth boundaries, including under ORS 197.296 (6)(a), 197.299, 197.764 and 197A.300 to 197A.325 and section 22 (5)(a) of this 2023 Act; or

(e) Adoption or amendments to urban reserves or rural reserves under ORS 195.137 to 195.145.

SECTION 9. (1) The Land Conservation and Development Commission shall adopt rules and amendments to rules related to urbanization as follows:

(a) On or before January 1, 2025, to implement ORS 197.290, 197.291, 197.293, 197.319 (4), 197.320 (13) and 197.335 (6); and

(b) On or before January 1, 2026, to implement ORS 197.286 to 197.314, except as provided in paragraph (a) of this subsection.

(2) In adopting rules under this section, the commission shall prioritize:

(a) Facilitating and encouraging housing production, affordability and housing choice on

1 buildable lands within an urban growth boundary;

2 (b) Providing greater clarity and certainty in the adoption and acknowledgement of
3 housing capacity analyses, urban growth boundary amendments, urban growth boundary ex-
4 changes or urban reserves to accommodate an identified housing need;

5 (c) Reducing analytical burden, minimizing procedural redundancy and increasing legal
6 certainty for local governments pursuing urban growth boundary amendments, urban growth
7 boundary exchanges or urban reserves where a housing need is identified, especially for
8 smaller cities, consistent with the appropriate protection of resource lands; and

9 (d) Supporting coordinated public facilities planning, annexation, and comprehensive plan
10 amendments to facilitate the development of lands brought into an urban growth boundary.

11 (3) In adopting rules under subsection (1)(a) of this section, the commission shall:

12 (a) Consult with the Housing and Community Services Department, Department of
13 Transportation, Department of Environmental Quality, Department of State Lands, Oregon
14 Business Development Department and Department of Consumer and Business Services;

15 (b) Provide clear parameters on the types and extent of actions needed or allowed under
16 ORS 197.290 (3) that are consistent with the technical and resource capacities of varying
17 sizes of local governments; and

18 (c) Recognize actions already taken by local governments.

19 (4) To avoid interference with current planning activities or to avoid unjust or surprising
20 results, the Land Conservation and Development Commission may postpone, for cities spec-
21 ified by the commission, the applicability of sections 13, 21, 22 or 23 of this 2023 Act and the
22 amendments to ORS 197.286, 197.290, 197.296, 197.297 and 197.303, by sections 12 and 25 to 28
23 of this 2023 Act, until a date that is not later than January 1, 2026.

24 **SECTION 10.** In addition to and not in lieu of any other appropriation, there is appro-
25 priated to the Department of Land Conservation and Development, for the biennium ending
26 June 30, 2023, out of the General Fund, the amount of \$___, to adopt rules under section 9
27 of this 2023 Act.

28 **SECTION 11.** In addition to and not in lieu of any other appropriation, there is appro-
29 priated to the Department of Land Conservation and Development, for the biennium begin-
30 ning July 1, 2023, out of the General Fund, the amount of \$___, to adopt rules under section
31 9 of this 2023 Act.

32 **SECTION 12.** ORS 197.286, as amended by section 5, chapter 54, Oregon Laws 2022, is amended
33 to read:

34 197.286. As used in ORS 197.286 to 197.314 and 197.475 to 197.490:

35 (1) “Allocated housing need” means:

36 (a) For a city outside Metro, the housing need allocated to a city under section 2 (2) of
37 this 2023 Act as segmented by income level under section 2 (4) of this 2023 Act; or

38 (b) For a city within Metro, the housing need allocated to the city by Metro under ORS
39 197.303 (3).

40 [(1)] (2) “Buildable lands” means lands in urban and urbanizable areas that are suitable, avail-
41 able and necessary for *[residential uses. “Buildable lands” includes]* **the development of needed**
42 **housing over a 20-year planning period, including** both vacant land and developed land likely to
43 be redeveloped.

44 [(2)] (3) “Government assisted housing” means housing that is financed in whole or part by ei-
45 ther a federal or state housing agency or a housing authority as defined in ORS 456.005, or housing

that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

(4) “Housing capacity” means the number of needed housing units that can be developed on buildable lands within the 20-year planning period based on the land’s comprehensive plan designation and capacity for housing development and redevelopment.

(5) “Housing production strategy” means a strategy adopted by a local government to promote housing production under ORS 197.290.

[(3)] (6) “Manufactured dwelling,” “manufactured dwelling park,” “manufactured home” and “mobile home park” have the meanings given those terms in ORS 446.003.

[(4)] (7) “Periodic review” means the process and procedures as set forth in ORS 197.628 to 197.651.

[(5)] (8) “Prefabricated structure” means a prefabricated structure, as defined in ORS 455.010, that is relocatable, more than eight and one-half feet wide and designed for use as a single-family dwelling.

[(6)] “Urban growth boundary” means an urban growth boundary included or referenced in a comprehensive plan.]

SECTION 13. (1) At the time that a city is required to inventory its buildable lands under ORS 197.297 (1) or section 21 or 22 of this 2023 Act, the local government shall determine the amount of buildable lands that are likely to support the production of housing during the period of their housing production target under section 3 (1) of this section, because the lands are:

(a) Currently annexed and zoned to allow housing through clear and objective standards and procedures;

(b) Readily served through adjacent public facilities or identified for the near-term provision of public facilities through an adopted capital improvement plan; and

(c) Not encumbered by any applicable local, state or federal protective regulations or have appropriate entitlements to prepare the land for development.

(2) If the total housing production target is greater than the housing capacity of development-ready lands, the local government shall take any actions in ORS 197.290 (3) that demonstrably prepare lands for development or redevelopment or increase the housing capacity of existing development-ready lands.

HOUSING PRODUCTION ACCOUNTABILITY

SECTION 14. ORS 197.293 is amended to read:

197.293. [(1) *The Land Conservation and Development Commission, in consultation with the Housing and Community Services Department, shall adopt criteria for reviewing and identifying cities with a population greater than 10,000 that have not sufficiently:*]

[(a) *Achieved production of needed housing within their jurisdiction; or]*

[(b) *Implemented a housing production strategy adopted under ORS 197.290.*]

[(2) *The criteria adopted by the commission under subsection (1) of this section may include the city’s:*]

[(a) *Unmet housing need as described in ORS 197.296 (6);]*

[(b) *Unmet housing need in proportion to the city’s population;*]

[(c) *Percentage of households identified as severely rent burdened as described in ORS 456.586;*]

1 [(d) Recent housing development;]

2 [(e) Recent adoption of a housing production strategy under ORS 197.290 or adoption of actions
3 pursuant to a housing production strategy;]

4 [(f) Recent or frequent previous identification by the Department of Land Conservation and Devel-
5 opment under this section; or]

6 [(g) Other attributes that the commission considers relevant.]

7 [(3) The Department of Land Conservation and Development may review cities under the criteria
8 adopted under subsection (2) of this section for the purposes of prioritizing actions by the department,
9 including:]

10 [(a) Awarding available technical or financial resources;]

11 [(b) Providing enhanced review and oversight of the city's housing production strategy;]

12 [(c) Requiring a report and explanation if a city does not implement an action within the approxi-
13 mate time frame scheduled within a housing production strategy;]

14 [(d) Entering into agreements with the city relating to the city's modification or implementation of
15 its housing production strategy; or]

16 [(e) Petitioning the commission to act under ORS 197.319 to 197.335 to require the city to comply
17 with ORS 197.286 to 197.314 or statewide land use planning goals related to housing or
18 urbanization.]

19 **(1) In developing and implementing this section and performing its duties under ORS**
20 **197.319 (4), the Department of Land Conservation and Development shall be guided by section**
21 **8 (1) of this 2023 Act and the following principles:**

22 **(a) Increasing housing production;**

23 **(b) Developing affordable and equitable housing;**

24 **(c) Forming partnerships with cities and with other public bodies;**

25 **(d) Responding proportionately to housing underproduction;**

26 **(e) Escalating enforcement to address persistent, repeated or deliberate noncompliance**
27 **with housing production targets; and**

28 **(f) Considering the availability of state resources to support housing production.**

29 **(2)(a) In determining whether a city should be referred under subsection (3) of this sec-**
30 **tion, the department may base its evaluation on the relative performance of a city based on**
31 **any one of, or any combination of, the following:**

32 **(A) A city's progress proportionate to its population size, as demonstrated by the state-**
33 **wide housing production dashboard under section 4 of this 2023 Act.**

34 **(B) The city's performance as demonstrated by a statewide housing equity indicator un-**
35 **der section 5 of this 2023 Act.**

36 **(b) The department may not base a determination made under this subsection solely on**
37 **a city's performance on any single equity indicator.**

38 **(3) Each year, the department shall refer into its housing acceleration program, under**
39 **subsection (4) of this section:**

40 **(a) For each region, as established in the Oregon Housing Needs Analysis under section**
41 **1 (1) of this 2023 Act, of those cities that adopted a housing production strategy more than**
42 **three but less than four years ago, including as required by subsection (7)(a) of this section,**
43 **the lowest performing cities, if any exist, as determined under subsection (2) of this section;**

44 **(b) Each city that has failed to adopt a housing production strategy by the deadline under**
45 **ORS 197.290 (1);**

1 (c) Each city that has failed to undertake actions in its housing production strategy by
2 the deadline under ORS 197.290 (4); and

3 (d) Cities referred under ORS 197.319 (4).

4 (4) For each city referred to the housing acceleration program, within six months, the
5 department shall, in cooperation with the city, complete an audit of specific housing barriers,
6 that must include an analysis of the following factors affecting housing production,
7 affordability and choice:

8 (a) The existing housing production strategy and the documents and record supporting
9 the strategy;

10 (b) Public written comments and invited stakeholder feedback received by a date specified
11 by the department;

12 (c) Land use planning regulations, including zoning and development code;

13 (d) Permitting and approval processes relating to development of housing and
14 infrastructure supporting housing;

15 (e) Required fees, exactions and improvements;

16 (f) Actions and inactions that can impact fair and equitable housing outcomes, environ-
17 mental justice, climate resilience and location choice;

18 (g) Local resource deficiencies, including staffing, public facilities, capital improvements
19 to infrastructure, availability of buildable lands and actions or investments to prepare land
20 for development;

21 (h) Specific additional state resources that could support housing production;

22 (i) Changes to state laws or rules or the regulations, policies, actions or inactions of any
23 public body, as defined in ORS 174.109, as that could impact housing production; and

24 (j) Other factors limiting housing that are not within the city's control.

25 (5) In performing an audit under subsection (4) of this section, the department:

26 (a) May request concurrent review of the city's affordability policies under ORS 197.637;
27 and

28 (b) Shall notify any public body identified under subsection (4)(j) of this section.

29 (6) Within six months following an audit under subsection (4) of this section, the city and
30 the department must enter into a housing acceleration agreement that is based on and
31 proportionate to the city's basis for referral under subsection (3) of this section and informed
32 by the audit under subsection (4) of this section.

33 (7) Under the housing acceleration agreement, the department shall agree to provide:

34 (a) Specified technical assistance, regulatory support and other assistance, to assist the
35 city in performing its agreement under subsection (8) of this section;

36 (b) Specific funding under the department's control; and

37 (c) Specified assistance in pursuing other state or public funds.

38 (8) Under the housing acceleration agreement, the city shall agree to:

39 (a) If the department determines that the factors affecting housing production,
40 affordability and choice are a consequence of policies and practices that are directly within
41 the city's control, adopt an amended housing production strategy within six months that
42 includes:

43 (A) A timeline for performance under ORS 197.290 (4) of no less than one year; and

44 (B) Specified actions which may include, but are not limited to:

45 (i) Actions under ORS 197.290 (3);

(ii) **Dedicating funds for increased local capacity to facilitate housing production, affordability and choice;**

(iii) **Dedicating funds for public facilities and infrastructure necessary to support housing production;**

(iv) **Taking measures that increase the availability of development-ready land as described in section 13 of this 2023 Act;**

(v) **Amending the development code, approval criteria or procedures to reduce cost or delay to housing production; and**

(vi) **Taking emergency temporary measures to support housing production; and**

(b) **Join any department initiated interagency mediation to identify policies and resources that would support housing production in the city.**

(9) **The department may require that a city that is not required to adopt an amendment to its housing production strategy under subsection (8)(a) of this section include findings at the time that the city is next required to adopt a housing production strategy under ORS 197.290 (1) that describe how the city has addressed the audit's findings and any suggested actions.**

(10) **The department may grant limited extensions to deadlines under subsections (3)(b) and (c) and (8)(a) of this section for emergencies, good cause or other factors outside of the city's control.**

(11) **The actions by a city or department under this section are not land use decisions and are not subject to appeal or review.**

(12) **All public bodies, as defined in ORS 174.109, are directed to assist cities and the department in the performance of their duties under this section and to take timely action to ensure that the agency's rules or policies do not unduly delay implementation of a housing acceleration agreement under this section.**

SECTION 15. ORS 197.319 is amended to read:

197.319. (1) Before a person may request adoption of an enforcement order under ORS 197.320, the person shall:

(a) Present the reasons, in writing, for such an order to the affected local government; and

(b) Request:

(A) Revisions to the local comprehensive plan, land use regulations, special district cooperative or urban service agreement or decision-making process which is the basis for the order; or

(B) That an action be taken regarding the local comprehensive plan, land use regulations, special district agreement, housing production strategy or decision-making process that is the basis for the order.

(2)(a) The local government or special district shall issue a written response to the request within 60 days of the date the request is mailed to the local government or special district.

(b) The requestor and the local government or special district may enter into mediation to resolve issues in the request. The Department of Land Conservation and Development shall provide mediation services when jointly requested by the local government or special district and the requestor.

(c) If the local government or special district does not act in a manner which the requestor believes is adequate to address the issues raised in the request within the time period provided in paragraph (a) of this subsection, a petition may be presented to the Land Conservation and Development Commission under ORS 197.324.

(3) A metropolitan service district may request an enforcement order under ORS 197.320 (12) without first complying with subsections (1) and (2) of this section.

(4) The department, without the prior approval of the commission, may request an enforcement order under ORS 197.320 (13) without first complying with subsections (1) and (2) of this section. Notwithstanding ORS 183.635 (2) and 197.328 (1), the request under this subsection must be assigned to an administrative law judge appointed under ORS 183.635 unless the commission has previously appointed a hearing officer or a pool of hearing officers to review petitions filed under this section. Before the entry of a final order under ORS 197.319 to 197.335, the department, in its discretion, may dismiss a petition filed by the department under this section and refer a city to the housing acceleration program under ORS 197.293.

SECTION 16. ORS 197.320 is amended to read:

197.320. The Land Conservation and Development Commission shall issue an order requiring a local government, state agency or special district to take action necessary to bring its comprehensive plan, land use regulation, limited land use decisions or other land use decisions or actions into compliance with the goals, acknowledged comprehensive plan provisions, land use regulations, [or] housing production strategy **or housing acceleration agreements** if the commission has good cause to believe:

(1) A comprehensive plan or land use regulation adopted by a local government not on a compliance schedule is not in compliance with the goals by the date set in ORS 197.245 or 197.250 for such compliance[;].

(2) A plan, program, rule or regulation affecting land use adopted by a state agency or special district is not in compliance with the goals by the date set in ORS 197.245 or 197.250 for such compliance[;].

(3) A local government is not making satisfactory progress toward performance of its compliance schedule[;].

(4) A state agency is not making satisfactory progress in carrying out its coordination agreement or the requirements of ORS 197.180[;].

(5) A local government has no comprehensive plan or land use regulation and is not on a compliance schedule directed to developing the plan or regulation[;].

(6) A local government has engaged in a pattern or practice of decision making that violates an acknowledged comprehensive plan or land use regulation. In making its determination under this subsection, the commission shall determine whether there is evidence in the record to support the decisions made. The commission shall not judge the issue solely upon adequacy of the findings in support of the decisions[;].

(7) A local government has failed to comply with a commission order entered under ORS 197.644[;].

(8) A special district has engaged in a pattern or practice of decision-making that violates an acknowledged comprehensive plan or cooperative agreement adopted pursuant to ORS 197.020[;].

(9) A special district is not making satisfactory progress toward performance of its obligations under ORS chapters 195 and 197[;].

(10) A local government's approval standards, special conditions on approval of specific development proposals or procedures for approval do not comply with ORS 197.307 (4) or (6)[;].

(11) A local government is not making satisfactory progress toward meeting its obligations under ORS 195.065[;].

(12) A local government within the jurisdiction of a metropolitan service district has failed to make changes to the comprehensive plan or land use regulations to comply with the regional framework plan of the district or has engaged in a pattern or practice of decision-making that violates a requirement of the regional framework plan[; or].

(13) A city *[is not making satisfactory progress in taking actions listed in its housing production strategy under ORS 197.290.]* **with a population of 10,000 or greater that:**

(a) Has a pattern or practice of violating housing-related statutes or implementing policies that create additional, unnecessary cost or delay to affordable or market-rate housing production;

(b) Has a pattern or practice of creating adverse disparate impacts to state or federal protected classes or inhibiting equitable access to housing choice, as described in ORS 197.290 (2)(b) to (d);

(c) Has failed to enter into a housing acceleration agreement as required under ORS 197.293 (6); or

(d) Has materially breached a term of a housing acceleration agreement under ORS 197.293 (8), including a failure to meet the timeline for performance under ORS 197.293 (8)(a)(A).

SECTION 17. ORS 197.335 is amended to read:

197.335. (1) An order issued under ORS 197.328 and the copy of the order mailed to the local government, state agency or special district *[shall]* **must** set forth:

(a) The nature of the noncompliance, including, but not limited to, the contents of the comprehensive plan or land use regulation, if any, of a local government that do not comply with the goals or the contents of a plan, program or regulation affecting land use adopted by a state agency or special district that do not comply with the goals. In the case of a pattern or practice of decision-making *[which violates the goals, comprehensive plan or land use regulations, the order shall]*, **the order must** specify the decision-making *[which]* **that** constitutes the pattern or practice, including specific provisions the Land Conservation and Development Commission believes are being misapplied[;].

(b) The specific lands, if any, within a local government for which the existing plan or land use regulation, if any, does not comply with the goals[; and].

(c) The corrective action decided upon by the commission, including the specific requirements, with which the local government, state agency or special district must comply. In the case of a pattern or practice of decision-making *[that violates an acknowledged comprehensive plan or land use regulation]*, the commission may require revisions to the comprehensive plan, land use regulations or local procedures which the commission believes are necessary to correct the pattern or practice. Notwithstanding the provisions of this section, except as provided in subsection (3)(c) of this section, an enforcement order does not affect:

(A) Land use applications filed with a local government prior to the date of adoption of the enforcement order unless specifically identified by the order;

(B) Land use approvals issued by a local government prior to the date of adoption of the enforcement order; or

(C) The time limit for exercising land use approvals issued by a local government prior to the date of adoption of the enforcement order.

(2) Judicial review of a final order of the commission *[shall be]* **is** governed by the provisions of ORS chapter 183 applicable to contested cases except as otherwise stated in this section. The

1 commission's final order [*shall*] **must** include a clear statement of findings which set forth the basis
 2 for the order. Where a petition to review the order has been filed in the Court of Appeals, the
 3 commission shall transmit to the court the entire administrative record of the proceeding under re-
 4 view. Notwithstanding ORS 183.482 (3) relating to a stay of enforcement of an agency order, an ap-
 5 pellate court, before it may stay an order of the commission, shall give due consideration to the
 6 public interest in the continued enforcement of the commission's order and may consider testimony
 7 or affidavits thereon. Upon review, an appellate court may affirm, reverse, modify or remand the
 8 order. The court shall reverse, modify or remand the order only if it finds:

9 (a) The order to be unlawful in substance or procedure, but **an** error in procedure [*shall not*
 10 *be*] **is not** cause for reversal, modification or remand unless the court [*shall find*] **finds** that sub-
 11 stantial rights of any party were prejudiced thereby;

12 (b) The order to be unconstitutional;

13 (c) The order is invalid because it exceeds the statutory authority of the agency; or

14 (d) The order is not supported by substantial evidence in the whole record.

15 (3)(a) If the commission finds that in the interim period during which a local government, state
 16 agency or special district would be bringing itself into compliance with the commission's order un-
 17 der ORS 197.320 or subsection (2) of this section it would be contrary to the public interest in the
 18 conservation or sound development of land to allow the continuation of some or all categories of
 19 land use decisions or limited land use decisions, it shall, as part of its order, limit, prohibit or re-
 20 quire the approval by the local government of applications for subdivisions, partitions, building
 21 permits, limited land use decisions or land use decisions until the plan, land use regulation or sub-
 22 sequent land use decisions and limited land use decisions are brought into compliance. The com-
 23 mission may issue an order that requires review of local decisions by a hearings officer or the
 24 Department of Land Conservation and Development before the local decision becomes final.

25 (b) Any requirement under this subsection may be imposed only if the commission finds that the
 26 activity, if continued, aggravates the goal, comprehensive plan or land use regulation violation and
 27 that the requirement is necessary to correct the violation.

28 (c) The limitations on enforcement orders under subsection (1)(c)(B) of this section [*shall not be*
 29 *interpreted to*] **does not** affect the commission's authority to limit, prohibit or require application
 30 of specified criteria to subsequent land use decisions involving land use approvals issued by a local
 31 government prior to the date of adoption of the enforcement order.

32 (4) As part of its order under ORS 197.320 or subsection (2) of this section, the commission may
 33 withhold grant funds from the local government to which the order is directed. As part of an order
 34 issued under this section, the commission may notify the officer responsible for disbursing state-
 35 shared revenues to withhold that portion of state-shared revenues to which the local government is
 36 entitled under ORS 221.770, 323.455, 366.762 and 366.800 and ORS chapter 471 which represents the
 37 amount of state planning grant moneys previously provided the local government by the commission.
 38 The officer responsible for disbursing state-shared revenues shall withhold state-shared revenues as
 39 outlined in this section and shall release funds to the local government or department when notified
 40 to so do by the commission or its designee. The commission may retain a portion of the withheld
 41 revenues to cover costs of providing services incurred under the order, including use of a hearings
 42 officer or staff resources to monitor land use decisions and limited land use decisions or conduct
 43 hearings. The remainder of the funds withheld under this provision shall be released to the local
 44 government upon completion of requirements of the commission order.

45 (5)(a) As part of its order under this section, the commission may notify the officer responsible

1 for disbursing funds from any grant or loan made by a state agency to withhold such funds from a
2 special district to which the order is directed. The officer responsible for disbursing funds shall
3 withhold funds as outlined in this section and shall release funds to the special district or depart-
4 ment when notified to do so by the commission.

5 (b) The commission may retain a portion of the funds withheld to cover costs of providing ser-
6 vices incurred under the order, including use of a hearings officer or staff resources to monitor land
7 use decisions and limited land use decisions or conduct hearings. The remainder of the funds with-
8 held under this provision shall be released to the special district upon completion of the require-
9 ments of the commission order.

10 **(6) As part of its order under this section, upon finding a city failed to comply with ORS**
11 **197.320 (13), the commission may, consistent with the principles in ORS 197.293 (1), require**
12 **the city to:**

13 **(a) Comply with the housing acceleration agreement under ORS 197.293 (6).**

14 **(b) Take specific actions that are part of the city's housing production strategy under**
15 **ORS 197.290.**

16 **(c) Impose appropriate models that have been developed by department, including model**
17 **ordinances, procedures, actions or anti-displacement measures.**

18 **(d) Reduce maximum timelines for review of needed housing or specific types of housing**
19 **or affordability levels, including through ministerial approval or any other expedited existing**
20 **approval process.**

21 **(e) Take specific actions to waive or amend local ordinances.**

22 **(f) Forfeit grant funds under subsection (4) of this section.**

23 **[(6)] (7) The commission may institute actions or proceedings for legal or equitable remedies in**
24 **the Circuit Court for Marion County or in the circuit court for the county to which the**
25 **commission's order is directed or within which all or a portion of the applicable city is located to**
26 **enforce compliance with the provisions of any order issued under this section or to restrain vio-**
27 **lations thereof. Such actions or proceedings may be instituted without the necessity of prior agency**
28 **notice, hearing and order on an alleged violation.**

29 **SECTION 18. The amendments to ORS 197.293, 197.319, 197.320 and 197.335 by sections 14**
30 **to 17 of this 2023 Act become operative on January 1, 2025.**

31 **SECTION 19. The Department of Land Conservation and Development and Land Conser-**
32 **vation and Development Commission may take any actions necessary before the operative**
33 **date specified in section 18 necessary to exercise, on and after the operative date specified**
34 **in section 18 of this 2023 Act, all of the duties, functions and powers conferred on the de-**
35 **partment and commission under the amendments to ORS 197.293, 197.319, 197.320 and 197.335**
36 **by sections 14 to 17 of this 2023 Act.**

37 38 URBANIZATION OUTSIDE METRO

39
40 **SECTION 20. Sections 8, 13 and 21 to 23 of this 2023 Act are added to and made a part**
41 **of ORS 197.286 to 197.314.**

42 **SECTION 21. (1) This section applies only to cities that are not within Metro or described**
43 **in section 22 (1) of this 2023 Act.**

44 **(2) The actions required under subsection (3) of this section must be undertaken:**

45 **(a) At periodic review pursuant to ORS 197.628 to 197.651;**

(b) On a schedule established by the Land Conservation and Development Commission for cities with a population of 10,000 or greater, not to exceed once each eight years;

(c) At any other legislative review of the comprehensive plan that requires the application of a statewide planning goal related to buildable lands for residential use; or

(d) At the election of a city with a population of less than 10,000.

(3) A city shall, according to rules of the commission:

(a) Determine its needed housing under section 23 of this 2023 Act;

(b) Inventory the supply of buildable lands available within the urban growth boundary to accommodate needed housing; and

(c) Take any necessary actions described in ORS 197.290 (3), whether or not the actions are described within the city's housing production strategy, to accommodate needed housing.

SECTION 22. (1) This section applies only to local governments with jurisdiction over lands inside the urban growth boundary of:

(a) Cities located outside Metro with a population of 25,000 or greater; and

(b) Cities that meet factors established by Land Conservation and Development Commission in consideration of the city's size, rate of population growth or proximity to another city with a population of 25,000 or greater or to Metro.

(2) A local government shall determine its needed housing under section 23 of this 2023 Act and inventory its buildable lands and determine the lands' housing capacity under this section:

(a) At periodic review under ORS 197.628 to 197.651;

(b) As scheduled by the commission at least once each eight years; or

(c) At any other legislative review of the comprehensive plan that concerns the urban growth boundary and requires the application of a statewide planning goal related to buildable lands for residential use.

(3) For the purpose of determining housing capacity and inventory of buildable lands under subsection (2) of this section:

(a) "Buildable lands" includes:

(A) Vacant lands planned or zoned for residential use;

(B) Partially vacant lands planned or zoned for residential use;

(C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and

(D) Lands that may be used for residential infill or redevelopment.

(b) The local government shall consider:

(A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;

(B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and

(C) The presence of a single family dwelling or other structure on a lot or parcel.

(c) Except for land that may be used for residential infill or redevelopment, the local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

(4)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity must be based on data related to land within the urban growth boundary that has been collected since the last review under subsection (2)(b) of this section. The data

1 must include:

2 (A) The number, density and average mix of housing types of urban residential develop-
3 ment that have actually been developed;

4 (B) Trends in density and average mix of housing types of urban residential development;

5 (C) Market factors that may substantially impact future urban residential development;

6 (D) The number, density and average mix of housing types that have been developed on
7 buildable lands;

8 (E) Consideration of the effects of the adopted housing production strategy and measures
9 taken and reasonably anticipated to be taken to implement the strategy; and

10 (F) Consideration of factors that influence available housing supply, including short-term
11 rentals, second homes and vacation homes.

12 (b) A local government shall make the determination described in paragraph (a) of this
13 subsection using data from a shorter time period than the time period described in paragraph
14 (a) of this subsection if the local government finds that the shorter time period will provide
15 more accurate and reliable data related to housing capacity. The shorter time period may
16 not be less than three years.

17 (c) A local government shall use data from a wider geographic area or use a time period
18 longer than the time period described in paragraph (a) of this subsection if the analysis of a
19 wider geographic area or the use of data from a longer time period will provide more accu-
20 rate, complete and reliable data related to trends affecting housing need than an analysis
21 performed pursuant to paragraph (a) of this subsection. The local government must clearly
22 describe the geographic area, time frame and source of data used in a determination per-
23 formed under this paragraph.

24 (5) If the needed housing is greater than the housing capacity, the local government shall
25 take one or both of the following actions to accommodate allocated housing need for the next
26 20 years:

27 (a) Amend its urban growth boundary to include sufficient buildable lands to accommo-
28 date allocated housing need for the next 20 years consistent with the requirements of ORS
29 197A.320 and statewide planning goals. As part of this process, the local government shall
30 consider the effects of actions taken pursuant to paragraph (b) of this subsection. The
31 amendment must include sufficient land reasonably necessary to accommodate the siting of
32 new public school facilities. The need and inclusion of lands for new public school facilities
33 must be a coordinated process between the affected public school districts and the local
34 government that has the authority to approve the urban growth boundary.

35 (b) Take any action under ORS 197.290 (3), whether or not the action was described in
36 an approved housing production strategy, that demonstrably increases housing capacity or
37 produces additional needed housing. Actions under this paragraph may include amending a
38 comprehensive plan or land use regulations to include new measures that demonstrably in-
39 crease the likelihood that residential development will occur at densities sufficient to ac-
40 commodate needed housing for the next 20 years without expansion of the urban growth
41 boundary.

42 (6) A local government that takes any actions under subsection (5) of this section shall:

43 (a) Demonstrate that the comprehensive plan and land use regulations comply with goals
44 and rules adopted by the commission.

45 (b) Adopt findings regarding the changes in housing capacity assumed to result from

actions adopted based on data collected under subsection (4)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. A quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level, as defined in ORS 227.175, within the local government's jurisdiction or a jurisdiction in the same region.

(c) In establishing that actions adopted under subsection (5) of this section demonstrably increase housing capacity, ensure that buildable lands are in locations appropriate for needed housing, are zoned at density ranges that are likely to be achieved by the housing market and are in areas where sufficient urban services are planned to enable the higher density development to occur over the 20-year period.

SECTION 23. (1) As used in ORS 197.286 to 197.314, and except as provided in subsection (2) of this section:

(a) "Needed housing" means housing by affordability level, as described in section 2 (4) of this 2023 Act, type, characteristics and location that is necessary to accommodate the city's allocated housing need over the 20-year planning period in effect when the city's housing capacity is determined.

(b) "Needed housing" includes the following housing types:

(A) Detached single-family housing, middle housing types as described in ORS 197.758 and multifamily housing that is owned or rented;

(B) Government assisted housing;

(C) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(D) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;

(E) Housing for agricultural workers;

(F) Housing for individuals with a variety of disabilities, related to mobility or communications that require accessibility features;

(G) Housing for older persons, as defined in ORS 659A.421; and

(H) Housing for college or university students, if relevant to the region.

(2) Subsection (1)(b)(A) and (D) of this section does not apply to:

(a) A city with a population of less than 2,500.

(b) A county with a population of less than 15,000.

(3) At the time that a city is required to inventory its buildable lands under ORS 197.297 (1) or section 21 or 22 of this 2023 Act, the city shall determine its needed housing under this section.

(4) In determining needed housing the city must demonstrate that the projected housing types, characteristics and locations are:

(a) Attainable for the allocated housing need by income, including consideration of publicly supported housing;

(b) Appropriately responsive to current and projected market trends; and

(c) Responsive to the factors in ORS 197.290 (2)(b) to (d).

SECTION 24. ORS 197A.320 is amended to read:

197A.320. (1) *[Notwithstanding the priority in ORS 197.298 for inclusion of land within an urban growth boundary,]* A city outside *[of]* Metro shall comply with this section when determining which lands to include within the urban growth boundary of the city, **including when amending an urban**

growth boundary under ORS [pursuant to ORS 197.286 to 197.314,] 197A.310 or 197A.312 or section 22 (5)(a) of this 2023 Act.

(2) The Land Conservation and Development Commission shall provide, by rule, that:

(a) When evaluating lands for inclusion within the urban growth boundary, the city shall establish a study area that includes all land that is contiguous to the urban growth boundary and within a distance specified by commission.

(b) The city shall evaluate all land in the study area for inclusion in the urban growth boundary as provided in subsection (4) of this section, except for land excluded from the study area because:

(A) It is impracticable, as provided in subsection (3) of this section, to provide necessary public facilities or services to the land.

(B) The land is subject to significant development hazards, including a risk of land slides, a risk of flooding because the land is within the 100-year floodplain or is subject to inundation during storm surges or tsunamis, and other risks determined by the commission.

(C) The long-term preservation of significant scenic, natural, cultural or recreational resources requires limiting or prohibiting urban development of the land that contains the resources.

(D) The land is owned by the federal government and managed primarily for rural uses.

(E) The land is designated as rural reserve under ORS 195.137 to 195.145.

(c) When evaluating the priority of land for inclusion under paragraph (b) of this subsection:

(A) The city shall evaluate the land within the study area that is designated as an urban reserve under ORS 195.145 in an acknowledged comprehensive plan[.].

(B) If the amount of land appropriate for selection under subparagraph (A) of this paragraph is not sufficient to satisfy the need for the land, the city shall evaluate the land that is subject to an acknowledged exception under ORS 197.732 or land that is nonresource land and select as much of the land as necessary to satisfy the need for land using criteria established by the commission and criteria in an acknowledged comprehensive plan and land use regulations.

~~[(B)]~~ (C) If the amount of land appropriate for selection under ~~[subparagraph (A)]~~ **subparagraphs (A) and (B)** of this paragraph is not sufficient to satisfy the need for land, the city shall evaluate the land within the study area that is designated as marginal land under ORS 197.247 (1991 Edition) in the acknowledged comprehensive plan and select as much of the land as necessary to satisfy the need for land using criteria established by the commission and criteria in an acknowledged comprehensive plan and land use regulations.

~~[(C)]~~ **(D)** If the amount of land appropriate for selection under subparagraphs (A) ~~[and (B)]~~ **(C)** of this paragraph is not sufficient to satisfy the amount of land needed, the city shall evaluate land within the study area that is designated for agriculture or forest uses in the acknowledged comprehensive plan that is not predominantly high-value farmland, as defined in ORS 195.300, or does not consist predominantly of prime or unique soils, as determined by the United States Department of Agriculture Natural Resources Conservation Service, and select as much of that land as necessary to satisfy the need for land:

(i) Using criteria established by the commission and criteria in an acknowledged comprehensive plan and land use regulations; and

(ii) Using the predominant capability classification system or the predominant cubic site class, as appropriate for the acknowledged comprehensive plan designation, to select lower capability or cubic site class lands first.

~~[(D)]~~ **(E)** If the amount of land appropriate for selection under subparagraphs (A) to ~~[(C)]~~ **(D)** of this paragraph is not sufficient to satisfy the need for land, the city shall evaluate land within

the study area that is designated as agricultural land in an acknowledged comprehensive plan and is predominantly high value farmland and select as much of that land as necessary to satisfy the need for land. A local government may not select land that is predominantly made up of prime or unique farm soils, as defined by the United States Department of Agriculture Natural Resources Conservation Service, unless there is an insufficient amount of other land to satisfy its land need.

(3) For purposes of subsection (2)(b)(A) of this section, the commission shall determine impracticability by rule, considering the likely amount of development that could occur on the lands within the planning period, the likely cost of facilities and services, physical, topographical or other impediments to service provision and whether urban development has occurred on similarly situated lands such that it is likely that the lands will be developed at an urban level during the planning period. When impracticability is primarily a result of existing development patterns, the rules of the commission shall require that the lands be included within the study area, but may allow the development capacity forecast for the lands to be specified at a lower level over the planning period. The rules of the commission must be based on an evaluation of how similarly situated lands have, or have not, developed over time.

(4) For purposes of subsection (2)(b)(C) of this section, the commission by rule shall determine the circumstances in which and the resources to which this exclusion will apply.

(5) Notwithstanding subsection [(2)(c)(D)] **(2)(c)(E)** of this section, the rules must allow land that would otherwise be excluded from an urban growth boundary to be included if:

(a) The land contains a small amount of resource land that is not important to the commercial agricultural enterprise in the area and the land must be included to connect a nearby and significantly larger area of land of higher priority for inclusion within the urban growth boundary; or

(b) The land contains a small amount of resource land that is not predominantly high-value farmland or predominantly made up of prime or unique farm soils and the land is completely surrounded by land of higher priority for inclusion into the urban growth boundary.

(6) When the primary purpose for expansion of the urban growth boundary is to accommodate a particular industry use that requires specific site characteristics, or to accommodate a public facility that requires specific site characteristics and the site characteristics may be found in only a small number of locations, the city may limit the study area to land that has, or could be improved to provide, the required site characteristics. Lands included within an urban growth boundary for a particular industrial use, or a particular public facility, must remain planned and zoned for the intended use:

(a) Except as allowed by rule of the commission that is based on a significant change in circumstance or the passage of time; or

(b) Unless the city removes the land from within the urban growth boundary.

(7) Notwithstanding any other provision of this section, the commission may adopt rules that specify circumstances under which a city may exchange land within the urban growth boundary of the city for land that is outside of the urban growth boundary and that is designed to avoid adverse effects of an exchange on agricultural or forest operations in the surrounding area.

METRO URBANIZATION

SECTION 25. ORS 197.296 is amended to read:

197.296. (1) **This section applies only to Metro.**

[(1)(a) The provisions of subsections (2) to (9) of this section apply to metropolitan service district

1 *regional framework plans and local government comprehensive plans for lands within the urban growth*
2 *boundary of a city that is located outside of a metropolitan service district and has a population of*
3 *25,000 or more.]*

4 *[(b) The Land Conservation and Development Commission may establish a set of factors under*
5 *which additional cities are subject to the provisions of this section. In establishing the set of factors*
6 *required under this paragraph, the commission shall consider the size of the city, the rate of population*
7 *growth of the city or the proximity of the city to another city with a population of 25,000 or more or*
8 *to a metropolitan service district.]*

9 (2)(a) [A local government] **Metro** shall demonstrate that its [comprehensive plan or] regional
10 framework plan provides sufficient buildable lands within the urban growth boundary established
11 pursuant to statewide planning goals to accommodate estimated housing needs for 20 years:

12 (A) At periodic review under ORS 197.628 to 197.651;

13 (B) As scheduled by the **Land Conservation and Development** Commission[:]

14 *[(i) at least once each eight years for local governments that are not within a metropolitan service*
15 *district; or]*

16 *[(ii)] at least once each six years [for a metropolitan service district]; or*

17 (C) At any other legislative review of the [comprehensive plan or] regional framework plan that
18 concerns the urban growth boundary and requires the application of a statewide planning goal re-
19 lating to buildable lands for residential use.

20 (b) The 20-year period shall commence on the date initially scheduled for completion of the re-
21 view under paragraph (a) of this subsection.

22 (3) In performing the duties under subsection (2) of this section, [a local government] **Metro**
23 shall:

24 (a) Inventory the supply of buildable lands within the urban growth boundary and determine the
25 housing capacity of the buildable lands; and

26 (b) Conduct an analysis of existing and projected housing need by type and density range, in
27 accordance with all factors under ORS 197.303 and statewide planning goals and rules relating to
28 housing, to determine the number of units and amount of land needed for each needed housing type
29 for the next 20 years.

30 (4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, “buildable
31 lands” includes:

32 (A) Vacant lands planned or zoned for residential use;

33 (B) Partially vacant lands planned or zoned for residential use;

34 (C) Lands that may be used for a mix of residential and employment uses under the existing
35 planning or zoning; and

36 (D) Lands that may be used for residential infill or redevelopment.

37 (b) For the purpose of the inventory and determination of housing capacity described in sub-
38 section (3)(a) of this section, [the local government] **Metro** must demonstrate consideration of:

39 (A) The extent that residential development is prohibited or restricted by local regulation and
40 ordinance, state law and rule or federal statute and regulation;

41 (B) A written long term contract or easement for radio, telecommunications or electrical facili-
42 ties, if the written contract or easement is provided to [the local government; and] **Metro**;

43 (C) The presence of a single family dwelling or other structure on a lot or parcel[.]; and

44 **(D) Factors that influence available housing supply, including short-term rentals, second**
45 **homes and vacation homes.**

(c) Except for land that may be used for residential infill or redevelopment, [a *local government*] **Metro** shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

(B) Trends in density and average mix of housing types of urban residential development;

(C) Market factors that may substantially impact future urban residential development; and

(D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) [A *local government*] **Metro** shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if [the *local government*] **Metro** finds that the shorter time period will provide more accurate and reliable data related to housing capacity. The shorter time period may not be less than three years.

(c) [A *local government*] **Metro** shall use data from a wider geographic area or use a time period longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. [The *local government*] **Metro** must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, [the *local government*] **Metro** shall take one or both of the following actions to accommodate the additional housing need:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, [the *local government*] **Metro** shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and [the *local government*] **Metro** that has the authority to approve the urban growth boundary.

(b) Amend its [*comprehensive plan,*] regional framework plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. [A *local government or metropolitan service district that*] **If Metro** takes this action, **Metro** shall adopt findings regarding the density expectations assumed to result from measures adopted under this paragraph based upon the factors listed in ORS 197.303 (2) and data in subsection (5)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. [For a *local government located outside of a metropolitan service district,* a quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level within the local juris-

diction or a jurisdiction in the same region. For a metropolitan service district,] A quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas **within Metro** that are zoned to allow no greater than the same authorized density level, **as defined in ORS 227.175** [within the metropolitan service district].

[(c) As used in this subsection, "authorized density level" has the meaning given that term in ORS 227.175.]

(7) Using the housing need analysis conducted under subsection (3)(b) of this section, [the local government] **Metro** shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, [the local government] **Metro**, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

(8)(a) [A local government outside a metropolitan service district that] **If Metro** takes any actions under subsection (6) or (7) of this section, **Metro** shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.286 to 197.314.

(b) [A local government] **Metro** shall determine the density and mix of housing types anticipated as a result of actions taken under subsections (6) and (7) of this section and monitor and record the actual density and mix of housing types achieved following the adoption of these actions. [The local government] **Metro** shall compare actual and anticipated density and mix. [The local government] **Metro** shall submit its comparison to the commission at the next review of its urban growth boundary under subsection (2)(a) of this section.

(9) In establishing that actions and measures adopted under subsections (6) and (7) of this section demonstrably increase the likelihood of higher density residential development, [the local government] **Metro** shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section, is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section and is in areas where sufficient urban services are planned to enable the higher density development to occur over the 20-year period. Actions or measures, or both, may include [but are not limited to:] **those actions listed in ORS 197.290 (3).**

[(a) Increases in the permitted density on existing residential land;]

[(b) Financial incentives for higher density housing;]

[(c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;]

[(d) Removal or easing of approval standards or procedures;]

[(e) Minimum density ranges;]

[(f) Redevelopment and infill strategies;]

[(g) Authorization of housing types not previously allowed by the plan or regulations;]

[(h) Adoption of an average residential density standard; and]

[(i) Rezoning or redesignation of nonresidential land.]

[(10)(a) The provisions of this subsection apply to local government comprehensive plans for lands within the urban growth boundary of a city that is located outside of a metropolitan service district

and has a population of less than 25,000.]

[(b) As required under paragraph (c) of this subsection, a city shall, according to rules of the commission:]

[(A) Determine the estimated housing needs within the jurisdiction for the next 20 years;]

[(B) Inventory the supply of buildable lands available within the urban growth boundary to accommodate the estimated housing needs determined under this subsection; and]

[(C) Adopt measures necessary to accommodate the estimated housing needs determined under this subsection.]

[(c) The actions required under paragraph (b) of this subsection shall be undertaken:]

[(A) At periodic review pursuant to ORS 197.628 to 197.651;]

[(B) On a schedule established by the commission for cities with a population greater than 10,000, not to exceed once each eight years; or]

[(C) At any other legislative review of the comprehensive plan that requires the application of a statewide planning goal relating to buildable lands for residential use.]

[(d) For the purpose of the inventory described in this subsection, "buildable lands" includes those lands described in subsection (4)(a) of this section.]

[(11) If a city with a population of 10,000 or less conducts an inventory of the supply of buildable lands or an estimate of housing need, it must satisfy the requirements of subsection (10) of this section.]

SECTION 26. ORS 197.297 is amended to read:

197.297. (1) At least once every six years, by a date scheduled by the Land Conservation and Development Commission, a city that is within [a metropolitan service district] **Metro** and has a population **of 10,000 or greater** [than 10,000] shall:

(a) Inventory the supply of buildable lands within the city and determine the housing capacity of the buildable lands; and

(b) Conduct an analysis of the city's existing and projected needed housing under statewide planning goals and rules related to housing by type, mix, affordability and density range to determine the number of units and amount of land needed for each needed housing type **under section 23 of this 2023 Act** for the next 20 years.

(2) The housing capacity **determination** and **the** needed housing analysis conducted under this section must be adopted as part of the city's comprehensive plan no later than one year after completion of the needed housing analysis.

(3) If the housing capacity and needed housing analysis conducted under this section demonstrates a housing need, the city shall amend its comprehensive plan or land use regulations **or take actions to update or implement its housing production strategy** to include new measures that demonstrably increase the likelihood that development of needed housing will occur for the type, mix, affordability and densities sufficient to accommodate needed housing for the next 20 years.

SECTION 27. ORS 197.303 is amended to read:

197.303. (1) As used in ORS [197.286 to 197.314] **197.296 and this section**, "needed housing" means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. "Needed housing" includes the following housing types:

(a) Attached and detached single-family housing, **middle housing types as described in ORS 197.758** and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; *[and]*

(e) **Agriculture workforce** housing *[for farmworkers.]*;

(f) **Housing for individuals with a variety of disabilities related to mobility or communications that require accessibility features;**

(g) **Housing for older persons, as defined in ORS 659A.421; and**

(h) **Housing for college or university students, if relevant to the region.**

(2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), *[a local government shall use the population projections prescribed by ORS 195.033 or 195.036 and shall consider and adopt findings related to changes in]* **Metro shall adopt findings and perform an analysis that estimates** each of the following factors *[since the last review under ORS 197.296 (2)(a)(B) and the projected future changes in these factors over a 20-year planning period]*:

[(a) Household sizes;]

[(b) Household demographics;]

[(c) Household incomes;]

[(d) Vacancy rates; and]

[(e) Housing costs.]

(a) **Projected needed housing units over the next 20 years;**

(b) **Current housing underproduction;**

(c) **Housing units needed for people experiencing homelessness; and**

(d) **Housing units projected to be converted into vacation homes or second homes during the next 20 years.**

(3) **At the time Metro performs the analysis under subsection (2) of this section, Metro shall allocate a housing need for each city within Metro.**

(4) **In making an allocation under subsection (3) of this section, Metro shall consider:**

(a) **The forecasted population growth under ORS 195.033 or 195.036;**

(b) **The forecasted regional job growth;**

(c) **An equitable statewide distribution of housing for income levels described in section 2 (4) of this 2023 Act.**

(d) **The estimates made under subsection (2) of this section; and**

(e) **The purpose of the Oregon Housing Needs Analysis under section 1 (1) of this 2023 Act.**

[(3)] (5) [A local government] Metro shall make the estimate described in subsection (2) of this section using a shorter time period than since the last review under ORS 197.296 (2)(a)(B) if [the local government] Metro finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.

[(4)] (6) [A local government] Metro shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to subsection (2) of this section. [The local government] Metro must clearly describe the geographic area,

time frame and source of data used in an estimate performed under this subsection.

[(5)] (7) Subsection (1)(a) and (d) of this section does not apply to:]

[(a)] a city with a population of less than 2,500.

[(b) A county with a population of less than 15,000.]

[(6)] (8) [A local government] **Metro** may take an exception under ORS 197.732 to the definition of “needed housing” in subsection (1) of this section in the same manner that an exception may be taken under the goals.

HOUSING STRATEGIES

SECTION 28. ORS 197.290 is amended to read:

197.290. (1) A city with a population of **10,000 or** greater [*than 10,000*] shall develop and adopt a housing production strategy under this section no later than **the latter of the date:**

(a) One year after the city’s deadline for completing a housing capacity [*analysis*] **determination** under ORS [*197.296 (2)(a) or (10)(b) or*] 197.297 (1) **or section 21 (2) or 22 (2) of this 2023 Act; or**

(b) **If the city has adopted a housing production strategy previously, three years following the most recent adoption of a strategy.**

(2) A housing production strategy must include 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 (6)(b) or (10)(b) or 197.297.*]:

(a) **The development of needed housing;**

(b) **The development and maintenance of housing that is of diverse housing types, high-quality, affordable and accessible;**

(c) **Housing with access to economic opportunities, services and amenities; and**

(d) **Affirmatively furthering fair housing.**

(3) Actions [*under this subsection may*] **that may be included in a housing production strategy** include:

(a) The reduction of financial and regulatory impediments to developing needed housing, including removing or easing approval standards or procedures for needed housing at higher densities or that is affordable;

(b) The creation of financial and regulatory incentives for development of needed housing, including creating incentives for needed housing at higher densities or that is affordable; [*and*]

(c) The development of a plan to access resources available at local, regional, state and national levels to increase the availability and affordability of needed housing[.];

(d) **Target development on lands identified under section 13 (1) of this 2023 Act;**

(e) **Actions that affirmatively further fair housing;**

(f) **Actions that:**

(A) **Increase housing diversity, efficiency and affordability, including new construction and the preservation of naturally occurring affordable housing;**

(B) **Allow greater housing choice for households and greater flexibility in location, type and density;**

(C) **Reduce cost or delay and increase procedural certainty for the production of housing;**
or

(D) **Prepare land for development or redevelopment, including:**

(i) **Public facilities planning and other investment strategies that increase the readiness of land for development for housing production;**

(ii) **Site preparation, financial incentives or other incentive-based measures that increase the likelihood of development or redevelopment of land; or**

(iii) **The redevelopment of underutilized commercial and employment lands for housing or a mix of housing and commercial uses; or**

(g) **Any other actions identified by rule of the Land Conservation and Development Commission intended to promote housing production, affordability and choice.**

(4) Actions proposed in a city's housing production strategy shall include clear deadlines by which the city expects to undertake the action.

[(3)] **(5)** In creating a housing production strategy, a city shall review and consider:

(a) Socioeconomic and demographic characteristics of households living in existing needed housing;

(b) Market conditions affecting the provision of needed housing;

(c) Measures already adopted by the city to promote the development of needed housing;

(d) Existing and expected barriers to the development of needed housing; and

(e) For each action the city includes in its housing production strategy:

(A) The schedule for its adoption;

(B) The schedule for its implementation;

(C) Its expected magnitude of impact on the development of needed housing; and

(D) The time frame over which it is expected to impact needed housing.

[(4)] **(6)** The housing production strategy must include within its index a copy of the city's most recently completed survey under [ORS 456.586 (2)] **section 37 of this 2023 Act.**

[(5)] **(7)** The adoption of a housing production strategy is not a land use decision and is not subject to appeal or review except as provided in ORS 197.291.

[(6)] **(8)** A city with a population of **less than** 10,000 [or less] may develop a housing production strategy as provided in this section.

(9) As used in this section, "affirmatively furthering fair housing" means meaningful actions that, when taken together, address significant disparities in housing needs and access to opportunity and replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity and foster and maintain compliance with civil rights and fair housing laws.

SECTION 29. Section 30 of this 2023 Act is added to and made a part of ORS 197.286 to 197.314.

SECTION 30. (1) Metro shall develop and adopt a housing coordination strategy under this section no later than one year after the deadline for completing a housing capacity determination under ORS 197.296.

(2) **Regional governments other than Metro, including counties or intergovernmental entities described under ORS 190.003 to 190.130, may adopt a housing coordination strategy as provided in this section.**

(3) **A housing coordination strategy must include a list of actions, including the adoption of measures and policies or coordinating actions among local governments and other entities within a region, that the regional entity shall undertake to promote:**

(a) **The development of needed housing;**

(b) **The development and maintenance of housing that is of diverse housing types, high-**

quality, physically accessible and affordable;

(c) Housing with access to economic opportunities, services and amenities; and

(d) Development patterns that replace segregated housing patterns with racially integrated housing and that transform racially and ethnically concentrated areas of poverty into areas of opportunity in compliance with fair housing laws.

(4) Actions constituting a housing coordination strategy may include:

(a) The identification or coordination of resources that support the production of needed housing, including funding, staff capacity or technical support at the regional or state level;

(b) The identification of local or regional impediments to developing needed housing, including financial, regulatory or capacity-related constraints;

(c) Regional strategies that coordinate production of needed housing between local governments within a region and that are developed in consultation with impacted local governments;

(d) The identification of specific actions that cities in the region may consider as part of a housing production strategy under ORS 197.290; and

(e) Any other actions identified by rule of the Land Conservation and Development Commission that may promote the quantity or quality of developed housing in the region.

(5) A housing coordination strategy does not include changes to the amount of buildable lands under ORS 197.296.

(6) In creating a housing coordination strategy, a regional government shall review and consider:

(a) Socioeconomic and demographic characteristics of households living in existing needed housing;

(b) Market conditions affecting the provision of needed housing;

(c) Measures already implemented by the regional entity to promote the development of needed housing;

(d) Existing and expected barriers to the planning or development of needed housing; and

(e) For each action the regional entity includes in its housing coordination strategy:

(A) The schedule for its adoption, if applicable;

(B) The schedule for its implementation, if applicable;

(C) Its expected magnitude of impact on the development of needed housing; and

(D) The time frame over which it is expected to impact needed housing.

(7) The adoption of a housing coordination strategy is not a land use decision and is not subject to appeal or review except as provided in ORS 197.291.

SECTION 31. ORS 197.291 is amended to read:

197.291. (1) No later than 20 days after a city's adoption or amendment of a housing production strategy under ORS 197.290, a city shall submit the adopted strategy or amended strategy to the Department of Land Conservation and Development.

(2) The submission under subsection (1) of this section must include copies of:

(a) The signed decision adopting the housing production strategy or amended strategy;

(b) The text of the housing production strategy clearly indicating any amendments to the most recent strategy submitted under this section; **and**

(c) A brief narrative summary of the housing production strategy.[: and]

[(d) The information reviewed and considered under ORS 197.293 (2).]

(3) On the same day the city submits notice of the housing production strategy or amended

strategy, the city shall provide a notice to persons that participated in the proceedings that led to the adoption of the strategy and requested notice in writing.

(4) Within 10 days of receipt of the submission under subsection (1) of this section, the department shall provide notice to persons described under ORS 197.615 (3).

(5) The notices given under subsections (3) and (4) of this section must state:

(a) How and where materials described in subsection (2) of this section may be freely obtained;

(b) That comments on the strategy may be submitted to the department within 45 days after the department has received the submission; and

(c) That there is no further right of appeal.

(6) Based upon criteria adopted by the Land Conservation and Development Commission[, *including any criteria adopted under ORS 197.293 (2),*] the department shall, within 120 days after receiving the submission under subsection (1) of this section:

(a) Approve the housing production strategy;

(b) Approve the housing production strategy, subject to further review and actions [*under ORS 197.293 (2)*]; or

(c) Remand the housing production strategy for further modification as identified by the department.

(7) A determination by the department under subsection (6) of this section is not a land use decision and is final and not subject to appeal.

(8) The Land Conservation and Development Commission may adopt rules describing circumstances in which a city's amendment to a comprehensive plan or adoption of a land use regulation is not subject to review, including under ORS 197.610 to 197.625, for compliance with a statewide land use planning goal related to transportation or economic development if the amendment or adoption is included within a housing production strategy that has been approved under subsection (6) of this section.

URBAN AND RURAL RESERVES

SECTION 32. ORS 195.141 is amended to read:

195.141. (1) A county and a [*metropolitan service district established under ORS chapter 268*] **city or a county and Metro** may enter into an intergovernmental agreement pursuant to ORS 190.003 to 190.130, 195.025 or 197.652 to 197.658 to designate rural reserves pursuant to this section [*and*] **at the same time as designating** urban reserves pursuant to ORS 195.145 (1)[*(b)*].

(2) Land designated as a rural reserve:

(a) Must be outside an urban growth boundary.

(b) May not be designated as an urban reserve during the urban reserve planning period described in ORS 195.145 (4).

(c) May not be included within an urban growth boundary during the period of time described in paragraph (b) of this subsection.

(3) When designating a rural reserve under this section to provide long-term protection to the agricultural industry, [*a county and a metropolitan service district shall base the designation*] **the designation must be based** on consideration of factors including, but not limited to, whether land proposed for designation as a rural reserve:

(a) Is situated in an area that is otherwise potentially subject to urbanization during the period described in subsection (2)(b) of this section, as indicated by proximity to the urban growth boundary

and to properties with fair market values that significantly exceed agricultural values;

(b) Is capable of sustaining long-term agricultural operations;

(c) Has suitable soils and available water where needed to sustain long-term agricultural operations; and

(d) Is suitable to sustain long-term agricultural operations, taking into account:

(A) The existence of a large block of agricultural or other resource land with a concentration or cluster of farms;

(B) The adjacent land use pattern, including its location in relation to adjacent nonfarm uses and the existence of buffers between agricultural operations and nonfarm uses;

(C) The agricultural land use pattern, including parcelization, tenure and ownership patterns; and

(D) The sufficiency of agricultural infrastructure in the area.

(4) Designation and protection of rural reserves pursuant to this section or urban reserves pursuant to ORS 195.145 (1):

(a) Is not a basis for a claim for compensation under ORS 195.305 unless the designation and protection of rural reserves or urban reserves imposes a new restriction on the use of private real property.

(b) Does not impair the rights and immunities provided under ORS 30.930 to 30.947.

[(4)] **(5)** The Land Conservation and Development Commission shall[, *after consultation*] **consult** with the State Department of Agriculture[, *adopt by goal or by rule a process and criteria for designating rural reserves pursuant to this section*] **in adopting, amending or repealing rules under this section.**

SECTION 33. ORS 195.145 is amended to read:

195.145. (1) To ensure that the supply of land available for urbanization is maintained:

(a) Local governments may cooperatively designate lands outside urban growth boundaries as urban reserves subject to ORS 197.610 to 197.625 and 197.626.

(b) Alternatively, [*a metropolitan service district established under ORS chapter 268*] **Metro** and a county may enter into a written agreement pursuant to ORS 190.003 to 190.130, 195.025 or 197.652 to 197.658 to designate urban reserves. A process and criteria developed pursuant to this paragraph are an alternative to a process or criteria adopted pursuant to paragraph (a) of this subsection.

(2)[(a)] The Land Conservation and Development Commission may require a local government to designate [*an urban reserve*] **urban reserves** pursuant to subsection (1)(a) of this section during its periodic review in accordance with the conditions for periodic review under ORS 197.628.

[(b) *Notwithstanding paragraph (a) of this subsection, the commission may require a local government to designate an urban reserve pursuant to subsection (1)(a) of this section outside of its periodic review if:*]

[(A) *The local government is located inside a Primary Metropolitan Statistical Area or a Metropolitan Statistical Area as designated by the Federal Census Bureau upon November 4, 1993; and*]

[(B) *The local government has been required to designate an urban reserve by rule prior to November 4, 1993.*]

(3) In carrying out subsections (1) and (2) of this section:

(a) Within an urban reserve, [*neither the commission nor any*] **a** local government [*shall*] **may not** prohibit the siting on a legal parcel of a single family dwelling that would otherwise have been allowed under law existing prior to designation as an urban reserve.

(b) The commission shall provide to local governments a list of options, rather than prescribing

a single planning technique, to ensure the efficient transition from rural to urban use in urban reserves.

(4) Urban reserves designated *[by a metropolitan service district and a county pursuant to subsection (1)(b) of]* **under** this section must be planned to accommodate population and employment growth for:

(a) **At least 40 years and not more than 50 years; or**

(b) At least 20 years, and not more than 30 years, after the 20-year period for which the *[district has demonstrated a buildable land supply in the most recent inventory, determination and analysis performed]* **local government has inventoried buildable lands** under ORS 197.296 **or section 21 or 22 of this 2023 Act.**

(5) **Urban reserves may be established at any time without regard to a schedule under ORS 197.296 (2) or section 21 (2) or 22 (2) of this 2023 Act.**

[(5)] (6) *[A district and a county shall base]* The designation of urban reserves under *[subsection (1)(b) of]* this section **must be based** upon consideration of factors including, but not limited to, whether land proposed for designation as urban reserves, alone or in conjunction with land inside the urban growth boundary:

(a) Can be developed at urban densities in a way that makes efficient use of existing and future public infrastructure investments;

(b) Includes sufficient development capacity to support a healthy urban economy;

(c) Can be served by public schools and other urban-level public facilities and services efficiently and cost-effectively by appropriate and financially capable service providers;

(d) Can be designed to be walkable and served by a well-connected system of streets by appropriate service providers;

(e) Can be designed to preserve and enhance natural ecological systems; and

(f) Includes sufficient land suitable for a range of housing types.

[(6)] (7) A county may take an exception under ORS 197.732 to a statewide land use planning goal to allow the establishment of a transportation facility in an area designated as urban reserve under *[subsection (1)(b) of]* this section.

[(7)] (8) The commission shall adopt by goal or by rule a process and criteria for designating urban reserves pursuant to *[subsection (1)(b) of]* this section.

SECTION 34. The amendments to ORS 195.141 and 195.145 by sections 32 and 33 of this 2023 Act do not apply to urban reserves or rural reserves that were adopted on or before June 30, 2023.

LOCAL HOUSING REPORTS

SECTION 35. ORS 456.586 is amended to read:

456.586. *[(1) For purposes of this section:]*

[(a) a household is severely rent burdened if the household spends more than 50 percent of the income of the household on gross rent for housing.]

[(b) A regulated affordable unit is a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.]

[(2)(a) The Housing and Community Services Department shall annually provide to the governing body of each city in this state with a population greater than 10,000 the most current data available

1 from the United States Census Bureau, or any other source the department considers at least as reli-
2 able, showing the percentage of renter households in the city that are severely rent burdened.]

3 [(b) The Department of Land Conservation and Development, in consultation with the Housing and
4 Community Services Department, shall develop a survey form on which the governing body of a city
5 may provide specific information related to the affordability of housing within the city, including the
6 actions relating to land use and other related matters that the city has taken to encourage the devel-
7 opment of needed housing, increase the affordability of housing and reduce rent burdens for severely
8 rent burdened households.]

9 [(c) The Department of Land Conservation and Development shall provide the governing body of
10 the city with the survey form developed pursuant to paragraph (b) of this subsection.]

11 [(d) The governing body of the city shall return the completed survey form to the Department of
12 Land Conservation and Development at least 24 months prior to a deadline for completing a housing
13 production strategy under ORS 197.290.]

14 [(3)(a)] In any year in which [the governing body of a city is informed under this section that at]
15 **a housing indicator demonstrates that** least 25 percent of the renter households in [the] **a** city
16 are severely rent burdened **under section 5 (2)(g) of this 2023 Act**, the governing body **of the city**
17 shall hold at least one public meeting to discuss the causes and consequences of severe rent burdens
18 within the city, the barriers to reducing rent burdens and possible solutions.

19 [(b)] The Housing and Community Services Department may adopt rules governing the conduct
20 of the public meeting [required under this subsection].

21 [(4) No later than February 1 of each year, the governing body of each city in this state with a
22 population greater than 10,000 shall submit to the Department of Land Conservation and Development
23 a report for the immediately preceding calendar year setting forth separately for each of the following
24 categories the total number of units that were permitted and the total number that were produced:]

25 [(a) Residential units.]

26 [(b) Regulated affordable residential units.]

27 [(c) Multifamily residential units.]

28 [(d) Regulated affordable multifamily residential units.]

29 [(e) Single-family homes.]

30 [(f) Regulated affordable single-family homes.]

31 [(g) Accessory dwelling units.]

32 [(h) Regulated affordable accessory dwelling units.]

33 [(i) Units of middle housing, as defined in ORS 197.758.]

34 [(j) Regulated affordable units of middle housing.]

35 **SECTION 36. Sections 37 and 38 of this 2023 Act are added to and made a part of ORS**
36 **197.286 to 197.314.**

37 **SECTION 37. (1) No later than February 1 of each year, each city with a population of**
38 **10,000 or greater shall submit to the Department of Land Conservation and Development a**
39 **report for the immediately preceding calendar year setting forth:**

40 **(a) The number of residential units permitted and the number produced, segmented by:**

41 **(A) Single-family homes.**

42 **(B) Accessory dwelling units.**

43 **(C) Units of middle housing.**

44 **(D) Multifamily residential units, not including middle housing.**

45 **(E) Units with accessibility features or of an accessibility category as recognized by a**

building code established under ORS chapter 455.

(b) For each segment under paragraph (a) of this subsection, the number of units that were subject to a recorded agreement that runs with the land and that requires affordability for an established income level for a defined period, but that would not be included in the inventory of publicly supported housing described in section 4 (3)(a) of this 2023 Act.

(2) The Department of Land Conservation and Development, in consultation with the Housing and Community Services Department, shall develop a format by which data required under this section must be submitted. The Department of Land Conservation and Development shall provide a copy of any form or notice of the format to each city required to provide a report.

(3) The Department of Land Conservation and Development shall provide a copy of the data received under this section to the Oregon Department of Administrative Services and the Housing and Community Services Department by July 1 of each year.

SECTION 38. Between 12 and 18 months before a city's deadline for completing a housing capacity determination under ORS 197.297 (1) or section 21 (2) or 22 (2) of this 2023 Act, each city with a population of 10,000 or greater shall submit to the Department of Land Conservation and Development a report setting forth the actions that a city has taken since its most recent housing capacity determination to implement its housing production strategy or to otherwise encourage the development of needed housing, to increase the affordability of housing, to reduce rent burdens, to affirmatively further fair housing or to otherwise meet the purposes of ORS 197.290 (2).

SECTION 39. ORS 197.178 is repealed.

POPULATION FORECASTS

SECTION 40. ORS 195.033 is amended to read:

195.033. (1) As used in this section, "affected local government" means:

(a) A city or county for which the Portland State University Population Research Center is preparing a population forecast;

(b) A county that contains all or part of a city or an urban growth boundary for which the center is preparing a population forecast; and

(c) A local service district, as defined in ORS 174.116, that includes territory within the area subject to the population forecast.

(2) For the purpose of land use planning, the center shall issue a population forecast for:

(a) Each county except Multnomah, Clackamas and Washington Counties;

(b) The portions of Multnomah, Clackamas and Washington Counties that are not within Metro; and

(c) The area within each urban growth boundary other than the urban growth boundary of Metro.

(3) A local government with land use jurisdiction over land for which the center issues population forecasts under subsection (2) of this section shall apply the current final population forecast when changing the comprehensive plan or a land use regulation of the local government.

(4) The center shall issue population forecasts for each area described in subsection (2) of this section not less than once every four years on a schedule established by standards adopted by Portland State University in consultation with the Department of Land Conservation and Develop-

ment.

(5) When issuing a population forecast, the center shall:

(a) Consider and, if appropriate, incorporate available local data and information about local conditions received from representatives of local governments and members of the public;

(b) Cause, directly or with the assistance of the Department of Land Conservation and Development, the issuance of notice to all affected local governments and to members of the public that have provided a written request for notice to the center; and

(c) Post the methodology and supporting data used to make the population forecast on a publicly available website when the center causes notice to be issued as described in paragraph (b) of this subsection.

(6) A population forecast must forecast population for a 50-year period including:

(a) Forecasts for intervals, within the 50-year period, that are established by standards adopted by Portland State University in consultation with the Department of Land Conservation and Development; *[and]*

(b) Population cohorts as provided by standards adopted by the university in consultation with the department[.];

(c) Population data segmented by race, ethnicity and disability status; and

(d) Segregated information for populations on tribal lands.

(7) Within 45 days after the center issues a proposed population forecast under this section, a member of the public or an affected local government may file objections with the center. An objection must be supported by the inclusion of data or information that supports the objection. If the center:

(a) Does not receive an objection within the 45-day period, the proposed population forecast becomes final.

(b) Receives an objection within the 45-day period, the center shall review the objections filed, make changes to the proposed population forecast, if necessary in the discretion of the center, and issue a final population forecast.

(8) Periodically, the Department of Land Conservation and Development may require the center to submit its forecasting methodology and local data collection practices for review by an advisory committee established by the department and composed of experts in the field of population forecasting, representatives of cities and counties and members of the public.

(9) The issuance of a final population forecast under this section is:

(a) Not a land use decision; and

(b) A final decision not subject to further review or appeal.

(10) The Land Conservation and Development Commission, in consultation with Portland State University, shall adopt rules to implement the population forecasting program required by this section.

(11) Each biennium, the commission *[shall]* **may** allocate, from the grant funding described in ORS 197.639 (5), an amount of moneys that the Land Conservation and Development Commission, in consultation with Portland State University, determines is sufficient, **in combination with any appropriation by the Legislative Assembly**, to operate the population forecasting program required by this section.

SECTION 41. ORS 195.036 is amended to read:

195.036. Metro, in coordination with local governments within its boundary, shall issue a population forecast for the entire area within its boundary to be applied by Metro and local governments

1 within the boundary of Metro as a basis for changes to comprehensive plans and land use regu-
2 lations. **The forecasted population data must be segmented by race, ethnicity and disability**
3 **status.**

4
5 **YOUTH HOMELESSNESS**
6

7 **SECTION 42.** ORS 458.650 is amended to read:

8 458.650. (1) The Housing and Community Services Department shall administer the Emergency
9 Housing Account to assist homeless individuals and individuals who are at risk of becoming
10 homeless, through means including the emergency housing assistance program and the state
11 homeless assistance program. Notwithstanding subsection (3)(a) of this section, the state homeless
12 assistance program shall serve individuals experiencing homelessness, especially unsheltered
13 homelessness, without respect to income.

14 (2) The Oregon Housing Stability Council shall develop a policy for the use of program funds
15 with the advice of:

- 16 (a) Persons who have experienced housing instability;
17 (b) Tribes;
18 (c) The Community Action Partnership of Oregon;
19 (d) Continuums of care, as defined in 24 C.F.R. part 578;
20 (e) Local governments;
21 (f) Nonprofit organizations;
22 (g) Homeless services providers;
23 (h) Culturally specific organizations;
24 (i) Housing providers;
25 (j) Veterans' services organizations; and
26 (k) Other entities identified by the department by rule.

27 (3) The policy under subsection (2) of this section shall direct that program funds shall be used:

28 (a) To provide to low and very low income individuals, including but not limited to individuals
29 more than 65 years of age, persons with disabilities, agricultural workers and Native Americans:

30 (A) Emergency shelters and attendant services;

31 (B) Transitional housing services designed to assist individuals to make the transition from
32 homelessness to permanent housing and economic independence;

33 (C) Supportive housing services to enable individuals to continue living in their own homes or
34 to provide in-home services for such individuals for whom suitable programs do not exist in their
35 geographic area;

36 (D) Programs that provide emergency payment of home payments, rents or utilities; or

37 (E) Some or all of the *[needs]* **services or assistance** described in subparagraphs (A) to (D) of
38 this paragraph.

39 **(b) To provide the services and assistance described in paragraph (a) of this subsection**
40 **to school-aged children enrolled in kindergarten through grade 12, or to their families, who**
41 **are homeless or at risk of becoming homeless.**

42 *[(b)]* (c) To align with federal strategies and resources that are available to prevent and end
43 homelessness, including the requirement of providing culturally responsive services and using
44 evidence-based and emerging practices effective in ending homelessness, including practices unique
45 to rural communities.

(4)(a) The council shall require as a condition of awarding a grant that the organization demonstrate to the satisfaction of the council that the organization:

(A) Has the capacity to deliver any service proposed by the organization;

(B) Is a culturally responsive organization or is engaged in a process to become a culturally responsive organization;

(C) Engages with culturally specific organizations; and

(D) Supports local homelessness system planning efforts.

(b) Any funds granted under this section may not be used to replace existing funds. Funds granted under this section may be used to supplement existing funds. An organization may use funds to support existing programs or to establish new programs.

(5) The department may expend funds from the account for:

(a) The administration of the account as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department in support of directing a statewide policy on homelessness that ensures use of evidence-based and emerging practices, service equity in funding and local planning processes.

(b) The development of technical assistance and training resources for organizations developing and operating emergency shelters as defined in ORS 197.782 and transitional housing accommodations as described in ORS 197.746.

(6) The department shall utilize outcome-oriented contracting processes and evidence-based and emerging practices for account program funds, including evidence-based and emerging practices for serving rural communities.

(7) Twenty-five percent of moneys deposited in the account pursuant to ORS 294.187 are dedicated to the emergency housing assistance program for assistance to veterans who are homeless or at risk of becoming homeless.

SECTION 43. Section 1, chapter 531, Oregon Laws 2021, as amended by section 1, chapter 42, Oregon Laws 2022, is amended to read:

Sec. 1. (1) As used in this section, [*“unaccompanied homeless youth”*] **“youth experiencing homelessness”** means a person who is at least 14 years of age but not more than 24 years of age, who is not in the physical custody of a parent or legal guardian and who is homeless.

(2) In addition to any other scholarships or grants, the Department of Human Services may award two-year grants to organizations that provide services to [*unaccompanied homeless*] youth **experiencing homelessness**.

(3) The department may award a grant under this section to an organization that:

(a) Has an existing grant from the department to provide services to [*unaccompanied homeless*] youth **experiencing homelessness**; or

[(b) Has an existing contract with the department to provide services to unaccompanied homeless youth and the department has determined that the organization is capable of expanding to provide services in additional communities;]

[(c) Is a nonprofit organization or a coalition of nonprofit organizations that the department has determined is capable of meeting the grant program requirements; or]

[(d) Is a new entity that the department determines is capable of meeting the grant program requirements.]

(b) Proposes to provide evidence-based services, as described by the department by rule, for youth experiencing homelessness in an underserved area or an area in which those services are not provided.

(4) Grants awarded under this section may be used for any of the following:

(a) To increase the accessibility of any of the following programs and services to *[unaccompanied homeless]* youth **experiencing homelessness**:

(A) Shelter facilities;

(B) Outreach;

(C) Culturally specific services; and

(D) Mental health or substance abuse services; and

(b) To create or strengthen partnerships with host home programs and other transitional housing options.

(5) An applicant for a grant under this section must describe how the applicant intends to ensure that other funding, including from federal or local governments or charitable donations, will be used to supplement the total cost of the proposed program.

[(5)] **(6)** The department may adopt rules to administer the grant program described in this section.

SECTION 44. Section 2, chapter 531, Oregon Laws 2021, is amended to read:

Sec. 2. (1) As used in this section:

(a) “Host home project” means a project that facilitates an arrangement under which *[an unaccompanied homeless]* a youth **experiencing homelessness** resides in the home of a private individual, pursuant to the terms of a contract between the private individual and the youth, for free or at below-market rent.

(b) “Long-term host home project” means a host home project run by an organization that has a memorandum of understanding or a letter of agreement with one or more school districts and in which *[unaccompanied homeless]* **participating** youth **experiencing homelessness** *[participants]*, on average during the most recent two years, resided in host homes for a minimum of 180 days, as reported by the relevant school district.

(c) “Short-term host home project” means a host home project in which *[unaccompanied homeless]* **participating** youth **experiencing homelessness** *[participants]*, on average during the most recent two years, resided in host homes for a maximum of 180 days, as reported by the relevant school district.

(d) *["Unaccompanied homeless youth"]* **“Youth experiencing homelessness”** means a person who is:

(A) At least 16 years of age but not more than 21 years of age;

(B) Not in the physical custody of a parent or legal guardian;

(C) Not in the custody of the Department of Human Services;

(D) Not a ward of the state; and

(E) Homeless.

(2) In addition to and not in lieu of any other scholarships or grants, the department may award two-year grants to organizations that operate host home projects for *[unaccompanied homeless]* youth **experiencing homelessness**.

(3) An organization is eligible to apply for a grant under this section if the organization *[operated a host home project on January 1, 2021, and]* can demonstrate the ability to:

(a) Continue the operation of existing host home projects;

[(a)] **(b)** Expand host home projects in communities in which the organization provides services;

[(b)] **(c)** Establish new long-term host home projects in communities that do not have long-term host home projects; or

1 [(c)] (d) Establish new short-term host home projects.

2 (4) Recipients of grants awarded under this section shall work to achieve the following outcomes
3 for [unaccompanied homeless] youth **experiencing homelessness**:

4 (a) Improved school attendance.

5 (b) Participation in formal or informal mentoring.

6 (c) Increased access to nutrition, health care, mental trauma-informed support and transporta-
7 tion services.

8 (5) A recipient of a grant awarded under this section shall ensure all individuals of 18 years of
9 age or older residing in the host home who are not the [unaccompanied homeless] youth **experi-**
10 **encing homelessness** have an approved background check under ORS 181A.200 and 409.027.

11 (6) A host home is not a child-caring agency as defined in ORS 418.205.

12 (7) The department may adopt rules to administer the grant program described in this section.

13 **SECTION 45.** Section 6, chapter 531, Oregon Laws 2021, is amended to read:

14 **Sec. 6.** [(1) Sections 1 and 2 of this 2021 Act are repealed on June 30, 2023.]

15 [(2)] Sections 3 and 5 [of this 2021 Act], **chapter 531, Oregon Laws 2021**, are repealed on Jan-
16 uary 2, 2024.

17 18 MODULAR HOUSING FUNDING

19
20 **SECTION 46.** Section 47 of this 2023 Act is added to and made a part of ORS chapter 458.

21 **SECTION 47.** (1) The Housing and Community Services Department shall provide grants
22 or loans to entities to begin or expand production capacity for the development of modular
23 housing and components to support home builders and developers in meeting housing de-
24 mand.

25 (2) The department shall establish a temporary advisory committee under ORS 285A.060
26 to advise the department on providing grants or loans under this section.

27 (3) The department shall establish the terms for any loans under this section. Proceeds
28 from loans must be deposited in the General Fund.

29 (4) Entities receiving loans or grants under this section must agree to terms established
30 by the department requiring that the entities prioritize supplying modular housing compo-
31 nents to meet demand from:

32 (a) First, state and local governments following a wildfire or other disaster;

33 (b) Second, low income housing construction in this state; and

34 (c) Third, middle income housing construction in this state.

35 (5) The department may enter into a contract with a third party to award or administer
36 grants under this section.

37 **SECTION 48.** Section 47 of this 2023 Act is repealed on January 2, 2026.

38 **SECTION 49.** In addition to and not in lieu of any other appropriation, there is appro-
39 priated to the Housing and Community Services Department, for the biennium beginning July
40 1, 2023, out of the General Fund, the amount of \$20,000,000, to make loans or grants under
41 section 47 of this 2023 Act.

42 43 MODERATE INCOME HOUSING PREDEVELOPMENT LOANS

44
45 **SECTION 50.** Section 51 of this 2023 Act is added to and made a part of ORS chapter 289.

SECTION 51. (1) The Oregon Facilities Authority shall provide financing, including refinancing, to local governments or housing developers for predevelopment costs, including infrastructure, site acquisition, planning, reports, surveys and consultants.

(2) Financing under this section is available only for housing projects that will be subject to an affordability restriction, including an affordable housing covenant under ORS 456.270 to 456.295, that:

(a) Has a term of no less than 25 years; and

(b) Requires that each dwelling unit be rented as the primary residence for a moderate income household as defined in ORS 456.270.

(3) The financing provided by the authority under this section:

(a) May not exceed \$500,000 per eligible project;

(b) Must charge interest of three percent or lower;

(c) May only be used for a project with a total cost of less than \$40,000,000 or that consists of 80 or fewer residential units; and

(d) May not exceed 75 percent of the project's total predevelopment costs unless the project will be restricted to households with incomes equal to or less than the area median income.

(4) Notwithstanding the definitions of "housing institution" and "project" under ORS 289.005, the activity of the authority under this section is an eligible project, as that term is used in this chapter.

SECTION 52. Section 51 of this 2023 Act is repealed on January 2, 2026.

SECTION 53. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Facilities Authority, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$3,000,000, for deposit into the Oregon Facilities Authority Account to be used for the purposes of section 51 of this 2023 Act.

TERMINATION OF RESIDENTIAL TENANCY FOR NONPAYMENT

SECTION 54. Section 55 of this 2023 Act is added to and made a part of ORS chapter 90.

SECTION 55. (1) As used in this section:

(a) "Nonpayment" means the nonpayment of a payment that is due to a landlord, including a payment of rent, late charges, utility or service charges or any other charge or fee as described in the rental agreement or ORS 90.140, 90.302, 90.315, 90.392, 90.394, 90.560 to 90.584 or 90.630.

(b) "Nonpayment" does not include payments owed by a tenant for damages to the premises.

(2) A landlord shall deliver a copy of the notice posted on the website of the Judicial Department under section 56 of this 2023 Act along with:

(a) Any notice of termination for nonpayment; and

(b) Any summons for a complaint seeking possession based on nonpayment given by the landlord or service processor, including a summons delivered under ORS 105.135 (3)(b).

(3) A court shall enter a judgment dismissing a complaint for possession that is based on a termination notice for nonpayment if the court determines that:

(a) The landlord failed to deliver the notice as required under subsection (2) of this section;

(b) The landlord caused the tenant to not tender rent, including as a result of the landlord's failure to reasonably participate with a rental assistance program; or

(c) The tenant has tendered or caused to be tendered rental assistance or any other payment covering the nonpayment amount owed under the termination notice for nonpayment.

(4) Notwithstanding ORS 105.137 (4), if a claim for possession is dismissed under subsection (3)(c) of this section and the payment was tendered after the action was commenced, the tenant is not entitled to prevailing party fees, costs or attorney fees.

(5) Notwithstanding 90.302, a landlord may charge a tenant for filing fees paid under ORS 105.130, if the complaint for possession is dismissed under subsection (3)(c) of this section. Payment of the fees is not a prerequisite for dismissal under subsection (3)(c) of this section.

SECTION 56. (1) The Judicial Department, in consultation with the Housing and Community Services Department, shall supply and may regularly update the notice required under ORS 105.135 (2)(d) and section 55 (2) of this 2023 Act. The notice must be in substantially the following form:

THIS IS AN IMPORTANT NOTICE OF WHERE TO GET HELP IF YOU ARE FACING POTENTIAL EVICTION FOR NONPAYMENT.

For information in Spanish, Korean, Russian, Vietnamese or Chinese, go to the Judicial Department website at _____.

You must comply with deadlines identified in a notice of nonpayment, or you risk losing your housing.

Rental assistance and support services may be available. Dial 2-1-1 or go to www.211info.org or contact a local service provider at _____.

Low-income tenants may be able to receive free or low-cost legal advice by contacting a legal aid organization. Go to _____ to find an office near you.

The Oregon State Bar provides information about legal assistance programs at _____.

(2) The Judicial Department shall translate the completed form under subsection (1) of this section into the Spanish, Korean, Russian, Vietnamese and Chinese languages and shall display links to the English and translated forms prominently on the department's website.

(3) Each form on the Judicial Department website under subsection (2) of this section must include a statement in English, Spanish, Korean, Russian, Vietnamese and Chinese indicating that the form and translations can be found on the Judicial Department website and providing the web address where the forms may be found.

SECTION 57. In distributing rental assistance to residential tenants funded by federal, state or local moneys, a public body, as defined in ORS 174.109, and any designee or grantee

of a public body shall:

(1) Promptly provide a dated application receipt to each tenant who applies for assistance. The receipt may be in an electronic format.

(2) Close an application, after providing notice of potential closure to the tenant, if the provider reasonably determines that the tenant is no longer participating.

(3) If, upon qualifying circumstance, an application is approved and payment is made to a person other than the tenant's landlord, provide a dated notice of payment to the tenant's landlord at any known address or electronic mail address.

(4) If an application is denied or is otherwise closed without payment, provide a dated notice of the denial or closure to the tenant and to the tenant's landlord at any known address or electronic mail address.

SECTION 58. ORS 90.394 is amended to read:

90.394. The landlord may terminate the rental agreement for nonpayment of rent and take possession as provided in ORS 105.105 to 105.168, as follows:

(1) When the tenancy is a week-to-week tenancy, by delivering to the tenant at least 72 hours' written notice of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period. The landlord shall give this notice no sooner than on the fifth day of the rental period, including the first day the rent is due.

(2) For all tenancies other than week-to-week tenancies, by delivering to the tenant:

(a) At least [72 hours'] **10 days'** written notice of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period. The landlord shall give this notice no sooner than on the eighth day of the rental period, including the first day the rent is due; or

(b) At least [144 hours'] **13 days'** written notice of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period. The landlord shall give this notice no sooner than on the fifth day of the rental period, including the first day the rent is due.

(3) The notice described in this section must also specify the amount of rent that must be paid and the date and time by which the tenant must pay the rent to cure the nonpayment of rent.

(4) Payment by a tenant who has received a notice under this section is timely if mailed to the landlord within the period of the notice unless:

(a) The notice is served on the tenant:

(A) By personal delivery as provided in ORS 90.155 (1)(a); or

(B) By first class mail and attachment as provided in ORS 90.155 (1)(c);

(b) A written rental agreement and the notice expressly state that payment is to be made at a specified location that is either on the premises or at a place where the tenant has made all previous rent payments in person; and

(c) The place so specified is available to the tenant for payment throughout the period of the notice.

SECTION 59. ORS 105.124 is amended to read:

105.124. For a complaint described in ORS 105.123, if ORS chapter 90 applies to the dwelling unit:

(1) The complaint must be in substantially the following form and be available from the clerk of the court:

IN THE CIRCUIT COURT
FOR THE COUNTY OF

No. _____

RESIDENTIAL EVICTION COMPLAINT

PLAINTIFF (Landlord or agent):

Address: _____

City: _____

State: _____ Zip: _____

Telephone: _____

vs.

DEFENDANT (Tenants/Occupants):

MAILING ADDRESS: _____

City: _____

State: _____ Zip: _____

Telephone: _____

1.

Tenants are in possession of the dwelling unit, premises or rental property described above or located at:

2.

Landlord is entitled to possession of the property because of:

_____ 24-hour notice for personal
injury, substantial damage, extremely
outrageous act or unlawful occupant.
ORS 90.396 or 90.403.

_____ 24-hour or 48-hour notice for
violation of a drug or alcohol
program. ORS 90.398.

_____ 24-hour notice for perpetrating
domestic violence, sexual assault or
stalking. ORS 90.445.

_____ 72-hour [or 144-hour] notice for

1 nonpayment of rent **in a week-to-week**
2 **tenancy. ORS 90.394 (1).**
3 _____ 7-day notice with stated cause in
4 a week-to-week tenancy. ORS 90.392 (6).
5 _____ 10-day notice for a pet violation,
6 a repeat violation in a month-to-month
7 tenancy or without stated cause in a
8 week-to-week tenancy. ORS 90.392 (5),
9 90.405 or 90.427 (2).
10 _____ **10-day or 13-day notice for nonpayment**
11 **of rent. ORS 90.394 (2).**
12 _____ 20-day notice for a repeat violation.
13 ORS 90.630 (5).
14 _____ 30-day, 60-day or 180-day notice without
15 stated cause in a month-to-month
16 tenancy. ORS 90.427 (3)(b) or (8)(a)(B)
17 or (C) or 90.429.
18 _____ 30-day notice with stated cause.
19 ORS 90.392, 90.630 or 90.632[:
20 _____ **The stated cause is for**
21 **nonpayment as defined in section 55 of**
22 **this 2023 Act.**
23 _____ 60-day notice with stated cause.
24 ORS 90.632.
25 _____ 90-day notice with stated cause.
26 ORS 90.427 (5) or (7).
27 _____ Notice to bona fide tenants after
28 foreclosure sale or termination of
29 fixed term tenancy after foreclosure
30 sale. ORS 86.782 (6)(c).
31 _____ Other notice _____
32 _____ No notice (explain) _____
33

34 A COPY OF THE NOTICE RELIED UPON, IF ANY, IS ATTACHED
35

36 3.

37 If the landlord uses an attorney, the case goes to trial and the landlord wins in court, the
38 landlord can collect attorney fees from the defendant pursuant to ORS 90.255 and 105.137 (3).

39 Landlord requests judgment for possession of the premises, court costs, disbursements and at-
40 torney fees.

41 I certify that the allegations and factual assertions in this complaint are true to the best of my
42 knowledge.

43 _____
44 _____
45 Signature of landlord or agent.

(2) The complaint must be signed by the plaintiff, or an attorney representing the plaintiff as provided by ORCP 17, or verified by an agent or employee of the plaintiff or an agent or employee of an agent of the plaintiff.

(3) A copy of the notice relied upon, if any, must be attached to the complaint.

SECTION 60. ORS 105.135 is amended to read:

105.135. (1) Except as provided in this section, the summons shall be served and returned as in other actions.

(2)(a) **The clerk shall calculate the first appearance, which shall be:**

(A) Seven days after the judicial day next following payment of the filing fees; or

(B) If the claim for possession is brought under ORS 90.392 or 90.394 for nonpayment as defined in section 55 of this 2023 Act, 15 days after the judicial day next following payment of the filing fees.

(b) The clerk may delay the first appearance by up to seven days to accommodate dates on which a judge is unavailable to conduct the first appearance and, if possible, to accommodate dates that the plaintiff has indicated unavailability.

(c) The clerk shall enter the first appearance date on the summons. *[That date shall be seven days after the judicial day next following payment of filing fees unless no judge is available for first appearance at that time, in which case the clerk may extend the first appearance date for up to seven additional days. At the request of the plaintiff, the clerk may enter a date more than seven days after the judicial day next following payment of filing fees if a judge will be available.]*

(d) If the claim for possession is based on nonpayment as defined in section 55 of this 2023 Act, the clerk shall include as part of the summons a copy of the notice described in section 56 of this 2023 Act.

(3) Notwithstanding ORCP 10, by the end of the judicial day next following the payment of filing fees:

(a) The clerk shall mail the summons and complaint by first class mail to the defendant at the premises.

(b) The process server shall serve the defendant with the summons and complaint at the premises by personal delivery to the defendant or, if the defendant is not available for service, by attaching the summons and complaint in a secure manner to the main entrance to that portion of the premises of which the defendant has possession.

(4) A sheriff may serve a facsimile of a summons and complaint that is transmitted to the sheriff by a trial court administrator or another sheriff by means of facsimile communication. A copy of the facsimile must be attached to the sheriff's return of service. Before transmitting a summons and complaint to a sheriff under this subsection, the person sending the facsimile must receive confirmation by telephone from the sheriff's office that a telephonic facsimile communication device is available and operating.

(5) The process server shall indicate the manner in which service was accomplished by promptly filing with the clerk a certificate of service as provided by ORCP 7 F(2)(a).

(6) In the case of premises to which ORS chapter 90 applies, the summons shall inform the defendant of the procedures, rights and responsibilities of the parties as specified in ORS 105.137.

SECTION 61. Section 8, chapter 420, Oregon Laws 2021, as amended by section 9, chapter 1, Oregon Laws 2021 (second special session), is amended to read:

1 (A) When the tenant or person in possession of any premises fails or refuses to pay rent within
2 the time period required by a notice under ORS **90.392 or 90.394**.

3 (B) When a rental agreement by its terms has expired and has not been renewed, or when the
4 tenant or person in possession remains in possession after a valid notice terminating the tenancy
5 pursuant to ORS chapter 90, or is holding contrary to any valid condition or covenant of the rental
6 agreement or ORS chapter 90.

7 (b) A landlord may not file an action for the return of possession of a dwelling unit based upon
8 a cause of unlawful holding by force as described in paragraph (a) of this subsection until after the
9 expiration of a rental agreement for a fixed term tenancy or after the expiration of the time period
10 provided in a notice terminating the tenancy.

11 **(c) The court may dismiss a claim for possession at any time if the complaint does not**
12 **comply with this subsection.**

13 (3) In an action under subsection (2) of this section, ORS chapter 90 shall be applied to deter-
14 mine the rights of the parties, including:

15 (a) Whether and in what amount rent is due;

16 (b) Whether a tenancy or rental agreement has been validly terminated; and

17 (c) Whether the tenant is entitled to remedies for retaliatory conduct by the landlord as pro-
18 vided by ORS 90.385 and 90.765.

19 **SECTION 63.** ORS 105.137 is amended to read:

20 105.137. In the case of a dwelling unit to which ORS chapter 90 applies:

21 (1) *[If the plaintiff appears and the defendant fails to appear at the first appearance,]* A default
22 judgment shall be entered in favor of the plaintiff for possession of the premises and costs and
23 disbursements[.] **only if:**

24 **(a) The plaintiff appears and the defendant fails to appear at the first appearance;**

25 **(b) The court determines that the complaint complies with ORS 105.115 and 105.124 and**
26 **is sufficient to state a cause of action for possession; and**

27 **(c) The plaintiff testifies under oath or submits an affidavit or declaration under penalty**
28 **of perjury stating that, as of the date of the testimony:**

29 **(A) The plaintiff does not have knowledge that the defendant has delivered possession to**
30 **the plaintiff as described in ORS 90.147 (2); and**

31 **(B) The plaintiff reasonably believes that the defendant remains in possession of the**
32 **premises.**

33 (2) If the defendant appears and the plaintiff fails to appear at the first appearance, a default
34 judgment shall be entered in favor of the defendant dismissing the plaintiff's complaint and awarding
35 costs and disbursements.

36 (3) An attorney at law shall be entitled to appear on behalf of any party, but attorney fees may
37 not be awarded to the plaintiff if the defendant does not contest the action.

38 (4) If the plaintiff dismisses the action before the first appearance, a judgment of dismissal shall
39 be entered in favor of the defendant dismissing the plaintiff's complaint and awarding costs and
40 disbursements. The defendant may not recover attorney fees for prejudgment legal services provided
41 after the delivery of written notice of the dismissal by the plaintiff to the defendant, or to an at-
42 torney for the defendant, in the manner provided under ORS 90.155.

43 (5) The plaintiff or an agent of the plaintiff may obtain a continuance of the action for as long
44 as the plaintiff or the agent of the plaintiff deems necessary to obtain the services of an attorney
45 at law.

(6) If both parties appear in court on the date contained in the summons, the court shall set the matter for trial [*as soon as practicable*,] unless the court is advised by the parties that the matter has been settled. The trial shall be scheduled:

(a) For a claim based on nonpayment, as defined in section 55 of this 2023 Act, no earlier than 15 days, and no later than 30 days, following the appearance; or

(b) For any other claim, as soon as practicable and no later than 15 days from the date of [such] the appearance.

(7) If the matter is not tried within the [15-day] period described in subsection (6) of this section, and the delay in trial is not attributable to the landlord, the court shall order the defendant to pay rent that is accruing into court, provided the court finds after hearing that entry of such an order is just and equitable.

[(7)(a)] (8)(a) The court shall permit an unrepresented defendant to proceed to trial by directing the defendant to file an answer in writing on a form which shall be available from the court clerk, and to serve a copy upon the plaintiff on the same day as first appearance.

(b) The answer shall be in substantially the following form:

IN THE _____ COURT FOR
THE COUNTY OF _____

(Landlord),)
)
Plaintiff(s),)
)
vs.) No. _____
)
(Tenant),)
)
Defendant(s).)

ANSWER

I (we) deny that the plaintiff(s) is (are) entitled to possession because:

___ The landlord did not make repairs.

List any repair problems: _____

___ The landlord is attempting to evict me (us) because of my (our) complaints (or the eviction is otherwise retaliatory).

___ The landlord is attempting to evict me because of my status as a victim of domestic violence, sexual assault or stalking.

___ The eviction notice is wrong.

___ List any other defenses: _____

I (we) may be entitled as the prevailing party to recover attorney fees from plaintiff(s) if I (we) obtain legal services to defend this action pursuant to ORS 90.255.

I (we) ask that the plaintiff(s) not be awarded possession of the premises and that I (we) be awarded my (our) costs and disbursements and attorney fees, if applicable, or a prevailing party fee.

Date Signature of defendant(s)

[(8)] (9) If an unrepresented defendant files an answer as provided in subsection [(7)] (8) of this section, the answer *[may]* **does** not limit the defenses available to the defendant at trial under ORS chapter 90. If such a defendant seeks to assert at trial a defense not fairly raised by the answer, the plaintiff *[shall be]* **is** entitled to a reasonable continuance for the purposes of preparing to meet the defense.

SEALING EVICTION RECORDS

SECTION 64. Section 65 of this 2023 Act is added to and made a part of ORS 105.105 to 105.168.

SECTION 65. (1) On an annual basis, each justice and circuit court shall enter an order setting aside a judgment and sealing the official records for each case for possession brought under ORS chapter 90 for which the court finds that:

(a) The judgment does not contain a money award or that any money award has expired or been satisfied or discharged; and

(b)(A) The judgment was a judgment of restitution entered for the plaintiff and at least five years have passed from the date of the judgment; or

(B) The judgment was a judgment by stipulation of the parties under ORS 105.145 (2) and at least 12 months have passed from the date of the judgment.

(2) Upon entry of the order, the judgment that is the subject of the motion is deemed not to have been entered, and any party may answer accordingly any questions relating to its occurrence.

(3) Nothing in this section limits the ability of a defendant to apply for an order under ORS 105.163.

SECTION 66. (1) Section 65 of this 2023 Act does not apply to judgments entered on or before January 1, 2014.

(2) Each justice and circuit court shall conduct a review of its records and enter its first order under section 65 of this 2023 Act on or before December 31, 2024.

AGRICULTURE WORKFORCE HOUSING GRANTS

SECTION 67. (1) The State Department of Agriculture shall provide grants to improve the health and safety conditions of existing agriculture workforce housing, as defined in ORS 315.163, for agricultural workers and their families.

(2)(a) The department shall design an application and establish criteria by which grants

1 awarded under this section are allocated and prioritized.

2 (b) Before a date on which rules that relate to housing for agricultural labor are first
3 adopted or amended by the Occupational Safety and Health Division of the Department of
4 Consumer and Business Services and that is after the effective date of this 2023 Act, the
5 State Department of Agriculture shall prioritize awarding grants for housing that will com-
6 ply with changes to rules that are under consideration of the agricultural labor housing
7 rulemaking advisory committee of the division.

8 (c) Within 30 days of the adoption of rules described under paragraph (b) of this sub-
9 section, the State Department of Agriculture shall update the grant application and criteria
10 to allow the use of grant money to comply with the new or updated rules of the division.

11 (3) To be eligible for a grant under this section, the housing:

12 (a) Must comply with all occupational safety or health laws, rules, regulations and stan-
13 dards;

14 (b) Must be operated by a person who holds a valid indorsement as a farmworker camp
15 operator under ORS 658.730, if an indorsement is required;

16 (c) Must be registered as a farmworker camp with the Department of Consumer and
17 Business Services under ORS 658.750, if the housing is farm employment-related housing, on
18 or before 90 days following the latter of:

19 (A) The first day of the first tax year after the grant was received; or

20 (B) The date the housing is first occupied;

21 (d) May not be housing that is required to be provided as part of a labor contract made
22 under a temporary employment visa program; and

23 (e) Must comply with any adopted rules, as described in subsection (2)(b) of this section.

24 (4) The Occupational Safety and Health Division of the Department of Consumer and
25 Business Services shall assist the State Department of Agriculture in establishing the appli-
26 cation and criteria under subsection (2)(b) and (c) of this section and shall assist the de-
27 partment or a contractor under subsection (5) of this section in determining eligibility for a
28 grant under subsection (3) of this section.

29 (5) The State Department of Agriculture may enter into a contract with a third party to
30 award or administer grants under this section.

31 SECTION 68. Section 67 of this 2023 Act is repealed on January 2, 2026.

32 SECTION 69. In addition to and not in lieu of any other appropriation, there is appro-
33 priated to the State Department of Agriculture, for the biennium beginning July 1, 2023, out
34 of the General Fund, the amount of \$5,000,000, to provide grants under section 67 of this 2023
35 Act.

36 37 EMERGENCY USE OF APPROPRIATIONS

38
39 SECTION 70. Expenditures of any appropriation made for the biennium beginning July
40 1, 2023, to the Housing and Community Services Department, constitute an emergency as
41 defined in ORS 279A.010 and may be made under procurement authority described in ORS
42 279B.080 without documenting the nature of the emergency, if the appropriation is made to:

43 (1) Address homelessness in communities within the OR-505 Oregon Balance of State
44 Continuum of Care; or

45 (2) Increase shelter capacity and connections to shelter, support rapid rehousing initi-

atives, provide capacity support for culturally responsive organizations and provide sanitation services for communities within the OR-505 Oregon Balance of State Continuum of Care.

CONFORMING AMENDMENTS

SECTION 71. ORS 195.137 to 195.145 are added to and made a part of ORS 197.286 to 197.314.

SECTION 72. ORS 94.536 is amended to read:

94.536. As used in this section and ORS 94.538:

(1) "Conservation easement" has the meaning given that term in ORS 271.715.

(2) "Governmental unit" means a city, county, metropolitan service district or state agency as defined in ORS 171.133.

(3) "Holder" has the meaning given that term in ORS 271.715.

(4) "Lot" has the meaning given that term in ORS 92.010.

(5) "Parcel" has the meaning given that term in ORS 92.010.

(6) "Receiving area" means a designated area of land to which a holder of development credits generated from a sending area may transfer the development credits and in which additional uses or development, not otherwise allowed, are allowed by reason of the transfer.

(7) "Resource land" means:

(a) Lands outside an urban growth boundary planned and zoned for farm use, forest use or mixed farm and forest use.

(b) Lands inside or outside urban growth boundaries identified:

(A) In an acknowledged local or regional government inventory as containing significant wetland, riparian, wildlife habitat, historic, scenic or open space resources; or

(B) As containing important natural resources, estuaries, coastal shorelands, beaches and dunes or other resources described in the statewide land use planning goals.

(c) "Conservation Opportunity Areas" identified in the "Oregon Conservation Strategy" adopted by the State Fish and Wildlife Commission and published by the State Department of Fish and Wildlife in September of 2006.

(8) "Sending area" means a designated area of resource land from which development credits generated from forgone development are transferable, for uses or development not otherwise allowed, to a receiving area.

(9) "Tract" has the meaning given that term in ORS 215.010.

(10) "Transferable development credit" means a severable development interest in real property that can be transferred from a lot, parcel or tract in a sending area to a lot, parcel or tract in a receiving area.

(11) "Transferable development credit system" means a land use planning tool that allows the record owner of a lot, parcel or tract of resource land in a sending area to voluntarily sever and sell development interests from the lot, parcel or tract for purchase and use by a potential developer to develop a lot, parcel or tract in a receiving area at a higher intensity than otherwise allowed.

(12) "Urban growth boundary" has the meaning given that term in ORS [195.060] **197.015**.

(13) "Urban reserve" has the meaning given that term in ORS 195.137.

SECTION 73. ORS 195.060 is amended to read:

195.060. As used in ORS 195.020[,] **and** 195.065 to 195.085 [and 197.005], unless the context requires otherwise[:]

1 [(1) “District” has the meaning given that term in ORS 198.010. In addition, the term], “**district**”
2 or “**special district**” has the meaning given the term “**district**” in ORS 198.010 and also in-
3 cludes a county service district organized under ORS chapter 451.

4 [(2) “Urban growth boundary” means an acknowledged urban growth boundary contained in a city
5 or county comprehensive plan or an acknowledged urban growth boundary that has been adopted by
6 a metropolitan service district council under ORS 268.390 (3).]

7 [(3) “Urban service” has the meaning given that term in ORS 195.065.]

8 **SECTION 74.** ORS 195.143 is amended to read:

9 195.143. (1) A county and [a metropolitan service district] **Metro** must consider simultaneously
10 the designation and establishment of:

11 (a) Rural reserves pursuant to ORS 195.141; and

12 (b) Urban reserves pursuant to ORS 195.145 (1)(b).

13 (2) An agreement [between a county and a metropolitan service district] to establish rural reserves
14 pursuant to ORS 195.141 and urban reserves pursuant to ORS 195.145 (1)(b) must provide for a co-
15 ordinated and concurrent process for adoption by the county of comprehensive plan provisions and
16 by [the district] **Metro** of regional framework plan provisions to implement the agreement. [A
17 district] **Metro** may not designate urban reserves pursuant to ORS 195.145 (1)(b) in a county until
18 the county and [the district] **Metro** have entered into an agreement pursuant to ORS 195.145 (1)(b)
19 that identifies the land to be designated by [the district in the district’s] **Metro in Metro’s** regional
20 framework plan as urban reserves. A county may not designate rural reserves pursuant to ORS
21 195.141 until the county and [the district] **Metro** have entered into an agreement pursuant to ORS
22 195.141 that identifies the land to be designated as rural reserves by the county in the county’s
23 comprehensive plan.

24 (3) A county and [a metropolitan service district] **Metro** may not enter into an intergovernmental
25 agreement to designate urban reserves in the county pursuant to ORS 195.145 (1)(b) unless the
26 county and [the district] **Metro** also agree to designate rural reserves in the county.

27 [(4) Designation and protection of rural reserves pursuant to ORS 195.141 or urban reserves pur-
28 suant to ORS 195.145 (1)(b):]

29 [(a) Is not a basis for a claim for compensation under ORS 195.305 unless the designation and
30 protection of rural reserves or urban reserves imposes a new restriction on the use of private real
31 property.]

32 [(b) Does not impair the rights and immunities provided under ORS 30.930 to 30.947.]

33 **SECTION 75.** ORS 195.300 is amended to read:

34 195.300. As used in this section and ORS 195.301 and 195.305 to 195.336 and sections 5 to 11,
35 chapter 424, Oregon Laws 2007, and sections 2 to 9 and 17, chapter 855, Oregon Laws 2009, and
36 sections 2 to 7, chapter 8, Oregon Laws 2010:

37 (1) “Acquisition date” means the date described in ORS 195.328.

38 (2) “Claim” means a written demand for compensation filed under:

39 (a) ORS 195.305, as in effect immediately before December 6, 2007; or

40 (b) ORS 195.305 and 195.310 to 195.314, as in effect on and after December 6, 2007.

41 (3) “Enacted” means enacted, adopted or amended.

42 (4) “Fair market value” means the value of property as determined under ORS 195.332.

43 (5) “Farming practice” has the meaning given that term in ORS 30.930.

44 (6) “Federal law” means:

45 (a) A statute, regulation, order, decree or policy enacted by a federal entity or by a state entity

1 acting under authority delegated by the federal government;

2 (b) A requirement contained in a plan or rule enacted by a compact entity; or

3 (c) A requirement contained in a permit issued by a federal or state agency pursuant to a federal
4 statute or regulation.

5 (7) "File" means to submit a document to a public entity.

6 (8) "Forest practice" has the meaning given that term in ORS 527.620.

7 (9) "Ground water restricted area" means an area designated as a critical ground water area
8 or as a ground water limited area by the Water Resources Department or Water Resources Com-
9 mission before December 6, 2007.

10 (10) "High-value farmland" means:

11 (a) High-value farmland as described in ORS 215.710 that is land in an exclusive farm use zone
12 or a mixed farm and forest zone, except that the dates specified in ORS 215.710 (2), (4) and (6) are
13 December 6, 2007.

14 (b) Land west of U.S. Highway 101 that is composed predominantly of the following soils in Class
15 III or IV or composed predominantly of a combination of the soils described in ORS 215.710 (1) and
16 the following soils:

17 (A) Subclassification IIIw, specifically Ettersburg Silt Loam and Croftland Silty Clay Loam;

18 (B) Subclassification IIIe, specifically Klooqueth Silty Clay Loam and Winchuck Silt Loam; and

19 (C) Subclassification IVw, specifically Huffling Silty Clay Loam.

20 (c) Land that is in an exclusive farm use zone or a mixed farm and forest zone and that on June
21 28, 2007, is:

22 (A) Within the place of use for a permit, certificate or decree for the use of water for irrigation
23 issued by the Water Resources Department;

24 (B) Within the boundaries of a district, as defined in ORS 540.505; or

25 (C) Within the boundaries of a diking district formed under ORS chapter 551.

26 (d) Land that contains not less than five acres planted in wine grapes.

27 (e) Land that is in an exclusive farm use zone and that is at an elevation between 200 and 1,000
28 feet above mean sea level, with an aspect between 67.5 and 292.5 degrees and a slope between zero
29 and 15 percent, and that is located within:

30 (A) The Southern Oregon viticultural area as described in 27 C.F.R. 9.179;

31 (B) The Umpqua Valley viticultural area as described in 27 C.F.R. 9.89; or

32 (C) The Willamette Valley viticultural area as described in 27 C.F.R. 9.90.

33 (f) Land that is in an exclusive farm use zone and that is no more than 3,000 feet above mean
34 sea level, with an aspect between 67.5 and 292.5 degrees and a slope between zero and 15 percent,
35 and that is located within:

36 (A) The portion of the Columbia Gorge viticultural area as described in 27 C.F.R. 9.178 that is
37 within the State of Oregon;

38 (B) The Rogue Valley viticultural area as described in 27 C.F.R. 9.132;

39 (C) The portion of the Columbia Valley viticultural area as described in 27 C.F.R. 9.74 that is
40 within the State of Oregon;

41 (D) The portion of the Walla Walla Valley viticultural area as described in 27 C.F.R. 9.91 that
42 is within the State of Oregon; or

43 (E) The portion of the Snake River Valley viticultural area as described in 27 C.F.R. 9.208 that
44 is within the State of Oregon.

45 (11) "High-value forestland" means land:

1 (a) That is in a forest zone or a mixed farm and forest zone, that is located in western Oregon
2 and composed predominantly of soils capable of producing more than 120 cubic feet per acre per
3 year of wood fiber and that is capable of producing more than 5,000 cubic feet per year of com-
4 mercial tree species; or

5 (b) That is in a forest zone or a mixed farm and forest zone, that is located in eastern Oregon
6 and composed predominantly of soils capable of producing more than 85 cubic feet per acre per year
7 of wood fiber and that is capable of producing more than 4,000 cubic feet per year of commercial
8 tree species.

9 (12) "Home site approval" means approval of the subdivision or partition of property or approval
10 of the establishment of a dwelling on property.

11 (13) "Just compensation" means:

12 (a) Relief under sections 5 to 11, chapter 424, Oregon Laws 2007, sections 2 to 9 and 17, chapter
13 855, Oregon Laws 2009, and sections 2 to 7, chapter 8, Oregon Laws 2010, for land use regulations
14 enacted on or before January 1, 2007; and

15 (b) Relief under ORS 195.310 to 195.314 for land use regulations enacted after January 1, 2007.

16 (14) "Land use regulation" means:

17 (a) A statute that establishes a minimum lot or parcel size;

18 (b) A provision in ORS 227.030 to 227.300, 227.350, 227.400, 227.450 or 227.500 or in ORS chapter
19 215 that restricts the residential use of private real property;

20 (c) A provision of a city comprehensive plan, zoning ordinance or land division ordinance that
21 restricts the residential use of private real property zoned for residential use;

22 (d) A provision of a county comprehensive plan, zoning ordinance or land division ordinance that
23 restricts the residential use of private real property;

24 (e) A provision, enacted or adopted on or after January 1, 2010, of:

25 (A) The Oregon Forest Practices Act;

26 (B) An administrative rule of the State Board of Forestry; or

27 (C) Any other law enacted, or rule adopted, solely for the purpose of regulating a forest prac-
28 tice;

29 (f) ORS 561.191, a provision of ORS 568.900 to 568.933 or an administrative rule of the State
30 Department of Agriculture that implements ORS 561.191 or 568.900 to 568.933;

31 (g) An administrative rule or goal of the Land Conservation and Development Commission; or

32 (h) A provision of a Metro functional plan that restricts the residential use of private real
33 property.

34 (15) "Lawfully established unit of land" has the meaning given that term in ORS 92.010.

35 (16) "Lot" has the meaning given that term in ORS 92.010.

36 (17) "Measure 37 permit" means a final decision by Metro, a city or a county to authorize the
37 development, subdivision or partition or other use of property pursuant to a waiver.

38 (18) "Owner" means:

39 (a) The owner of fee title to the property as shown in the deed records of the county where the
40 property is located;

41 (b) The purchaser under a land sale contract, if there is a recorded land sale contract in force
42 for the property; or

43 (c) If the property is owned by the trustee of a revocable trust, the settlor of a revocable trust,
44 except that when the trust becomes irrevocable only the trustee is the owner.

45 (19) "Parcel" has the meaning given that term in ORS 92.010.

(20) "Property" means the private real property described in a claim and contiguous private real property that is owned by the same owner, whether or not the contiguous property is described in another claim, and that is not property owned by the federal government, an Indian tribe or a public body, as defined in ORS 192.311.

(21) "Protection of public health and safety" means a law, rule, ordinance, order, policy, permit or other governmental authorization that restricts a use of property in order to reduce the risk or consequence of fire, earthquake, landslide, flood, storm, pollution, disease, crime or other natural or human disaster or threat to persons or property including, but not limited to, building and fire codes, health and sanitation regulations, solid or hazardous waste regulations and pollution control regulations.

(22) "Public entity" means the state, Metro, a county or a city.

[(23) "*Urban growth boundary*" has the meaning given that term in ORS 195.060.]

[(24)] (23) "Waive" or "waiver" means an action or decision of a public entity to modify, remove or not apply one or more land use regulations under ORS 195.305 to 195.336 and sections 5 to 11, chapter 424, Oregon Laws 2007, sections 2 to 9 and 17, chapter 855, Oregon Laws 2009, and sections 2 to 7, chapter 8, Oregon Laws 2010, or ORS 195.305, as in effect immediately before December 6, 2007, to allow the owner to use property for a use permitted when the owner acquired the property.

[(25)] (24) "Zoned for residential use" means zoning that has as its primary purpose single-family residential use.

SECTION 76. ORS 197.015 is amended to read:

197.015. As used in ORS chapters 195, 196 and 197 [*and ORS 197A.300 to 197A.325*], unless the context requires otherwise:

(1) "Acknowledgment" means a commission order that certifies that a comprehensive plan and land use regulations, land use regulation or plan or regulation amendment complies with the goals or certifies that Metro land use planning goals and objectives, Metro regional framework plan, amendments to Metro planning goals and objectives or amendments to the Metro regional framework plan comply with the goals.

(2) "Board" means the Land Use Board of Appeals.

(3) "Carport" means a stationary structure consisting of a roof with its supports and not more than one wall, or storage cabinet substituting for a wall, and used for sheltering a motor vehicle.

(4) "Commission" means the Land Conservation and Development Commission.

(5) "Comprehensive plan" means a generalized, coordinated land use map and policy statement of the governing body of a local government that interrelates all functional and natural systems and activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and water quality management programs. "Comprehensive" means all-inclusive, both in terms of the geographic area covered and functional and natural activities and systems occurring in the area covered by the plan. "General nature" means a summary of policies and proposals in broad categories and does not necessarily indicate specific locations of any area, activity or use. A plan is "coordinated" when the needs of all levels of governments, semipublic and private agencies and the citizens of Oregon have been considered and accommodated as much as possible. "Land" includes water, both surface and subsurface, and the air.

(6) "Department" means the Department of Land Conservation and Development.

(7) "Director" means the Director of the Department of Land Conservation and Development.

(8) "Goals" means the mandatory statewide land use planning standards adopted by the com-

mission pursuant to ORS chapters 195, 196 and 197.

(9) "Guidelines" means suggested approaches designed to aid cities and counties in preparation, adoption and implementation of comprehensive plans in compliance with goals and to aid state agencies and special districts in the preparation, adoption and implementation of plans, programs and regulations in compliance with goals. Guidelines *[shall be advisory and shall]* **are advisory and do** not limit state agencies, cities, counties and special districts to a single approach.

(10) "Land use decision":

(a) Includes:

(A) A final decision or determination made by a local government or special district that concerns the adoption, amendment or application of:

(i) The goals;

(ii) A comprehensive plan provision;

(iii) A land use regulation; or

(iv) A new land use regulation;

(B) A final decision or determination of a state agency other than the commission with respect to which the agency is required to apply the goals; or

(C) A decision of a county planning commission made under ORS 433.763;

(b) Does not include a decision of a local government:

(A) That is made under land use standards that do not require interpretation or the exercise of policy or legal judgment;

(B) That approves or denies a building permit issued under clear and objective land use standards;

(C) That is a limited land use decision;

(D) That determines final engineering design, construction, operation, maintenance, repair or preservation of a transportation facility that is otherwise authorized by and consistent with the comprehensive plan and land use regulations;

(E) That is an expedited land division as described in ORS 197.360;

(F) That approves, pursuant to ORS 480.450 (7), the siting, installation, maintenance or removal of a liquefied petroleum gas container or receptacle regulated exclusively by the State Fire Marshal under ORS 480.410 to 480.460;

(G) That approves or denies approval of a final subdivision or partition plat or that determines whether a final subdivision or partition plat substantially conforms to the tentative subdivision or partition plan; or

(H) That a proposed state agency action subject to ORS 197.180 (1) is compatible with the acknowledged comprehensive plan and land use regulations implementing the plan, if:

(i) The local government has already made a land use decision authorizing a use or activity that encompasses the proposed state agency action;

(ii) The use or activity that would be authorized, funded or undertaken by the proposed state agency action is allowed without review under the acknowledged comprehensive plan and land use regulations implementing the plan; or

(iii) The use or activity that would be authorized, funded or undertaken by the proposed state agency action requires a future land use review under the acknowledged comprehensive plan and land use regulations implementing the plan;

(c) Does not include a decision by a school district to close a school;

(d) Does not include, except as provided in ORS 215.213 (13)(c) or 215.283 (6)(c), authorization

1 of an outdoor mass gathering as defined in ORS 433.735, or other gathering of fewer than 3,000
2 persons that is not anticipated to continue for more than 120 hours in any three-month period; and

3 (e) Does not include:

4 (A) A writ of mandamus issued by a circuit court in accordance with ORS 215.429 or 227.179;

5 (B) Any local decision or action taken on an application subject to ORS 215.427 or 227.178 after
6 a petition for a writ of mandamus has been filed under ORS 215.429 or 227.179; or

7 (C) A state agency action subject to ORS 197.180 (1), if:

8 (i) The local government with land use jurisdiction over a use or activity that would be au-
9 thorized, funded or undertaken by the state agency as a result of the state agency action has already
10 made a land use decision approving the use or activity; or

11 (ii) A use or activity that would be authorized, funded or undertaken by the state agency as a
12 result of the state agency action is allowed without review under the acknowledged comprehensive
13 plan and land use regulations implementing the plan.

14 (11) "Land use regulation" means any local government zoning ordinance, land division ordi-
15 nance adopted under ORS 92.044 or 92.046 or similar general ordinance establishing standards for
16 implementing a comprehensive plan.

17 (12) "Limited land use decision":

18 (a) Means a final decision or determination made by a local government pertaining to a site
19 within an urban growth boundary that concerns:

20 (A) The approval or denial of a tentative subdivision or partition plan, as described in ORS
21 92.040 (1).

22 (B) The approval or denial of an application based on discretionary standards designed to reg-
23 ulate the physical characteristics of a use permitted outright, including but not limited to site re-
24 view and design review.

25 (b) Does not mean a final decision made by a local government pertaining to a site within an
26 urban growth boundary that concerns approval or denial of a final subdivision or partition plat or
27 that determines whether a final subdivision or partition plat substantially conforms to the tentative
28 subdivision or partition plan.

29 (13) "Local government" means any city, county or [*metropolitan service district formed under*
30 *ORS chapter 268*] **Metro** or an association of local governments performing land use planning func-
31 tions under ORS 195.025.

32 (14) "Metro" means a metropolitan service district organized under ORS chapter 268.

33 (15) "Metro planning goals and objectives" means the land use goals and objectives that [*a*
34 *metropolitan service district*] **Metro** may adopt under ORS 268.380 (1)(a). The goals and objectives
35 do not constitute a comprehensive plan.

36 (16) "Metro regional framework plan" means the regional framework plan required by the 1992
37 Metro Charter or its separate components. Neither the regional framework plan nor its individual
38 components constitute a comprehensive plan.

39 (17) "New land use regulation" means a land use regulation other than an amendment to an
40 acknowledged land use regulation adopted by a local government that already has a comprehensive
41 plan and land regulations acknowledged under ORS 197.251.

42 (18) "Person" means any individual, partnership, corporation, association, governmental subdi-
43 vision or agency or public or private organization of any kind. The Land Conservation and Devel-
44 opment Commission or its designee is considered a person for purposes of appeal under ORS
45 chapters 195 and 197.

(19) "Special district" means any unit of local government, other than a city, county, *[metropolitan service district formed under ORS chapter 268]* **Metro** or an association of local governments performing land use planning functions under ORS 195.025, authorized and regulated by statute and includes but is not limited to water control districts, domestic water associations and water cooperatives, irrigation districts, port districts, regional air quality control authorities, fire districts, school districts, hospital districts, mass transit districts and sanitary districts.

(20) "Urban growth boundary" means an acknowledged urban growth boundary contained in a city or county comprehensive plan or adopted by **Metro** under ORS 268.390 (3).

[(20)] (21) "Urban unincorporated community" means an area designated in a county's acknowledged comprehensive plan as an urban unincorporated community after December 5, 1994.

[(21)] (22) "Voluntary association of local governments" means a regional planning agency in this state officially designated by the Governor pursuant to the federal Office of Management and Budget Circular A-95 as a regional clearinghouse.

[(22)] (23) "Wetlands" means those areas that are inundated or saturated by surface or ground water at a frequency and duration that are sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

SECTION 77. ORS 197.298 is amended to read:

197.298. (1) In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary of **Metro** except under the following priorities:

(a) First priority is land that is designated urban reserve land under ORS 195.145, rule or *[metropolitan service district]* **Metro** action plan.

(b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710.

(c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 (1991 Edition).

(d) If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both.

(2) **Under this section**, higher priority *[shall]* **must** be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.

(3) Land of lower priority under *[subsection (1) of]* this section may be included in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land estimated in subsection (1) of this section for one or more of the following reasons:

(a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;

(b) Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or

(c) Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.

1 [(4) *When a city includes land within the urban growth boundary of the city pursuant to ORS*
2 *197.286 to 197.314, the city shall prioritize lands for inclusion as provided in ORS 197A.320.*]

3 **SECTION 78.** ORS 197.299 is amended to read:

4 197.299. (1) [A *metropolitan service district organized under ORS chapter 268*] **Metro** shall com-
5 plete the inventory, determination and analysis required under ORS 197.296 (3) not later than six
6 years after completion of the previous inventory, determination and analysis.

7 (2)(a) [*The metropolitan service district*] **Metro** shall take such action as necessary under ORS
8 197.296 (6)(a) to accommodate one-half of a 20-year buildable land supply determined under ORS
9 197.296 (3) within one year of completing the analysis.

10 (b) [*The metropolitan service district*] **Metro** shall take all final action under ORS 197.296 (6)(a)
11 necessary to accommodate a 20-year buildable land supply determined under ORS 197.296 (3) within
12 two years of completing the analysis.

13 (c) The metropolitan service district shall take action under ORS 197.296 (6)(b), within one year
14 after the analysis required under ORS 197.296 (3)(b) is completed, to provide sufficient buildable land
15 within the urban growth boundary to accommodate the estimated housing needs for 20 years from
16 the time the actions are completed.

17 (d) The metropolitan service district shall consider and adopt new measures that the governing
18 body deems appropriate under ORS 197.296 (6)(b).

19 (3) The commission may grant an extension to the time limits of subsection (2) of this section
20 if the Director of the Department of Land Conservation and Development determines that the met-
21 ropolitan service district has provided good cause for failing to meet the time limits.

22 (4)(a) [*The metropolitan service district*] **Metro** shall establish a process to expand the urban
23 growth boundary to accommodate a need for land for a public school that cannot reasonably be
24 accommodated within the existing urban growth boundary. [*The metropolitan service district*] **Metro**
25 shall design the process to:

26 (A) Accommodate a need that must be accommodated between periodic analyses of urban growth
27 boundary capacity required by subsection (1) of this section; and

28 (B) Provide for a final decision on a proposal to expand the urban growth boundary within four
29 months after submission of a complete application by a large school district as defined in ORS
30 195.110.

31 (b) At the request of a large school district, [*the metropolitan service district*] **Metro** shall assist
32 the [*large school*] district to identify school sites required by the school facility planning process
33 described in ORS 195.110. A need for a public school is a specific type of identified land need under
34 ORS 197.298 (3).

35 (5) **At least** three years after completing its most recent demonstration of sufficient buildable
36 lands under ORS 197.296, [*a metropolitan service district*] **Metro** may, on a single occasion, revise the
37 determination and analysis required as part of the demonstration for the purpose of considering an
38 amendment to the [*metropolitan service district's*] **Metro's** urban growth boundary, provided:

39 [(a) *The metropolitan service district has entered into an intergovernmental agreement and has*
40 *designated rural reserves and urban reserves under ORS 195.141 and 195.145 with each county located*
41 *within the district;*]

42 [(b) *The commission has acknowledged the rural reserve and urban reserve designations described*
43 *in paragraph (a) of this subsection;*]

44 [(c)] (a) One or more cities within [*the metropolitan service district*] **Metro** have proposed a de-
45 velopment that would require expansion of the urban growth boundary;

1 [(d)] (b) The city or cities proposing the development have provided evidence to [the metropolitan
2 service district] **Metro** that the proposed development would provide additional needed housing to
3 the needed housing included in the most recent determination and analysis;

4 [(e)] (c) The location chosen for the proposed development is adjacent to the city proposing the
5 development; and

6 [(f)] (d) The location chosen for the proposed development is located within an area designated
7 and acknowledged as an urban reserve.

8 (6)(a) If [a metropolitan service district] **Metro**, after revising its most recent determination and
9 analysis pursuant to subsection (5) of this section, concludes that an expansion of its urban growth
10 boundary is warranted, [the metropolitan service district] **Metro** may take action to expand its urban
11 growth boundary in one or more locations to accommodate the proposed development, provided the
12 urban growth boundary expansion does not exceed a total of 1,000 acres.

13 (b) [A metropolitan service district that] **If Metro** expands its urban growth boundary under this
14 subsection, **Metro**:

15 (A) Must adopt the urban growth boundary expansion not more than four years after completing
16 its most recent demonstration of sufficient buildable lands under ORS 197.296; and

17 (B) Is exempt from the boundary location requirements described in the statewide land use
18 planning goals relating to urbanization.

19 **SECTION 79.** ORS 197.302 is amended to read:

20 197.302. (1) After gathering and compiling information on the performance measures as described
21 in ORS 197.301 but prior to submitting the information to the Department of Land Conservation and
22 Development, [a metropolitan service district] **Metro** shall determine if actions taken under ORS
23 197.296 (6) have established the buildable land supply and housing densities necessary to accommo-
24 date estimated housing needs determined under ORS 197.296 (3). If [the metropolitan service district]
25 **Metro** determines that the actions undertaken will not accommodate estimated need, [the district]
26 **Metro** shall develop a corrective action plan, including a schedule for implementation. [The
27 district] **Metro** shall submit the plan to the department along with the report on performance
28 measures required under ORS 197.301. Corrective action under this section may include amendment
29 of the urban growth boundary, [comprehensive plan,] regional framework plan, functional plan or
30 land use regulations as described in ORS 197.296 (6)(b).

31 (2) Within two years of submitting a corrective action plan to the department, [the metropolitan
32 service district] **Metro** shall demonstrate by reference to the performance measures described in ORS
33 197.301 that implementation of the plan has resulted in the buildable land supply and housing den-
34 sity within the urban growth boundary necessary to accommodate the estimated housing needs for
35 each housing type as determined under ORS 197.296 (3).

36 (3) The failure of [the metropolitan service district] **Metro** to demonstrate the buildable land
37 supply and housing density necessary to accommodate housing needs as required under this section
38 and ORS 197.296 may be the basis for initiation of enforcement action pursuant to ORS 197.319 to
39 197.335.

40 **SECTION 80.** ORS 197.304 is amended to read:

41 197.304. (1) Notwithstanding an intergovernmental agreement pursuant to ORS 190.003 to
42 190.130 or acknowledged comprehensive plan provisions to the contrary, a city within Lane County
43 [that has a population of 50,000 or more within its boundaries] **with a population of 50,000 or**
44 **greater** shall meet its obligation under ORS 197.286 to 197.314 separately from any other city within
45 Lane County. The city shall, separately from any other city:

(a) Establish an urban growth boundary, consistent with the jurisdictional area of responsibility specified in the acknowledged comprehensive plan; and

(b) Demonstrate, as required by [ORS 197.296] **section 22 of this 2023 Act**, that its comprehensive plan provides sufficient buildable lands within an urban growth boundary [*established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years*] **to accommodate needed housing**.

(2) Except as provided in subsection (1) of this section, this section does not alter or affect an intergovernmental agreement pursuant to ORS 190.003 to 190.130 or acknowledged comprehensive plan provisions adopted by Lane County or local governments in Lane County.

SECTION 81. ORS 197.307, as amended by section 14, chapter 401, Oregon Laws 2019, and section 2, chapter 54, Oregon Laws 2022, is amended to read:

197.307. (1) The availability of affordable, decent, safe and sanitary housing opportunities for persons of lower, middle and fixed income, including **agriculture workforce** housing [*for farmworkers*], is a matter of statewide concern.

(2) Many persons of lower, middle and fixed income depend on government assisted housing as a source of affordable, decent, safe and sanitary housing.

(3) [*When a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, needed housing shall be permitted*] **A local government shall permit needed housing** in one or more zoning districts or in zones described by some comprehensive plans as overlay zones with sufficient buildable land to satisfy that need.

(4) Except as provided in subsection (6) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of housing, including needed housing. The standards, conditions and procedures:

(a) May include, but are not limited to, one or more provisions regulating the density or height of a development.

(b) May not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

(5) The provisions of subsection (4) of this section do not apply to:

(a) An application or permit for residential development in an area identified in a formally adopted central city plan, or a regional center as defined by Metro, in a city with a population of 500,000 or [*more*] **greater**.

(b) An application or permit for residential development in historic areas designated for protection under a land use planning goal protecting historic areas.

(6) In addition to an approval process for needed housing based on clear and objective standards, conditions and procedures as provided in subsection (4) of this section, a local government may adopt and apply an alternative approval process for applications and permits for residential development based on approval criteria regulating, in whole or in part, appearance or aesthetics that are not clear and objective if:

(a) The applicant retains the option of proceeding under the approval process that meets the requirements of subsection (4) of this section;

(b) The approval criteria for the alternative approval process comply with applicable statewide land use planning goals and rules; and

(c) The approval criteria for the alternative approval process authorize a density at or above the density level authorized in the zone under the approval process provided in subsection (4) of this section.

(7) Subject to subsection (4) of this section, this section does not infringe on a local government's prerogative to:

- (a) Set approval standards under which a particular housing type is permitted outright;
- (b) Impose special conditions upon approval of a specific development proposal; or
- (c) Establish approval procedures.

SECTION 82. ORS 197.313 is amended to read:

197.313. *[Nothing in ORS 197.312 or in the amendments to ORS 197.286, 197.303, 197.307 by sections 1, 2 and 3, chapter 795, Oregon Laws 1983, shall be construed to]* **ORS 197.286 to 197.314 do not** require a city or county to contribute to the financing, administration or sponsorship of government assisted housing.

SECTION 83. **ORS 197.314 is added to and made a part of ORS 197.475 to 197.490.**

SECTION 84. ORS 197.480 is amended to read:

197.480. (1) Each city and county governing body shall provide~~, in accordance with urban growth management agreements,~~ for mobile home or manufactured dwelling parks as an allowed use~~, by July 1, 1990, or by the next periodic review after January 1, 1988, whichever comes first~~:

(a) By zoning ordinance and by comprehensive plan designation on buildable lands within urban growth boundaries; and

(b) In areas planned and zoned for a residential density of six to 12 units per acre sufficient to accommodate the need established pursuant to subsections (2) and (3) of this section.

(2) A city or county shall establish a projection of need for mobile home or manufactured dwelling parks based on:

(a) Population projections;

(b) Household income levels;

(c) Housing market trends of the region; and

(d) An inventory of mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development.

(3) The inventory required by subsection (2)(d) and subsection (4) of this section shall establish the need for areas to be planned and zoned to accommodate the potential displacement of the inventoried mobile home or manufactured dwelling parks.

(4) Notwithstanding the provisions of subsection (1) of this section, a city or county within *[a metropolitan service district, established pursuant to ORS chapter 268]* **Metro**, shall inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development *[no later than two years from September 27, 1987]*.

(5)(a) A city or county may establish clear and objective criteria and standards for the placement and design of mobile home or manufactured dwelling parks.

(b) If a city or county requires a hearing before approval of a mobile home or manufactured dwelling park, application of the criteria and standards adopted pursuant to paragraph (a) of this subsection shall be the sole issue to be determined at the hearing.

(c) No criteria or standards established under paragraph (a) of this subsection *[shall]* **may** be adopted which would preclude the development of mobile home or manufactured dwelling parks within the intent of ORS *[197.286 and]* 197.475 to 197.490.

SECTION 85. ORS 197.522 is amended to read:

197.522. (1) As used in this section:

(a) "Needed housing" has the meaning given that term in ORS *[197.303]* **197.286**.

(b) "Partition" has the meaning given that term in ORS 92.010.

(c) "Permit" means a permit as defined in ORS 215.402 and a permit as defined in ORS 227.160.

(d) "Subdivision" has the meaning given that term in ORS 92.010.

(2) A local government shall approve an application for a permit, authorization or other approval necessary for the subdivision or partitioning of, or construction on, any land for needed housing that is consistent with the comprehensive plan and applicable land use regulations.

(3) If an application is inconsistent with the comprehensive plan and applicable land use regulations, the local government, prior to making a final decision on the application, shall allow the applicant to offer an amendment or to propose conditions of approval that would make the application consistent with the plan and applicable regulations. If an applicant seeks to amend the application or propose conditions of approval:

(a) A county may extend the time limitation under ORS 215.427 for final action by the governing body of a county on an application for needed housing and may set forth a new time limitation for final action on the consideration of future amendments or proposals.

(b) A city may extend the time limitation under ORS 227.178 for final action by the governing body of a city on an application for needed housing and may set forth a new time limitation for final action on the consideration of future amendments or proposals.

(4) A local government shall deny an application that is inconsistent with the comprehensive plan and applicable land use regulations and that cannot be made consistent through amendments to the application or the imposition of reasonable conditions of approval.

SECTION 86. ORS 197.637 and 197.764 are added to and made a part of ORS 197.286 to 197.314.

SECTION 87. ORS 197.637 is amended to read:

197.637. (1) Upon request of the Department of Land Conservation and Development, the Housing and Community Services Department shall review the inventory and analysis of housing, and measures taken to address the housing need, required of certain local governments under ORS 197.296 **or 197.297 or section 21 or 22 of this 2023 Act**. The review shall address the likely effect of measures **and housing production strategies** developed by a local government [*under ORS 197.296 (6) or (7)*] on the adequacy of the supply of buildable land and [*opportunities to satisfy needs identified under ORS 197.296 (3)*] **measures to address needed housing**.

(2) The Land Conservation and Development Commission and the Director of the Department of Land Conservation and Development shall consider the review and any recommendations of the Housing and Community Services Department when determining whether a local government has complied with the statewide land use planning goals and the requirements of ORS 197.296 **or 197.297 or section 21 or 22 of this 2023 Act**.

SECTION 88. ORS 197.764 is amended to read:

197.764. (1) A local government may **make a land use decision to** approve an application to remove a lot or parcel from within an urban growth boundary if:

(a) The application is submitted by the owner of the lot or parcel;

(b)(A) The lot or parcel is adjacent to the edge of the urban growth boundary; or

(B) The lot or parcel is adjacent to another lot or parcel that is removed under this section;

(c) The lot or parcel is assessed under ORS 308A.050 to 308A.128 for its value for farm use;

(d) The lot or parcel is not within the boundaries of a city; and

(e) The lot or parcel is not included in an area identified for urban services under ORS 197.754.

(2) A local government, in deciding whether to approve an application under subsection (1) of

this section, shall consider:

(a) The projected costs and other consequences of extending urban services to the affected lot or parcel;

(b) The potential value in the investment of providing urban services to the affected lot or parcel;

(c) Any requirement for expanding the urban growth boundary in other areas to compensate for any loss in buildable lands; and

(d) The projected costs and other consequences of providing urban services to other areas brought in under an expanded urban growth boundary.

(3)(a) Land that is removed from within an urban growth boundary pursuant to an application approved under this section shall be removed from any inventory of buildable lands maintained by the local government.

(b) A local government that approves an application under this section shall either expand the urban growth boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands **consistent with ORS 197.296 (6) or 197A.300 to 197A.325 or section 21 or 22 of this 2023 Act.**

SECTION 89. ORS 197.766 is repealed.

SECTION 90. ORS 197.831 is amended to read:

197.831. In a proceeding before the Land Use Board of Appeals or an appellate court that involves an ordinance required to contain clear and objective approval standards, conditions and procedures for *[needed]* housing, **including under ORS 197.307**, the local government imposing the provisions of the ordinance shall demonstrate that the approval standards, conditions and procedures are capable of being imposed only in a clear and objective manner.

SECTION 91. ORS 197A.300 to 197A.325 are added to and made a part of ORS 197.286 to 197.314.

SECTION 92. ORS 197A.300 is amended to read:

197A.300. As used in ORS 197A.300 to 197A.325[:],

[(1) "Buildable lands" means land in urban or urbanizable areas that are suitable for urban uses.]

[(2)] "serviceable" means, with respect to land, that:

[(a)] (1) Adequate sewer, water and transportation capacity for planned urban development is available or can be either provided or made subject to committed financing; or

[(b)] (2) Committed financing can be in place to provide adequate sewer, water and transportation capacity for planned urban development.

SECTION 93. ORS 197A.310 is amended to read:

197A.310. (1) *[In addition to and not in lieu of]* **As an alternative to** the method prescribed in *[ORS 197.286 to 197.314 and the statewide land use planning goals]* **section 22 (5)(a) of this 2023 Act**, the Land Conservation and Development Commission shall adopt a method by which a city outside Metro that has a population of less than 10,000 may evaluate or amend its urban growth boundary.

(2) The commission shall design the method so that:

(a) A city using the method:

(A) Will have within its boundaries sufficient buildable lands and other development capacity, including land and capacity for needed housing and employment opportunities, to meet the growth in population and employment forecast to occur over a 14-year period.

(B) Will not become less efficient in its use of land as a result of a change to the urban growth boundary.

(b) The urban population per square mile will continue, subject to market conditions, to increase over time on a statewide basis and in major regions of the state, including that portion of the Willamette Valley outside of Metro.

(c) The rate of conversion of agricultural and forest lands to urban uses does not increase over time in any major region of the state.

(3) Under the method adopted by the commission:

(a) A city's determination of the amount of buildable lands *[needed for]* **sufficient for needed** housing, employment and other urban uses must be based on the population and employment growth forecast to occur over a 14-year period.

(b) A city's determination of the supply and development capacity of lands within its urban growth boundary must be based on:

(A) A simple inventory of vacant and partially vacant buildable lands within the urban growth boundary;

(B) The comprehensive plan designation and the zoning of the portion of the buildable lands that is urban; and

(C) Simple factors established by the commission for forecasting:

(i) The development and redevelopment capacity of urbanizable lands within the urban growth boundary; and

(ii) The redevelopment capacity of developed urban lands within the urban growth boundary.

(c) A city's determination of the supply and development capacity of lands the city proposes to include within the urban growth boundary must be based on:

(A) A simple inventory of vacant and partially vacant lands; and

(B) Simple factors established by the commission for forecasting the development and redevelopment capacity of the lands.

(d) A city shall demonstrate that lands included within the urban growth boundary:

(A) Include sufficient serviceable land for at least a seven-year period.

(B) Can all be serviceable over a 14-year period.

(e) Lands included within the urban growth boundary:

(A) Must be planned and zoned for categories of land uses in amounts that are roughly proportional to the land need determined for each category of use;

(B) Must be planned and zoned for an intensity of use that is generally consistent with the estimates that were used to determine the amount of land needed;

(C) Must be planned and zoned to meet the requirements for needed housing, and those requirements must be specified by rule of the commission in a manner that is as objective as practicable; and

(D) May be either:

(i) Planned and zoned, or otherwise conditioned, to avoid significantly affecting a state highway, a state highway interchange or a freight route designated in the Oregon Highway Plan; or

(ii) Allowed to significantly affect a state highway, a state highway interchange or a freight route designated in the Oregon Highway Plan subject to mitigation, consistent with rules of the commission, if the lands are planned and zoned for compact urban development or industrial uses.

(4) For purposes of subsection (3)(a) of this section, population growth must be forecast as provided in ORS 195.033. Employment growth must be forecast based on the population growth forecast

for the city or the employment growth forecast issued by the Employment Department for the county or region. The commission shall establish factors, by rule, for converting the forecasted population and employment growth into forecasts of land need for housing, employment and other categories of uses. The factors must:

(a) Be based on an empirical evaluation of the relation between population and employment growth and the rate and trends of land utilization in the recent past in the applicable major region of the state;

(b) Reflect consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in that major region of the state;

(c) Be designed to encourage an increase in the land use efficiency of a city, subject to market conditions; and

(d) Provide a range of policy choices for a city about the form of its future growth.

(5) For purposes of subsection (3)(b) of this section, the commission shall establish factors for supply and development capacity that are:

(a) Based on an empirical evaluation of the population and employment growth that has occurred on similarly situated lands through development and redevelopment;

(b) Based on consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in that major region of the state;

(c) Designed to encourage an increase in the land use efficiency of the city, subject to market conditions; and

(d) Designed to provide a range of policy choices for a city about the form of its future growth.

(6) For purposes of subsection (3)(c) of this section, the commission shall establish factors that are:

(a) Based on an empirical evaluation of the population and employment growth that has occurred on similarly situated lands through development and redevelopment;

(b) Based on consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in each major region of the state;

(c) Designed to encourage an increase in the land use efficiency of the city, subject to market conditions; and

(d) Designed to provide a range of policy choices for a city about the form of its future growth.

(7) For lands that are included within an urban growth boundary pursuant to this section and not made serviceable within 20 years after the date of their inclusion, the commission may provide by rule that:

(a) The lands must be removed from within the urban growth boundary the next time the city evaluates the urban growth boundary; or

(b) The planned development capacity of the lands must be reduced if there are significant increases in the cost of making the lands serviceable.

(8) When lands included within the urban growth boundary pursuant to this section are planned and zoned for industrial or residential uses, the lands must remain planned and zoned for the use unless a rule of the commission allows a change in planning and zoning based on a significant change in circumstance.

SECTION 94. ORS 197A.305 is amended to read:

197A.305. (1) *[In addition to and not in lieu of]* **As an alternative to** the method prescribed in *[ORS 197.286 to 197.314 and the statewide land use planning goals]* **section 22 (5)(a) of this 2023 Act**, the Land Conservation and Development Commission shall adopt by rule methods by which a

city that is outside Metro may evaluate or amend the urban growth boundary of the city.

(2) A city outside Metro may use the methods adopted pursuant to:

(a) ORS 197A.310 if the city has a population of less than 10,000.

(b) ORS 197A.312 if the city has a population of 10,000 or *[more]* **greater**.

(3) A city that elects to include land within the urban growth boundary of the city under a method established pursuant to ORS 197A.310 or 197A.312:

(a) May use the method again when:

(A) The population of the city has grown by at least 50 percent of the amount of growth forecast to occur in conjunction with the previous use of the method by the city; or

(B) At least one-half of the lands identified as buildable lands during the previous use of the method by the city have been developed.

(b) Shall evaluate whether the city needs to include within the urban growth boundary additional land for residential or employment uses before the population of the city has grown by 100 percent of the population growth forecast to occur in conjunction with the previous use of the method by the city.

(4) A city that elects to use a method established pursuant to ORS 197A.310 or 197A.312 shall notify the Department of Land Conservation and Development of the election in the manner required by ORS 197.610 for notice of a post-acknowledgment plan amendment. The city may revoke the election until the city makes a final decision whether to amend the urban growth boundary of the city. A city that has initiated, but not completed, an amendment of its urban growth boundary before January 1, 2014, may withdraw the proposed amendment and use a method established pursuant to ORS 197A.310 or 197A.312 by filing notice of the election with the department in the manner required by ORS 197.610 and 197.615 for notice of a post-acknowledgment plan amendment.

(5) Beginning on or before January 1, 2023, the commission shall:

(a) Evaluate, every five years, the impact of the implementation of ORS 197A.310 (2) and 197A.312 (2) on the population per square mile, livability in the area, the provision and cost of urban facilities and services, the rate of conversion of agriculture and forest lands and other considerations;

(b) Consider changes to the statewide land use planning goals or rules to address adverse outcomes; and

(c) Make recommendations to the Legislative Assembly, as necessary, for statutory changes.

SECTION 95. ORS 197A.312 is amended to read:

197A.312. (1) *[In addition to and not in lieu of]* **As an alternative to** the method prescribed in *[ORS 197.286 to 197.314 and the statewide land use planning goals]* **section 22 (5)(a) of this 2023 Act**, the Land Conservation and Development Commission shall adopt a method by which a city outside Metro that has a population of 10,000 or *[more]* **greater** may evaluate or amend its urban growth boundary.

(2) The commission shall design the method so that:

(a) A city using the method:

(A) Will have within its boundaries sufficient buildable lands and other development capacity, including land and capacity for needed housing and employment opportunities, to meet the growth in population and employment forecast to occur over a 14-year period.

(B) Will not become less efficient in its use of land as a result of a change to the urban growth boundary.

(b) The urban population per square mile will continue to increase over time on a statewide

1 basis and in major regions of the state, including that portion of the Willamette Valley outside of
2 Metro.

3 (c) The rate of conversion of agricultural and forest lands to urban uses does not increase over
4 time in any major region of the state.

5 (3) Under the method adopted by the commission:

6 (a) A city's determination of the amount of buildable lands [*needed for*] **sufficient for needed**
7 housing, employment and other urban uses must be based on the population and employment growth
8 forecast to occur over a 14-year period.

9 (b) A city's determination of the supply and development capacity of lands within its urban
10 growth boundary must be based on:

11 (A) An inventory of vacant and partially vacant buildable lands within the urban growth
12 boundary;

13 (B) The comprehensive plan designation and the zoning of the portion of the buildable lands that
14 is urban; and

15 (C) Factors established by the commission for forecasting:

16 (i) The development and redevelopment capacity of urbanizable lands within the urban growth
17 boundary; and

18 (ii) The redevelopment capacity of developed urban lands within the urban growth boundary.

19 (c) A city's determination of the supply and development capacity of lands the city proposes to
20 include within the urban growth boundary must be based on:

21 (A) An inventory of vacant and partially vacant lands; and

22 (B) Factors established by the commission for forecasting the development and redevelopment
23 capacity of the lands.

24 (d) A city shall consider a range or combination of measures identified by rule of the commission
25 to accommodate future need for land within the urban growth boundary and implement at least one
26 measure or satisfy an alternate performance standard established by the commission. The commis-
27 sion shall design the alternate performance standard so that the standard is satisfied when the city:

28 (A) Has a development code that contains specified provisions designed to encourage the de-
29 velopment of needed housing; and

30 (B) Demonstrates that, during the preceding planning period, the city:

31 (i) If located in the Willamette Valley, exceeded the median rate of redevelopment and infill for
32 cities with a population of 10,000 or [*more*] **greater** in the Willamette Valley that are outside of the
33 boundaries of Metro by an amount set by commission rule; and

34 (ii) If located outside of the Willamette Valley, exceeded the median rate of redevelopment and
35 infill for cities with a population of 10,000 or [*more*] **greater** that are outside the Willamette Valley
36 by an amount set by commission rule.

37 (e) A city shall demonstrate that lands included within the urban growth boundary:

38 (A) Include sufficient serviceable land for at least a seven-year period.

39 (B) Can all be serviceable over a 14-year period.

40 (f) Lands included within the urban growth boundary:

41 (A) Must be planned and zoned for categories of land uses in amounts that are roughly propor-
42 tional to the land need determined for each category of use;

43 (B) Must be planned and zoned for an intensity of use that is generally consistent with the es-
44 timates that were used to determine the amount of land needed;

45 (C) Must be planned and zoned to meet the requirements for needed housing, and those re-

quirements must be specified by rule of the commission in a manner that is as objective as practicable; and

(D) May be either:

(i) Planned and zoned, or otherwise conditioned, to avoid significantly affecting a state highway, a state highway interchange or a freight route designated in the Oregon Highway Plan; or

(ii) Allowed to significantly affect a state highway, a state highway interchange or a freight route designated in the Oregon Highway Plan subject to mitigation, consistent with rules of the commission, if the lands are planned and zoned for compact urban development or industrial uses.

(4) For purposes of subsection (3)(a) of this section, population growth must be forecast as provided in ORS 195.033. Employment growth must be forecast based on the population growth forecast for the city or the employment growth forecast issued by the Employment Department for the county or region. The commission shall establish factors, by rule, for converting the forecasted population and employment growth into forecasts of land need for housing, employment and other categories of uses. The factors must:

(a) Be based on an empirical evaluation of the relation between population and employment growth and the rate and trends of land utilization in the recent past in the applicable major region of the state;

(b) Reflect consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in that major region of the state;

(c) Be designed to encourage an increase in the land use efficiency of a city, subject to market conditions; and

(d) Provide a range of policy choices for a city about the form of its future growth.

(5) For purposes of subsection (3)(b) of this section, the commission shall establish factors for supply and development capacity that are:

(a) Based on an empirical evaluation of the population and employment growth that has occurred on similarly situated lands through development and redevelopment;

(b) Based on consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in that major region of the state;

(c) Designed to encourage an increase in the land use efficiency of the city, subject to market conditions; and

(d) Designed to provide a range of policy choices for a city about the form of its future growth.

(6) For purposes of subsection (3)(c) of this section, the commission shall establish factors that are:

(a) Based on an empirical evaluation of the population and employment growth that has occurred on similarly situated lands through development and redevelopment;

(b) Based on consideration by the commission of any significant changes occurring or expected to occur in the markets for urban land uses in each major region of the state;

(c) Designed to encourage an increase in the land use efficiency of the city, subject to market conditions; and

(d) Designed to provide a range of policy choices for a city about the form of its future growth.

(7) For lands that are included within an urban growth boundary pursuant to this section and not made serviceable within 20 years after the date of their inclusion, the commission may provide by rule that:

(a) The lands must be removed from within the urban growth boundary the next time the city evaluates the urban growth boundary; or

(b) The planned development capacity of the lands must be reduced if there are significant increases in the cost of making the lands serviceable.

(8) When lands included within the urban growth boundary pursuant to this section are planned and zoned for industrial or residential uses, the lands must remain planned and zoned for the use unless a rule of the commission allows a change in planning and zoning based on a significant change in circumstance.

SECTION 96. ORS 197A.405, 197A.407, 197A.409, 197A.411 and 197A.413 are repealed.

SECTION 97. Any moneys remaining in the City Economic Development Pilot Program Fund on the effective date of this 2023 Act that are unexpended, unobligated and not subject to any conditions shall revert to the General Fund.

SECTION 98. ORS 215.457 is amended to read:

215.457. A person may establish a youth camp:

(1) On land zoned for forest use or mixed farm and forest use, consistent with rules adopted by the Land Conservation and Development Commission.

(2) On land in eastern Oregon, as defined in ORS 321.805, that is zoned for exclusive farm use and is composed predominantly of class VI, VII or VIII soils, consistent with rules adopted by the Land Conservation and Development Commission. However, a person may not establish a youth camp authorized under this subsection within an irrigation district or within three miles of an urban growth boundary as defined in ORS [197.286] **197.015**. A youth camp may be authorized under this subsection only on a lawfully established unit of land as defined in ORS 92.010 of at least 1,000 acres.

SECTION 99. ORS 215.501 is amended to read:

215.501. (1) As used in this section:

(a) "Accessory dwelling unit" means a residential structure that is used in connection with or that is auxiliary to a single-family dwelling.

(b) "Area zoned for rural residential use" means land that is not located inside an urban growth boundary as defined in ORS [195.060] **197.015** and that is subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland and planned and zoned by the county to allow residential use as a primary use.

(c) "Historic home" means a single-family dwelling constructed between 1850 and 1945.

(d) "New" means that the dwelling being constructed did not previously exist in residential or nonresidential form. "New" does not include the acquisition, alteration, renovation or remodeling of an existing structure.

(e) "Single-family dwelling" means a residential structure designed as a residence for one family and sharing no common wall with another residence of any type.

(2) Notwithstanding any local zoning or local regulation or ordinance pertaining to the siting of accessory dwelling units in areas zoned for rural residential use, a county may allow an owner of a lot or parcel within an area zoned for rural residential use to construct a new single-family dwelling on the lot or parcel, provided:

(a) The lot or parcel is not located in an area designated as an urban reserve as defined in ORS 195.137;

(b) The lot or parcel is at least two acres in size;

(c) A historic home is sited on the lot or parcel;

(d) The owner converts the historic home to an accessory dwelling unit upon completion of the new single-family dwelling; and

(e) The accessory dwelling unit complies with all applicable laws and regulations relating to sanitation and wastewater disposal and treatment.

(3) An owner that constructs a new single-family dwelling under subsection (2) of this section may not:

(a) Subdivide, partition or otherwise divide the lot or parcel so that the new single-family dwelling is situated on a different lot or parcel from the accessory dwelling unit.

(b) Alter, renovate or remodel the accessory dwelling unit so that the square footage of the accessory dwelling unit is more than 120 percent of the historic home's square footage at the time construction of the new single-family dwelling commenced.

(c) Rebuild the accessory dwelling unit if the structure is lost to fire.

(d) Construct an additional accessory dwelling unit on the same lot or parcel.

(4) A county may require that a new single-family dwelling constructed under this section be served by the same water supply source as the accessory dwelling unit.

(5) A county may impose additional conditions of approval for construction of a new single-family dwelling or conversion of a historic home to an accessory dwelling unit under this section.

SECTION 100. ORS 270.005 is amended to read:

270.005. For purposes of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to 273.436 and 273.551:

(1) "Department" means the Oregon Department of Administrative Services.

(2) "Improvements" means any and all structures on or attachments to state-owned real property, but excluding public improvements as defined in ORS 279A.010.

(3) "Real property" means all real property together with any and all improvements thereon.

(4) "Rural community" means an unincorporated community that consists primarily of permanent residential dwellings but also has at least two other land uses that provide commercial, industrial or public uses to the community, the surrounding rural area or persons traveling through the area.

(5) "Surplus real property" means all state-owned real property and improvements surplus to agency and state need.

(6) "Urban growth boundary" has the meaning given that term in ORS [195.060] **197.015**.

(7) "Urban reserve" means any land designated as an urban reserve under ORS 195.145.

(8) "Urban unincorporated community" has the meaning given that term in ORS 197.015.

SECTION 101. ORS 466.055 is amended to read:

466.055. Before issuing a permit for a new facility designed to dispose of or treat hazardous waste or PCB, the Environmental Quality Commission must find, on the basis of information submitted by the applicant, the Department of Environmental Quality or any other interested party, that the proposed facility meets the following criteria:

(1) The proposed facility location:

(a) Is suitable for the type and amount of hazardous waste or PCB intended for treatment or disposal at the facility;

(b) Provides the maximum protection possible to the public health and safety and environment of Oregon from release of the hazardous waste or PCB stored, treated or disposed of at the facility; and

(c) Is situated sufficient distance from urban growth boundaries, as defined in ORS [197.286] **197.015**, to protect the public health and safety, accessible by transportation routes that minimize the threat to the public health and safety and to the environment and sufficient distance from parks, wilderness and recreation areas to prevent adverse impacts on the public use and enjoyment of

those areas.

(2) Subject to any applicable standards adopted under ORS 466.035, the design of the proposed facility:

(a) Allows for treatment or disposal of the range of hazardous waste or PCB as required by the commission; and

(b) Significantly adds to:

(A) The range of hazardous waste or PCB handled at a treatment or disposal facility currently permitted under ORS 466.005 to 466.385; or

(B) The type of technology employed at a treatment or disposal facility currently permitted under ORS 466.005 to 466.385.

(3) The proposed facility uses the best available technology for treating or disposing of hazardous waste or PCB as determined by the department or the United States Environmental Protection Agency.

(4) The need for the facility is demonstrated by:

(a) Lack of adequate current treatment or disposal capacity in Oregon, Washington, Idaho and Alaska to handle hazardous waste or PCB generated by Oregon companies;

(b) A finding that operation of the proposed facility would result in a higher level of protection of the public health and safety or environment; or

(c) Significantly lower treatment or disposal costs to Oregon companies.

(5) The proposed hazardous waste or PCB treatment or disposal facility has no major adverse effect on either:

(a) Public health and safety; or

(b) Environment of adjacent lands.

SECTION 102. ORS 527.755 is amended to read:

527.755. (1) The following highways are hereby designated as scenic highways for purposes of the Oregon Forest Practices Act:

(a) Interstate Highways 5, 84, 205, 405; and

(b) State Highways 6, 7, 20, 18/22, 26, 27, 30, 31, 34, 35, 36, 38, 42, 58, 62, 66, 82, 97, 101, 126, 138, 140, 199, 230, 234 and 395.

(2) The purpose of designating scenic highways is to provide a limited mechanism that maintains roadside trees for the enjoyment of the motoring public while traveling through forestland, consistent with ORS 527.630, safety and other practical considerations.

(3) The State Board of Forestry, in consultation with the Department of Transportation, shall establish procedures and regulations as necessary to implement the requirements of subsections (4), (5) and (6) of this section, consistent with subsection (2) of this section, including provisions for alternate plans. Alternate plans that modify or waive the requirements of subsection (4), (5) or (6) of this section may be approved when, in the judgment of the State Forester, circumstances exist such as:

(a) Modification or waiver is necessary to maintain motorist safety, protect improvements such as dwellings and bridges, or protect forest health;

(b) Modification or waiver will provide additional scenic benefits to the motoring public, such as exposure of distant scenic vistas;

(c) Trees that are otherwise required to be retained will not be visible to motorists;

(d) The operation involves a change of land use that is inconsistent with maintaining a visually sensitive corridor; or

(e) The retention of timber in a visually sensitive corridor will result in severe economic hardship for the owner because all or nearly all of the owner's property is within the visually sensitive corridor.

(4)(a) For harvest operations within a visually sensitive corridor, at least 50 healthy trees of at least 11 inches DBH, or that measure at least 40 square feet in basal area, shall be temporarily left on each acre.

(b) Overstory trees initially required to be left under paragraph (a) of this subsection may be removed when the reproduction understory reaches an average height of at least 10 feet and has at least the minimum number of stems per acre of free to grow seedlings or saplings required by the board for reforestation, by rule.

(c) Alternatively, when the adjacent stand, extending from 150 feet from the outermost edge of the roadway to 300 feet from the outermost edge of the roadway, has attained an average height of at least 10 feet and has at least the minimum number of stems per acre of free to grow seedlings or saplings required by the board for reforestation, by rule, or at least 40 square feet of basal area per acre, no trees are required to be left in the visually sensitive corridor, or trees initially required to be left under paragraph (a) of this subsection may be removed. When harvests within the visually sensitive corridor are carried out under this paragraph, the adjacent stand, extending from 150 feet from the outermost edge of the roadway to 300 feet from the outermost edge of the roadway, shall not be reduced below the minimum number of stems per acre of free to grow seedlings or saplings at least 10 feet tall required by the board for reforestation, by rule, or below 40 square feet of basal area per acre until the adjacent visually sensitive corridor has been reforested as required under subsection (6) of this section and the stand has attained an average height of at least 10 feet and has at least the minimum number of stems per acre.

(5) Harvest areas within a visually sensitive corridor shall be cleared of major harvest debris within 30 days of the completion of the harvest, or within 60 days of the cessation of active harvesting activity on the site, regardless of whether the harvest operation is complete.

(6) Notwithstanding the time limits established in ORS 527.745 (1)(a), when harvesting within a visually sensitive corridor results in a harvest type 1 or harvest type 3, reforestation shall be completed by the end of the first planting season after the completion of the harvest. All other provisions of ORS 527.745 shall also apply to harvest type 1 or harvest type 3 within visually sensitive corridors.

(7) Landowners and operators shall not be liable for injury or damage caused by trees left within the visually sensitive corridor for purposes of fulfilling the requirements of this section, when carried out in compliance with the provisions of the Oregon Forest Practices Act.

(8) The following are exempt from this section:

(a) Harvest on single ownerships less than five acres in size;

(b) Harvest within an urban growth boundary, as defined in ORS [195.060] **197.015**; and

(c) Harvest within zones designated for rural residential development pursuant to an exception adopted to the statewide land use planning goals under ORS 197.732.

SECTION 103. Section 6, chapter 552, Oregon Laws 2021, is amended to read:

Sec. 6. (1) Notwithstanding ORS 197.286 to 197.314, 197.626 or 197A.320 or any statewide land use planning goal related to housing or urbanization, the Department of Land Conservation and Development shall approve an expansion of the urban growth boundary submitted by the city and approved by the city by ordinance, if the department determines that:

(a) The department has received the letters required by section 4, **chapter 552, Oregon Laws**

2021 [of this 2021 Act];

(b) The department has approved the city's conceptual plan under section 5, **chapter 552, Oregon Laws 2021** [of this 2021 Act]; and

(c) The proposed urban growth boundary expansion adds all of the Stevens Road tract and no other lands to the area within the city's urban growth boundary.

(2) The city shall include the lands brought within the city's urban growth boundary under this section in the city's inventory of buildable lands under [ORS 197.296 (3)(a)] **section 22 of this 2023 Act**.

SECTION 104. Section 9, chapter 552, Oregon Laws 2021, is amended to read:

Sec. 9. (1) Notwithstanding ORS 197.250 or 197.612 or any statewide land use planning goal, the Department of Land Conservation and Development shall approve Stevens Road planning amendments provided the department determines, in its discretion, that the Stevens Road planning amendments, with respect to the Stevens Road tract, include:

(a) An inventory of significant historical artifacts, cultural sites and natural resources.

(b) Areas designated for recreational and open space.

(c) Land use regulations for the protection and preservation of significant resources and designated areas identified in paragraphs (a) and (b) of this subsection.

(d) Land use regulations that comply with applicable wildfire planning and development requirements, including requirements in regulations adopted to implement a statewide planning goal relating to natural disasters and hazards.

(e) Areas designated for adequate employment lands that account for the city's most recent economic opportunity analysis, including consideration of subsequent economic development activities and trends.

(f) Within areas zoned for residential purposes, without counting the lands designated under subsection (2) of this section, land use regulations for housing that:

(A) Ensure adequate opportunities for the development of all needed housing types, sizes and densities of market-rate housing, including middle housing as defined in ORS 197.758;

(B) Exceed the proportions of single-family attached and multifamily housing called for in the city's most recently adopted housing needs analysis under ORS 197.296 (3) (**2021 Edition**);

(C) Exceed a minimum density standard of nine residential units per gross residential acre; and

(D) On the date the Stevens Road planning amendments are approved, comply with land use regulations adopted by the city, or any minimum applicable rules adopted by the department, to implement ORS 197.758 and the amendments to ORS 197.312 by section 7, chapter 639, Oregon Laws 2019.

(g) Sufficient areas designated for mixed use development to support and integrate viable commercial and residential uses along with transportation options, including walking, bicycling and transit use.

(h) Land use regulations ensuring that:

(A) Adequate capacity is available, or feasible with development, for water, sewer and storm water services; and

(B) Adequate consideration is given to the financing, scheduling and development of urban services, as defined in ORS 195.065.

(i) Land use regulations for transportation that:

(A) Ensure the development of adequate infrastructure to support walking, bicycling, public transit and motor vehicle movement; and

(B) Give adequate consideration to transportation networks that connect the Stevens Road tract to other areas within the urban growth boundary of the city.

(j) The adequate consideration of the recommendations and comments received under section 8 (3) to (5), **chapter 552, Oregon Laws 2021** [of this 2021 Act].

(2) The department may not approve the planning amendments under subsection (1) of this section unless the planning amendments designate at least 20 net acres of land to be:

(a) Restricted so the area may be zoned, planned, sited or developed only for residential housing units at a minimum density of nine residential units per gross acre;

(b) Conveyed to the city at a price per acre established under section 4 (2)(b), **chapter 552, Oregon Laws 2021** [of this 2021 Act]; and

(c) Notwithstanding ORS 91.225 or 197.309, preserved for a period of no less than 50 years as affordable to own or rent as follows:

(A) At least 12 net acres made affordable to:

(i) Households with incomes of 60 percent or less of the area median income, as defined in ORS 456.270; or

(ii) If part of an income-averaging program approved by the Housing and Community Services Department, households whose incomes average 60 percent or less of the area median income.

(B) At least six net acres:

(i) Made affordable to households with incomes of 80 percent or less of the area median income; and

(ii) Made available, to the extent permitted by law, in a manner that gives a priority to households in which at least one individual is employed by an education provider over other members of the public.

(C) At least two net acres in which at least 80 percent of the units in each contiguous development tract are made affordable to households with 80 percent or less of the area median income, of which at least one net acre is made available, to the extent permitted by law, in a manner that gives a priority to households in which at least one individual is employed by an education provider over other members of the public.

(3) Upon a partition or subdivision of the Stevens Road tract following the approval of the planning amendments under subsection (1) of this section establishing one or more lots or parcels described in subsection (2) of this section, the owner shall transfer those lots or parcels to the city. For a period of 99 years after the purchase of property under this section, if the city resells any lot or parcel, the city may recover only the city's costs of the purchase and resale of the property.

(4) Neither the city nor the Department of Land Conservation and Development is obligated to adopt any specific findings or evaluate any specific criteria in exercising its discretion with respect to any Stevens Road planning amendments under this section and may receive, solicit or consider information from any source.

(5) As used in this section, "education provider" means a school district as defined in ORS 332.002, an educational program under the Youth Corrections Education Program or Juvenile Detention Education Program as both are defined in ORS 326.695, or an education service district as defined in ORS 334.003.

CAPTIONS

SECTION 105. The unit captions used in this 2023 Act are provided only for the conven-

1 ience of the reader and do not become part of the statutory law of this state or express any
2 legislative intent in the enactment of this 2023 Act.

3
4 **EMERGENCY CLAUSE**

5
6 **SECTION 106.** This 2023 Act being necessary for the immediate preservation of the public
7 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
8 on its passage.
9

TAB 3



CHARTER SCHOOL FINANCING LANDSCAPE

2022 YEAR END UPDATE

February 2023

First Tryon Advisors
SIMPLIFYING PUBLIC FINANCE



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Appendix A – About Us



INTRODUCTION

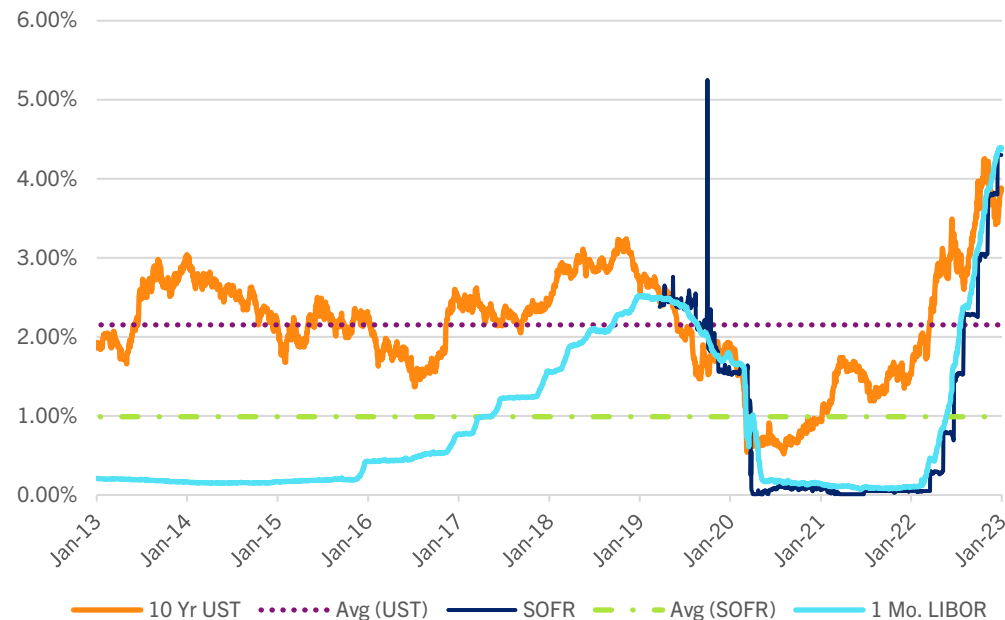
- This report provides a detailed look at charter school financings completed in the public capital markets in 2022
- Despite the federal funds rate being at its highest level since 2007, and expectations of continued rate hikes into 2023, financing activity remained relatively stable from the 2021 record setting year. Capital markets-based financings for charter schools fell by approximately 2.7% in 2022, the first year-over-year decrease since 2018 when volume declined by more than 20%
- The tax-exempt bond market saw significant interest rate deterioration and credit spread widening over the course of 2022. By year end, 5 and 6% coupons were commonplace for most charter schools, with coupons in some transactions reaching the high 7% range
- In certain cases, schools with tight financial covenants saw their projects and financings become no longer feasible as rates rose and inflationary pressures on project costs took root throughout the summer. Some schools were successful switching their financings from long term public bonds with high rates to shorter term, lower cost private loans. Others were not so successful and were forced to delay their transactions until market conditions improved
- In general, we continue to see increased interest by charter schools seeking financing in the private capital markets (e.g., direct purchases of tax-exempt bonds, taxable bank loans, CDFI loans, etc.) and suspect that private market volume increased in 2022 as borrowers actively sought lower cost and/or interim financing solutions for their projects
- There were noticeable changes in transaction volume by underwriter in 2022. Some of this was due to the movement of key personnel between certain firms in the first half of the year. This was most acute with Truist which dropped from #1 by volume in 2021 to #7 in 2022. For the year, RBC, D.A. Davidson and Baird held the top three positions by volume, respectively
- We continue to see firms that have not historically focused on charter schools expand their coverage in the sector. Such firms include HJ Sims, Raymond James and Goldman Sachs. We note that several bankers previously at Truist have joined HJ Sims and we anticipate growth in market share by Sims in 2023



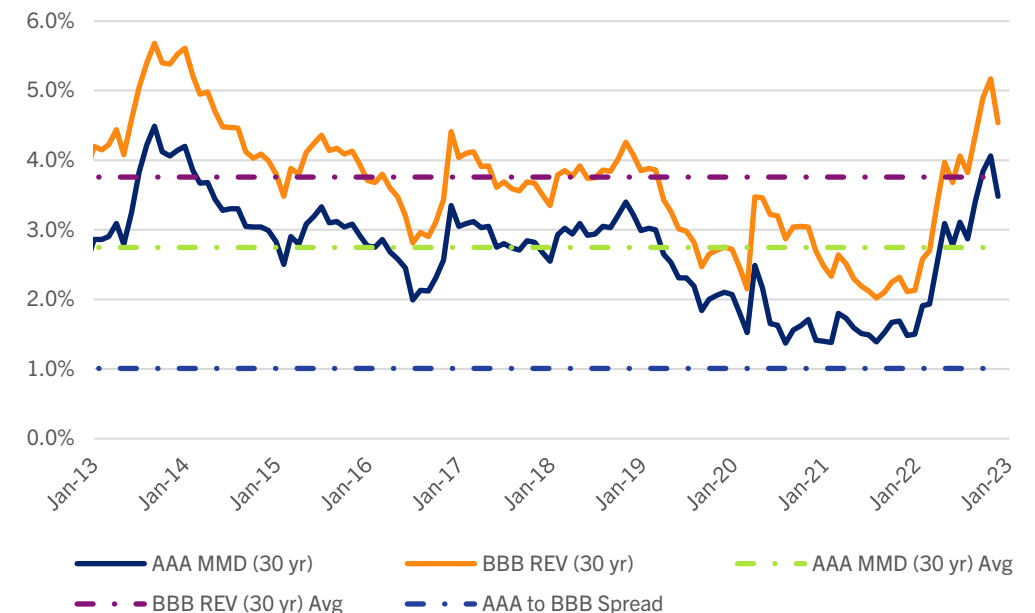
BENCHMARK RATES

As concerns over an impending recession spread throughout 2022, benchmark U.S. Treasury, SOFR and MMD rates increased significantly. The Federal Reserve is expected to slow the pace of rate hikes and key rates are currently projected to peak in the summer of 2023

Benchmark U.S. Treasury and SOFR Rates



Benchmark AAA vs. BBB-Rated Revenue Bonds



MMD CURVE

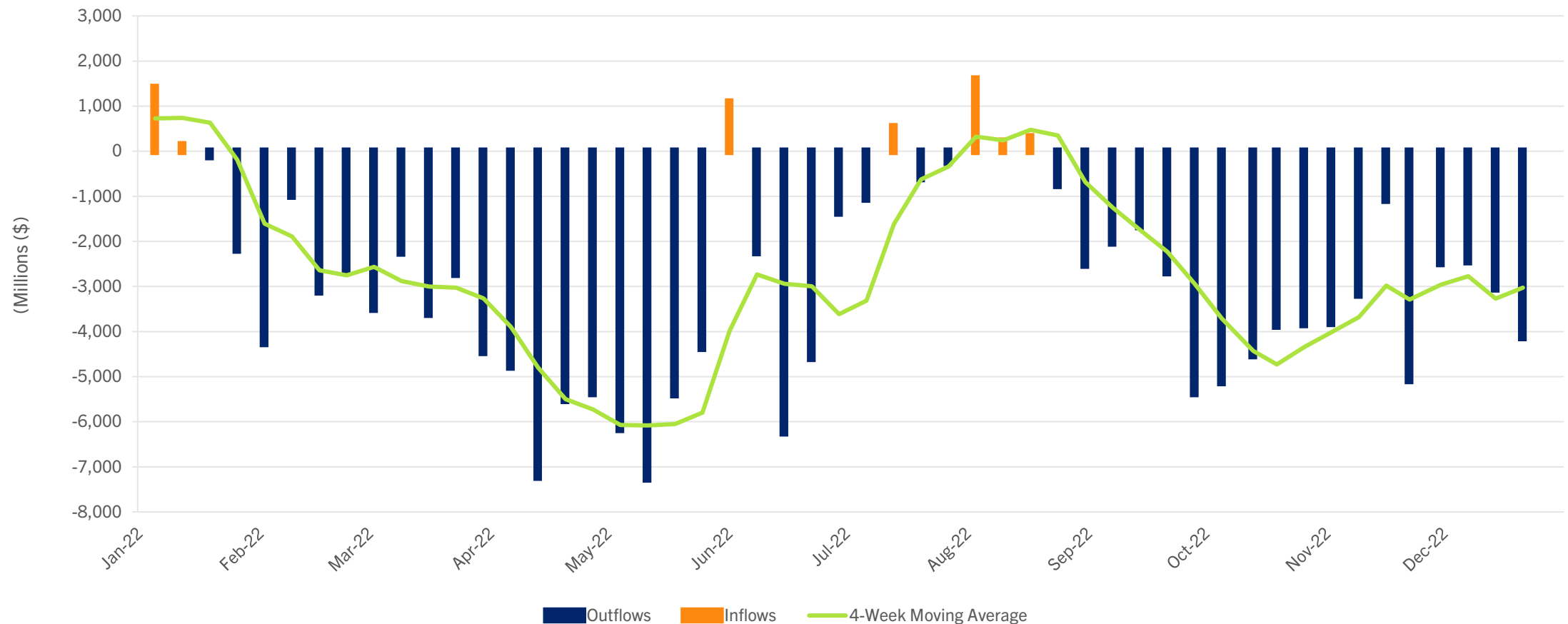


MMD (Municipal Market Data), the market standard index for public offerings of tax-exempt bonds, rose to a high of 4.16% toward the end of October before stabilizing in the mid 3% range for the remainder of the year. As of the release of this report in late-February 2023, MMD remains around 3.50%

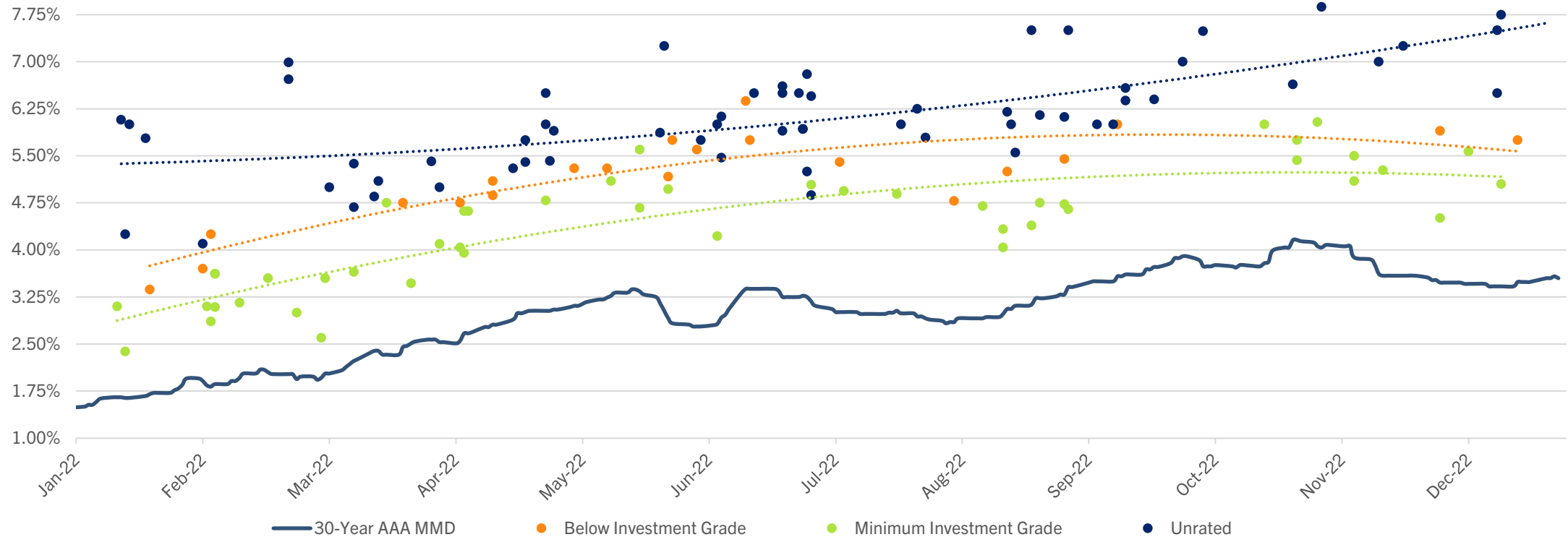


MUNICIPAL BOND FUND FLOWS

2022 saw nearly constant municipal bond fund outflows. This negatively impacted the availability and cost of capital for charter schools seeking funding during the year



WIDENING BORROWING COSTS



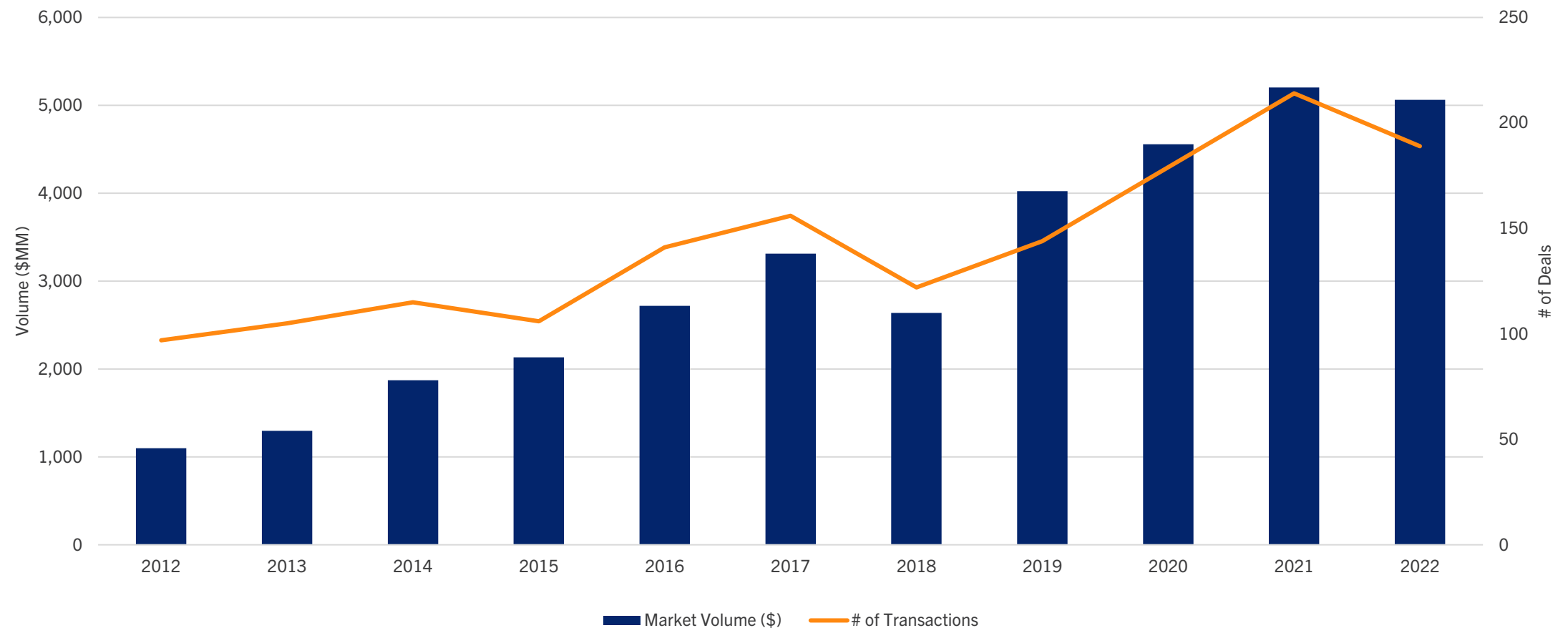
* Only 30+ year tax-exempt long bond yields depicted

Rising benchmark rates combined with widening credit spreads contributed to higher borrowing costs for charter schools in 2022. Average rates over the course of the year increased by approximately 190 to 230 basis points depending on the underlying credit quality of the school



DEAL VOLUME

Despite higher rates, project cost escalation, and concerns that a recession might be coming, deal volume in the public capital markets in 2022 was over \$5B, down only slightly from the record-breaking year in 2021



TOP 10 LARGEST TRANSACTIONS

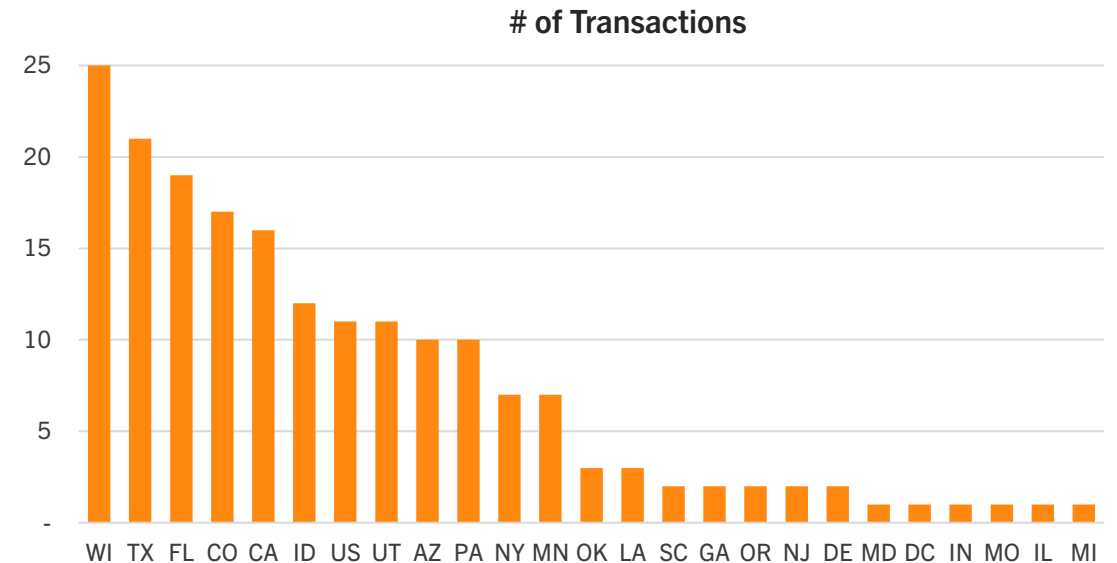
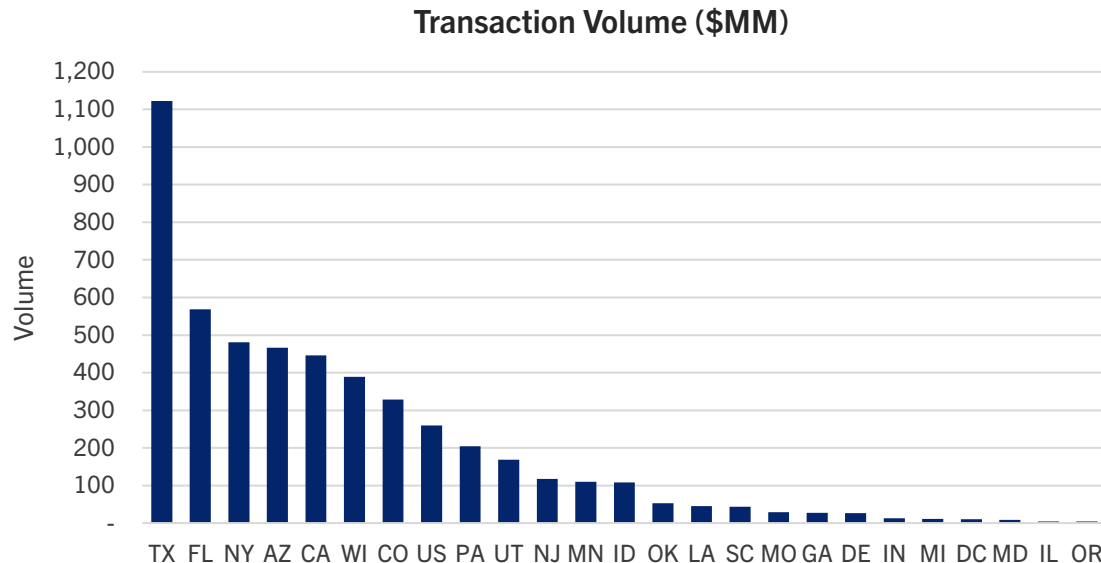
- 189 public bond issues were completed in 2022. The total par amount of all transactions was approximately \$5.1 billion, with an average par amount of \$26.8 million. The top 10 largest transactions contributed nearly \$1.5 billion (or 29%) of total par
- The following four transactions exceeded \$150 million in size:
 - IDEA Public Schools (TX) – AAA & A- rated issue sold by Baird and PNC
 - KIPP NYC (NY) – BBB- rated issue sold by Morgan Stanley
 - KIPP Texas (TX) – AAA rated issue sold by RBC, Baird, Truist and Oppenhemier
 - Equitable School Revolving Fund (AZ & CA) – A rated issue sold by RBC, Goldman Sachs, Morgan Stanley and Siebert Williams Shank
- KIPP networks claimed 3 of the largest transactions of 2022, totaling nearly \$450 million in par
- For the fourth time since its inception in 2019, Equitable Facilities Fund (EFF) issued bonds through the Arizona Industrial Development Authority and the California Infrastructure and Economic Development Bank for its Equitable School Revolving Fund (ESRF). The latest \$220 million ESRF financing benefitted over 40 charter school borrowers

State	Date	Project	Par Amount
TX	1-Feb	IDEA Public Schools	\$266,485,000
AZ	30-Aug	Equitable School Revolving Fund	219,410,000
NY	5-Jan	KIPP NYC Public Charter Schools	209,295,000
TX	1-Mar	KIPP Texas Inc	156,355,000
TX	1-Apr	Riverwalk Education Foundation Inc	141,085,000
AZ	19-Sep	Meadow Oaks Education Foundation	129,295,000
FL	28-Apr	Mater Academy	114,405,000
TX	8-Sep	International Leadership of Texas Inc	108,865,000
CO	26-May	Colorado Early Colleges Aurora	88,130,000
NJ	15-Nov	KIPP Cooper Norcross Obligated Group	84,130,000
Total			\$1,451,570,000



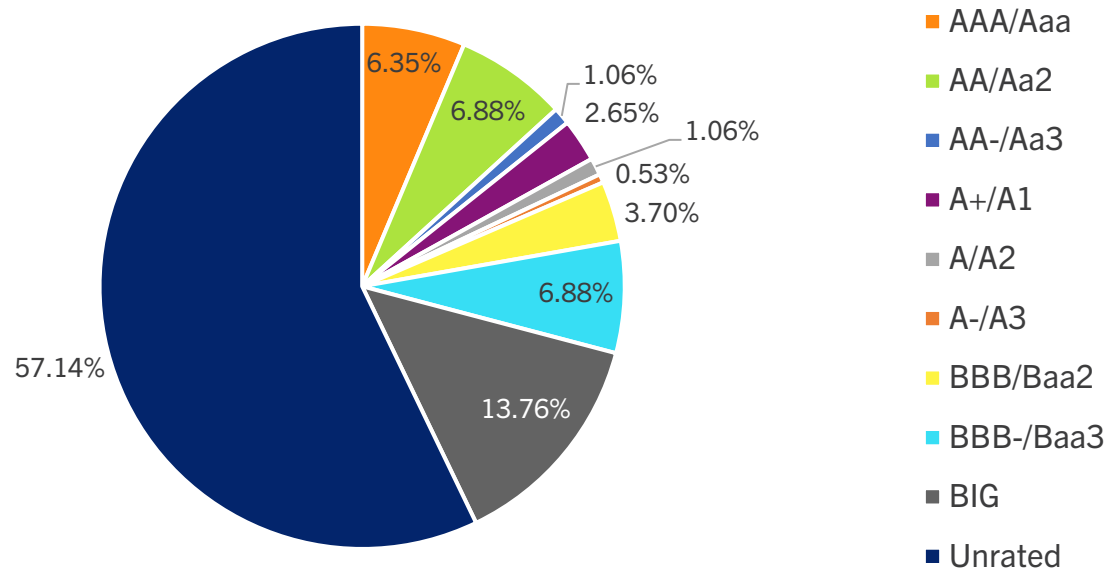
MOST ACTIVE STATES

- 23 states and the District of Columbia participated in the charter school bond market in 2022. The bulk of these issues were concentrated in Texas, claiming over \$1.1 billion in par, largely from sizable issues by IDEA Public Schools, KIPP Texas, Riverwalk Education Foundation, and International Leadership at Texas
- Certain of the most active states in 2021 (including Texas, Florida and Arizona) saw year-over-year decreases in deal volume. This was largely made up for by increased activity in New York, Colorado, Utah
- Wisconsin and Arizona hosted 36 transactions through its Public Finance Authority (PFA) and Arizona Industrial Development Authority (AZIDA), respectively. These conduit issuers served schools across several states – Arizona, Hawaii, North Carolina, New Jersey, New Mexico, Nevada, Ohio, and Tennessee

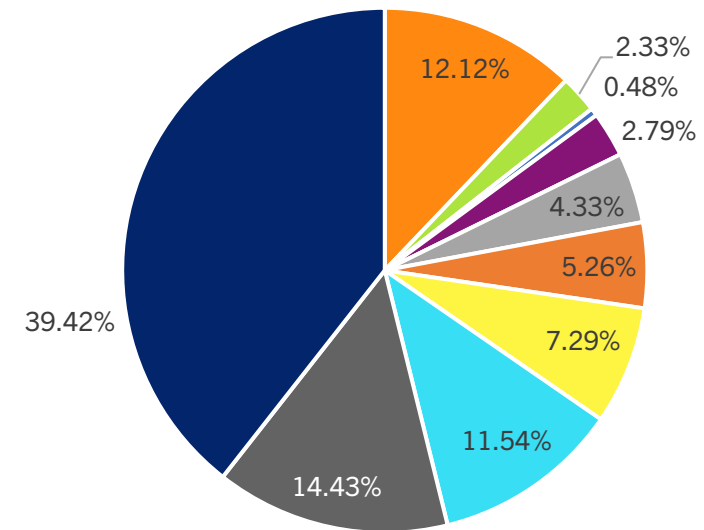


CREDIT RATING STATISTICS

of Transactions by Credit Rating



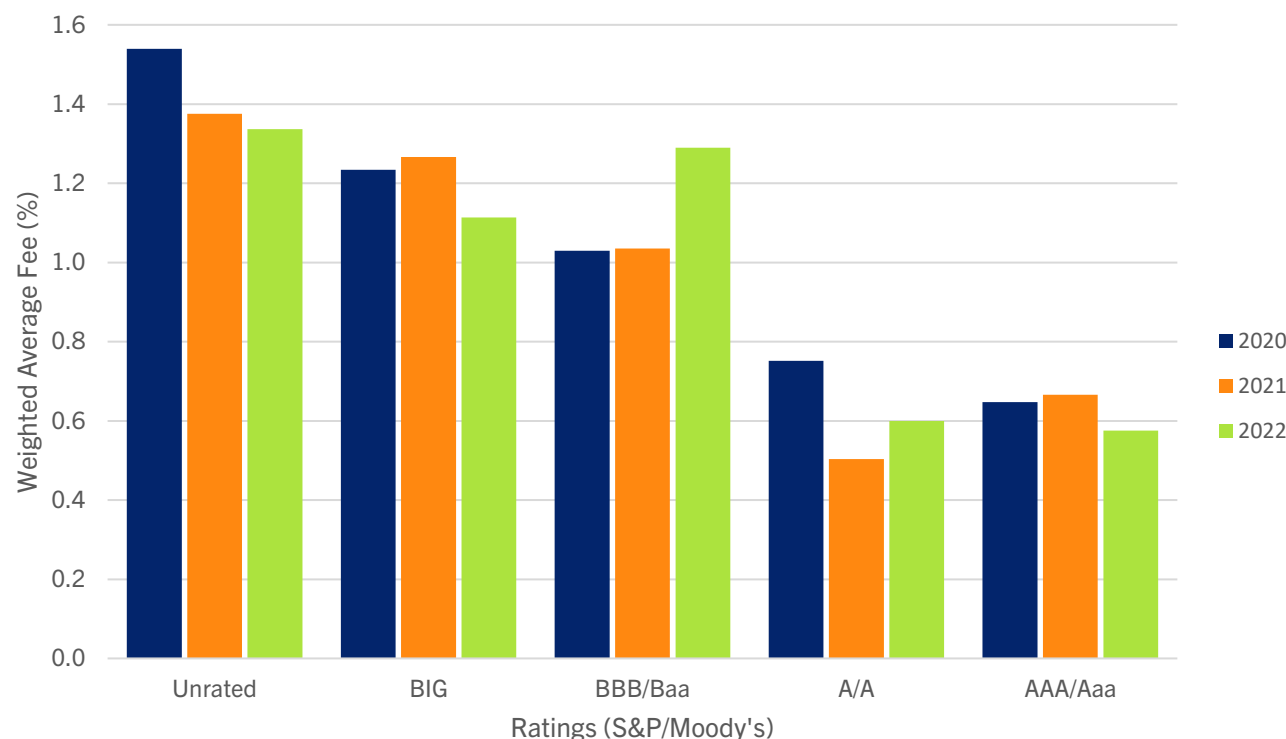
Transaction Volume by Credit Rating



Unrated transactions comprised the majority of the market in 2022, reflecting similar levels from the prior year. S&P Global continues to rate the majority of bonds issued by charter schools, although the number of ratings by Moody's Investors Service continue to increase. In 2022, S&P and Moody's rated 27 and 13 new charter school bond issues, respectively. In total, S&P currently rates approximately 350 charter schools/networks compared to about 100 by Moody's



UNDERWRITING FEES BY RATING CATEGORY



* Some rating categories not pictured due to low transaction volume and/or extraneous outliers

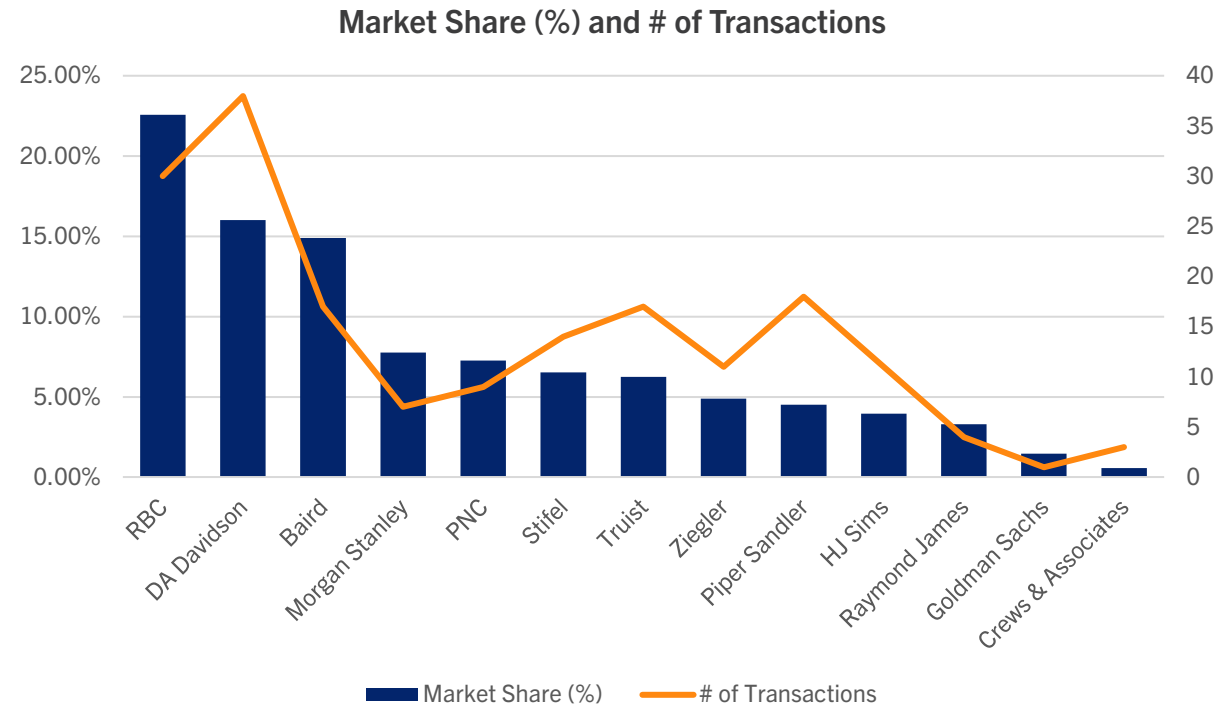
- Weighted average underwriter fees for charter school transactions in 2022 edged slightly lower, but with a few noticeable irregularities (possibly due to market volatility)
- Unrated transactions saw average underwriter fees of approximately 1.30% (\$13/Bond), slightly less compared to the average in 2021 and down about \$2/Bond from 2020. Below Investment Grade (BIG) transactions saw weighted average fees of approximately 1.10% (\$11/Bond)
- Although there are always outliers in the data (e.g., fees for BBB/Baa rated transactions in 2022), the general trend has been a gradual reduction of underwriting fees over the past 3 years
- Depending on the size and complexity of the issue, we generally to expect to see fees in the \$7-10/Bond range for most charter school transactions even under challenging market conditions



UNDERWRITER STATISTICS

Manager	Transaction Volume (\$MM)	
	2021	2022
RBC	821.62	1,092.04
D.A. Davidson	747.16	774.29
Baird	640.49	721.11
Morgan Stanley	239.54	375.95
PNC	169.71	351.05
Stifel	358.40	315.87
Truist	951.74	301.91
Ziegler	530.96	237.02
Piper Sandler	222.31	218.17
HJ Sims	---	191.46
Raymond James	---	159.23
Goldman Sachs	---	71.22
Crews & Associates	21.94	27.34
Total	5,196.32	5,061.47

* Does not depict all active underwriters



There were noticeable changes in transaction volume by underwriter compared to 2021. We note that there was movement of key personnel among certain underwriters serving the charter school sector in 2022. As such, we expect the statistics for 2023 to look noticeably different as well

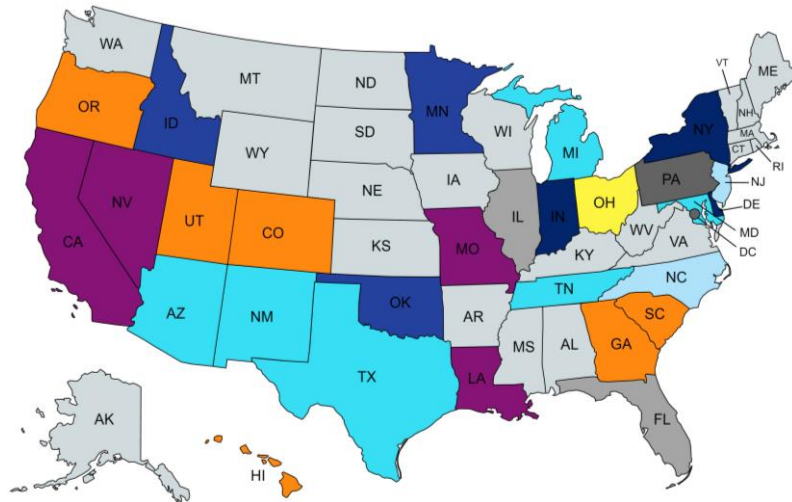


UNDERWRITER STATISTICS

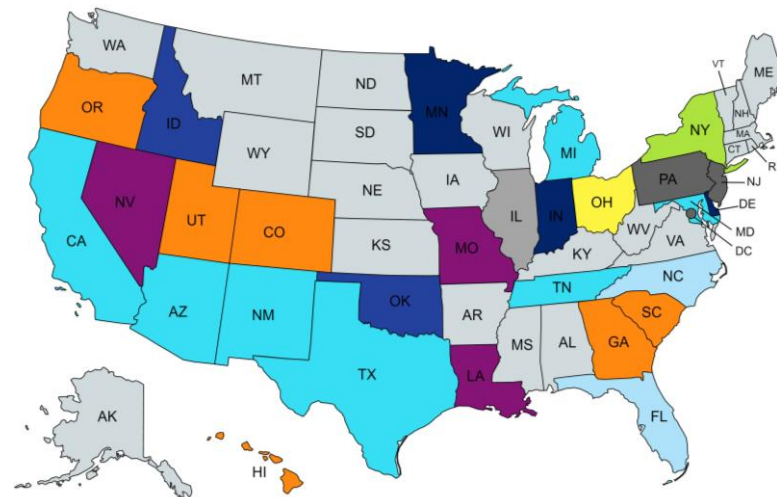
➤ The most active underwriters by state include:

- RBC (11): AZ, CA, FL, MD, MI, NC, NM, NY, TN, TX, UT
- D.A. Davidson (11): CO, FL, GA, HI, NC, NY, OR, PA, SC, TX, UT
- Baird (11): AZ, CA, CO, DE, ID, IN, MN, NV, NY, PA, TX
- Truist (8): CO, FL, GA, ID, NC, NJ, PA, SC
- PNC (6): DC, DE, FL, NJ, PA, TX
- Stifel (6): CA, LA, MO, NJ, NV
- Zeigler (6): AZ, CA, FL, IL, NC, PA
- Piper Sandler (6): FL, ID, MN, OK, PA, UT
- HJ Sims (5): FL, ID, NC, TX, UT

Leading Underwriter by # of Transactions



Leading Underwriter by Transaction Volume



Legend	
Baird	Dark Blue
DA Davidson	Orange
Morgan Stanley	Light Green
Piper Sandler	Dark Blue
PNC	Dark Grey
RBC	Cyan
Raymond James	Yellow
Stifel	Purple
Truist	Light Blue
Zeigler	Grey
None	Light Grey

* Note: Underwriter transaction volume and frequency awarded to state of borrower. Transaction # tie awarded to the underwriter with more transaction volume by state



UNDERWRITER STATISTICS

Manager	Fees (Weighted Avg %)		Transactions by Rating Category									
	2022	2021	Unrated	BIG	BBB-/Baa3	BBB/Baa2	A-/A3	A/A2	A+/A1	AA-/Aa3	AA/Aa2	AAA/Aaa
RBC	1.13	0.86	11	3	5	1	---	2	---	---	1	7
D.A. Davidson	1.32	1.13	27	3	---	---	---	---	1	2	4	1
Baird	1.01	1.15	5	4	3	2	1	---	---	---	---	2
Morgan Stanley	1.02	1.02	5	---	1	---	---	---	1	---	---	---
PNC	0.83	0.74	1	3	---	3	1	---	---	---	---	1
Stifel	1.86	1.72	9	3	1	1	---	---	---	---	---	---
Truist	0.92	0.92	12	2	2	1	---	---	---	---	---	---
Ziegler	1.16	1.14	5	5	1	---	---	---	---	---	---	---
Piper Sandler	1.34	1.30	10	2	---	---	---	---	---	---	6	---
HJ Sims	0.93	---	9	---	---	---	---	---	---	---	---	2
Raymond James	0.91	---	4	---	---	---	---	---	---	---	---	---
Goldman Sachs	1.26	---	---	1	---	---	---	---	---	---	---	---
Crews & Associates	0.82	1.75	1	---	---	---	---	---	---	---	2	---
Weighted Avg (%)	1.14	1.17										

* Does not depict all active underwriters (which are sorted by market share). Each Series of Bonds represent a transaction. Financings with multiple underwriters awarded to all managers

Average fees across all rating categories decreased slightly to 1.14% (\$11.40/Bond) in 2022



UNDERWRITER STATISTICS

Manager	Average Spread to MMD (in BPs)									
	Unrated	BIG	BBB-/Baa3	BBB/Baa2	A-/A3	A/A2	A+/A1	AA-/Aa3	AA/Aa2	AAA/Aaa
RBC	336	233	196	186	---	121	---	---	106	107
D.A. Davidson	309	231	---	---	---	---	104	121	151	128
Baird	281	203	177	150	127	---	---	---	---	110
Morgan Stanley	300	---	163	---	---	---	---	---	---	---
PNC	---	236	---	177	127	---	---	---	---	96
Stifel	290	265	195	176	---	---	---	---	---	---
Truist	321	179	183	149	---	---	---	---	---	---
Ziegler	273	268	242	---	---	---	---	---	---	---
Piper Sandler	344	263	---	---	---	---	---	---	161	---
HJ Sims	332	---	---	---	---	---	---	---	---	61
Raymond James	275	---	---	---	---	---	---	---	---	---
Goldman Sachs	---	242	---	---	---	---	---	---	---	---
Crews & Associates	250	---	---	---	---	---	---	---	140	---
Average (2022)	301	235	193	167	127	121	104	121	140	100
Average (2021)	294	163	129	114	N/A	69	82	92	65	86
Increase/Decrease	7	72	64	53	N/A	52	22	29	75	14

* Due to market volatility, spread to MMD data may be skewed depending on the timing of issuance. Reflects long bonds and tax-exempt issues only. Some data unavailable

MMD spreads varied greatly throughout 2022. Compared to 2021, average spreads increased by 40 BPs



UNDERWRITER STATISTICS

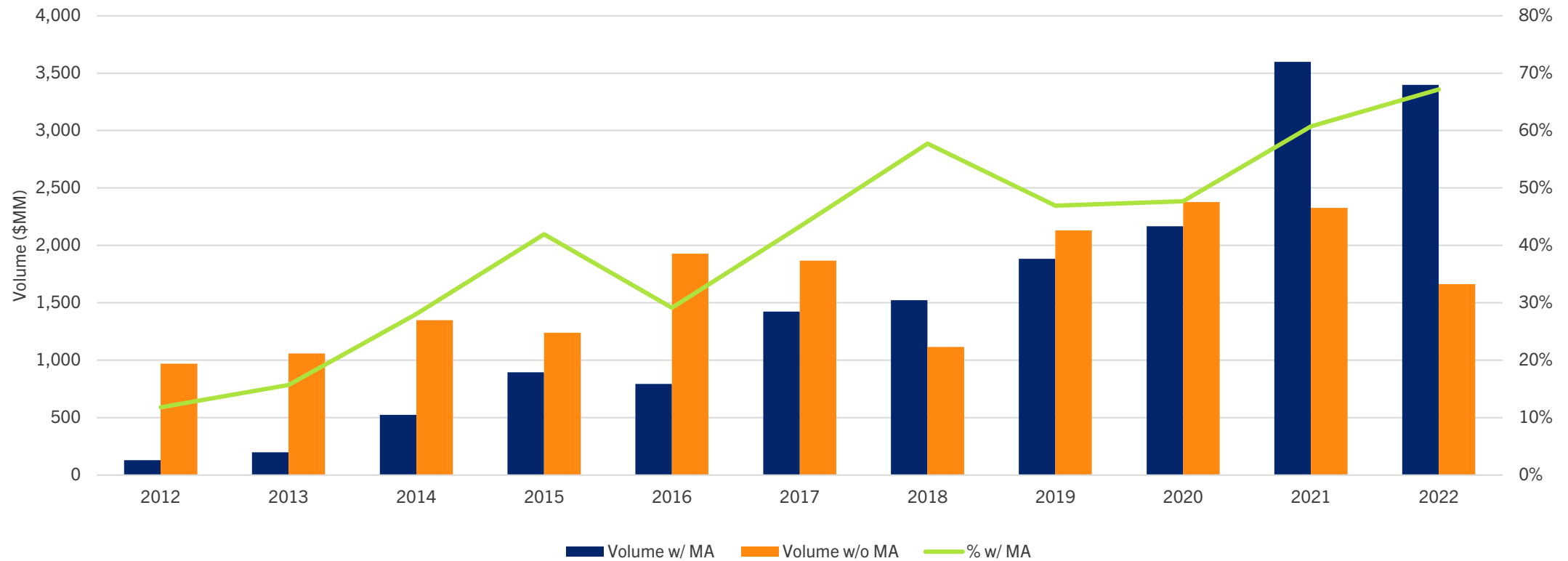
Manager	Median Long Bond Coupon									
	Unrated	BIG	BBB-/Baa3	BBB/Baa2	A-/A3	A/A2	A+/A1	AA-/Aa3	AA/Aa2	AAA/Aaa
RBC	5.625	5.25	5.125	4.50	---	4.625	---	---	4.00	4.25
D.A. Davidson	5.875	5.25	---	---	---	---	4.00	4.875	4.25	3.75
Baird	5.50	4.75	5.125	4.50	3.00	---	---	---	---	4.75
Morgan Stanley	5.25	---	5.25	---	---	---	---	---	---	---
PNC	---	5.375	---	5.00	3.00	---	---	---	---	5.00
Stifel	6.25	5.75	5.00	5.00	---	---	---	---	---	---
Truist	5.875	4.00	5.00	5.00	---	---	---	---	---	---
Ziegler	5.625	5.50	5.00	---	---	---	---	---	---	---
Piper Sandler	5.875	4.75	---	---	---	---	---	---	4.00	---
HJ Sims	6.125	---	---	---	---	---	---	---	---	5.25
Raymond James	6.625	---	---	---	---	---	---	---	---	---
Goldman Sachs	---	5.75	---	---	---	---	---	---	---	---
Crews & Associates	6.00	---	---	---	---	---	---	---	5.00	---
Median	5.875	5.25	5.125	5.00	3.00	4.625	4.00	4.875	4.125	4.75

* Rounded up to nearest eighth. Reflects long bonds and tax-exempt issues only. Some data unavailable

By the end of 2022, 5 and 6% coupons were commonplace for most charter schools seeking financing in the public capital markets



USE OF MUNICIPAL ADVISORS



The involvement of Municipal Advisors in charter school financings has increased measurably over the past 10 years. Approximately two-thirds of all charter school transactions by volume now including representation by a Municipal Advisor





Appendix A

ABOUT US

First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

WYE RIVER GROUP IS NOW FIRST TRYON ADVISORS

We are proud to announce that Wye River Group has joined First Tryon Advisors, a leading independent financial advisory firm located in Charlotte, NC. Under our unified brand, you will continue to be served by the same professionals you know and trust, but with the additional support, expertise and experience of First Tryon.

First Tryon Advisors specializes in project debt financing and related services for educational institutions and other non-profit borrowers. We help charter schools achieve their financial goals through long-lasting relationships, exceptional service and client-centric solutions. We are SEC and MSRB registered Municipal Advisors with a fiduciary duty to our clients and a 20+ year operating history.



SERVICES OFFERED



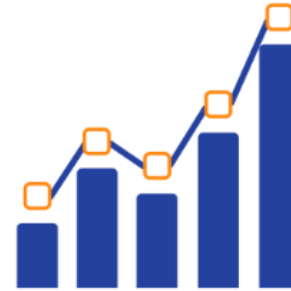
Capital Planning

- Financial Modeling and Sensitivity Analysis
- Evaluation of Financing Options
- Debt Capacity Analysis
- Credit Rating Assessments
- Finance Plan Development



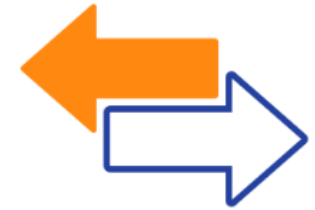
Financing Solicitations

- Comprehensive Solicitation Materials
- Extensive Marketing to Lenders
- Weekly Status Reports to Clients
- Assessment of Proposals Received
- Negotiation of Final Transaction Terms



Interest Rate Hedging

- Finance Team Coordination
- Document Drafting Assistance
- Supporting Tax Analysis and Certificates
- Monitoring of Market Conditions
- Investment of Bond Proceeds



Transaction Management

- Counterparty Negotiations
- Evaluation of Hedging Strategies
- Valuations and Fairness Opinions
- Hedge Effectiveness Reporting
- Restructurings, Novations, and Terminations



FINANCING NEEDS & SOLUTIONS

Financing Needs

- › Site Acquisition
- › New Construction
- › Renovations and Improvements
- › Refinancings and Restructurings

Financing Solutions

- › Publicly Offered Bonds
- › Tax-Exempt Bank Loans
- › Predevelopment Loans
- › Impact Funding and Private Lending



CHARTER SCHOOL ADVISORY TEAM

We offer a thorough and inclusive planning process that assures fully-informed decision making by school leadership. All of our advisors are registered Municipal Advisor Qualified Representatives (MSRB Series 50). Chris Wienk and Walter Goldsmith are registered Municipal Advisor Principals (MSRB Series 54) and manage the firm's offices in Annapolis, Maryland and Charlotte, North Carolina

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First Tryon Advisors

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Debt Management Division
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Salem, OR 97301
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DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 2/1/2023 to 6/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
February 2023									
SOLD									
02/01	City Of Happy Valley	Competitive	Full Faith & Credit Obligations(S)	2023 \$14,575,000	Prroperty acquisition for parks/URA	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2042	10.95 ATIC 3.26431%	1. Raymond James 2. Hawkins, Delafield & Wood 3. D.A. Davidson & Co.
02/01	Oregon Housing & Community Services Department Champion Housing LLC	Privately Placed	Conduit Revenue Bonds	2023C-1 \$9,043,900	Champion Park Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	02/01/2056	0.00	1. Citibank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
02/01	Oregon Housing & Community Services Department Champion Housing LLC	Privately Placed	Conduit Revenue Bonds	2023C-2 \$7,240,117	Champion Park Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	02/01/2026	0.00	1. Citibank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
02/07	Redmond Downtown Urban Renewal	Privately Placed	Dedicated Niche Tax Obligations	2023 \$6,079,000	Financing Capital Projects in Downtown Urban Renwal Plan	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2038	10.18 ATIC 6.01034%	1. Huntington National Bank 2. Orrick, Herrington & Sutcliffe 3. None
02/08	City Of West Linn	Competitive	Full Faith & Credit Obligations(S)	2023 \$11,470,000	Water Line Improvements	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2043	12.38 ATIC 3.3915%	1. Mesirow Financial 2. Orrick, Herrington & Sutcliffe 3. D.A. Davidson & Co.
02/09	City Of Salem	Competitive	General Obligation (N) Bonds	2023A \$12,000,000	Finance capital costs of projects approved at November 2022 Election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2026	2.52 ATIC 4.51647%	1. Fifth Third Bank 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.
02/09	City Of Salem	Competitive	General Obligation (N) Bonds	2023B \$88,000,000	Finance capital costs of projects approved at November 2022 Election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2048	15.13 ATIC 3.60815%	1. BofA Securities, Inc. 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.



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Oregon Bond Calendar

For Sale Dates from 2/1/2023 to 6/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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February 2023

SOLD

02/15	Deschutes Cty SD 1 (Bend-La Pine)	Competitive	General Obligation (N) Bonds	2023 \$100,000,000	Capital Projects passed at November 2022 election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2047	14.82 ATIC 3.82305%	1. Jeffries 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.
02/23	Multnomah Cty SD 40 (David Douglas)	Negotiated	General Obligation (N) Bonds	2023B \$46,345,000	Capital Costs approved at November 2022 Eleciton	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2053	29.37 ATIC 4.71076%	1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None
02/23	Multnomah Cty SD 40 (David Douglas)	Negotiated	General Obligation (N) Bonds	2023A \$93,972,432	Capital Costs approved at November 2022 Election, Deferreds	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input checked="" type="checkbox"/>	06/15/2051	16.25 ATIC 49.6927%	1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None

March 2023

PROPOSED

03/02	Portland Community College	Negotiated	General Obligation (N) Bonds	2023 \$225,000,000	Updated classrooms, technology, facilities, and equipment to provide students with modern higher education and job training spaces, including flexible hybrid-learning options.	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. SDAO Advisory Services LLC
03/07	Port Of Portland	Negotiated	Revenue Bonds	29 \$750,000	Portland International Airport Projects	AMT <input checked="" type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Goldman Sachs & Company 2. Orrick, Herrington & Sutcliffe 3. Public Financial Management
03/14	Oregon Department Of Administrative Services	Negotiated	General Obligation (N) Bonds	2023A \$654,905,000	Article XI-Q financing of various state projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Other 2. Other 3. Other



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Oregon Bond Calendar

For Sale Dates from 2/1/2023 to 6/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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March 2023

PROPOSED

03/14	Oregon Department Of Administrative Services	Negotiated	General Obligation (N) Bonds	2023B \$176,060,000	Sustainability Bonds - Article XI-Q financing of various state projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Other 2. Other 3. Other
03/14	Oregon Department Of Administrative Services	Negotiated	General Obligation (N) Bonds	2023C \$8,555,000	Article XI-Q financing of various state projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Other 2. Other 3. Other
03/14	Oregon Department Of Administrative Services	Negotiated	General Obligation (N) Bonds	2023D \$155,555,000	Article XI-M, XI-N and XI-P financing of various state projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Other 2. Other 3. Other
03/14	Washington Cty SD 15 (Forest Grove)	Negotiated	General Obligation (N) Bonds	2023 \$90,000,000	Finance capital projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None

April 2023

PROPOSED

04/13	Multnomah Cty SD 1J (Portland)	Competitive	General Obligation (N) Bonds	2023 \$420,000,000	Finance capital projects approved at November 2020 Election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2049		1. To Be Determined 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.
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Oregon Bond Calendar

For Sale Dates from 2/1/2023 to 6/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
June 2023									
PROPOSED									
06/01	Northwest Regional ESD	Negotiated	Full Faith & Credit Obligations(N)	2023 \$15,000,000	acquisition, construction, development and improvement of real property	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.

Issues are Listed as 'Proposed' until sale results are reported.

AID = Any Interest Date

Neg = Negotiated Sale

Com = Competitive Sale

Pri = Private Placement Sale

AMT = Subject to Alternative Minimum Tax

BQ = Bank Qualified

TAX = Federally Taxable

ZERO = Zero Coupon or Deferred Interest Bonds

Full Faith & Credit Obligation(N) = Non Self-Supporting - bonds repaid by non-project revenues or paid by property taxes or other tax sources within the limits of the Oregon Constitution, Article XI, Section 11.

Full Faith & Credit Obligation(S) = Self-Supporting - bonds repaid by project revenues or there is an independent source of funds for repayment.

General Obligation(N) = Non Self-Supporting - bonds repaid & secured by ad valorem property taxes levied outside the limits of Article XI 11b.

General Obligation(S) = Self-Supporting - bonds 100% repaid by project revenues, and secured by ad valorem property-taxes.

The purpose categories are defined as follows:

1. Development: industrial development, economic development, non-government office buildings, urban renewal.
2. Education: primary and secondary education, higher education, student loans.
3. Electric power: public power utilities.
4. Environmental Facilities: solid waste disposal, resource recovery, pollution control, recycling.
5. Health Care: hospitals, nursing homes, life-care communities.
6. Housing: single-family and multi-family housing.
7. Public Facilities: government buildings, fire and police stations, jails and prisons, civic and convention centers, museums, libraries, stadiums and sports complexes, theaters, parks, zoos, beaches, other recreation.
8. Transportation: airports, seaports and marine terminals, toll roads, highways and streets, bridges, tunnels, parking facilities, mass transit.
9. Utilities: water and sewer, gas, flood control, sanitation, combined utilities, miscellaneous utilities.
10. General Purpose: general purpose, veterans (other than housing), agriculture, unknown.

TAB 4



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MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director

FROM: Michael E. Schrader, Tommy Sandstrom and Christine Rankin

DATE: March 6, 2023

RE: Supplemental Resolution Authorizing Release and Distribution of PLOM for Clackamas Middle College

Overview of Bonds and Project.

Clackamas Charter Alliance, an Oregon nonprofit corporation doing business as Clackamas Middle College and a charter school operating pursuant to a charter with the North Clackamas School District (the “Borrower” and the “District,” respectively), received preliminary approval from the Oregon Facilities Authority (the “Authority”) in its Resolution No. 2022-2 adopted on March 14, 2022 (the “Preliminary Resolution”) for the issuance of both tax-exempt and federally taxable revenue bonds, in an aggregate principal amount not to exceed \$4,000,000 (the “Bonds”).

Bond proceeds will be used to (i) finance all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities located at 12021 SE 82nd Avenue, Happy Valley, Oregon, (ii) fund a debt service reserve fund, if required, (iii) pay capitalized interest, if necessary, and (iv) pay costs of issuing the Bonds (collectively, the “Project”). The Bonds are expected to be issued in a series of tax-exempt bonds and a series of federally taxable bonds. The purpose of the taxable bonds is to cover costs of issuance (“COI”) in excess of the two-percent COI limit on use of the tax-exempt bonds and any other costs that may not be paid with tax-exempt bond proceeds. The school facilities are located on land that is subject to a ground lease.

The Bonds will be marketed and sold by Piper Sandler & Co., as underwriter (the “Underwriter”), in a limited public offering. The Bonds will not be rated and will only be marketed and sold to qualified institutional investors, consistent with applicable OAR requirements and established Authority practice with respect to charter school financing projects. The Borrower expects to finance 100% of the costs of the Project with proceeds of the Bonds.

The Borrower, the Underwriter and other parties to the Bond financing and related transactions, including the Authority’s financial advisor and Orrick as bond counsel, have negotiated the terms and conditions necessary to structure the Bond offering and the loan of the

Bond proceeds to the Borrower, and completed drafting of substantially final forms of the Trust Indenture, Loan Agreement and Preliminary Limited Offering Memorandum (the “PLOM”), among other documents. In our role as bond counsel and disclosure counsel to the Authority, Orrick has also completed its tax and general due diligence review of the Borrower, its charter and the Project.

Project Delay.

While the Borrower has diligently pursued the financing and the related building acquisition transaction following the Authority’s adoption of its Preliminary Resolution, the Project has experienced delays primarily due to extended negotiations with the ground lessor, which have now been resolved to the satisfaction of both parties. The Ground Lease, Leasehold Deed of Trust, Consent/Assignment and Purchase & Sale Agreement and other real estate documents are now in final form and in the process of being executed and delivered in anticipation of closing the financing following the successful marketing, sale and issuance of the Bonds. The extended delay has also resulted in changes in the costs of certain improvements to the facilities, and the Borrower is currently working to identify and finalize the costs of the roof replacement, HVAC system and other planned facility improvements. The aggregate not-to-exceed principal amount of the Bonds for the Project will remain the \$4,000,000 amount approved in the Authority’s Preliminary Resolution.

Release of the PLOM Ahead of Final Approval.

Due to uncertain market conditions and the unique characteristics of the Project, including particularly the limited duration of the Ground Lease and the anticipated declining value of the real estate collateral over the term of the Bonds, the Underwriter and the Borrower have requested that the Authority provide interim approval to release and distribute the PLOM and proceed with the marketing of the Bonds in advance of the Authority’s final approval of the Bonds and the Project. Doing so would facilitate marketing of the Bonds while the Borrower works to finalize Project costs, in order to maximize the marketing period for the Bonds and keep the overall Project on schedule to the greatest extent possible. The Underwriter has advised that given the unique nature of the Project, a longer marketing period may be helpful in providing more time for potential investors to learn about the Project than would a shorter and more traditional marketing period. No Bonds would be issued or sold without the Authority’s later final approval.

The proposed Supplemental Resolution authorizes the Executive Director of the Authority to approve the release and distribution of the PLOM upon confirmation by the Borrower, as memorialized in a signed certificate, of certain conditions precedent, including certification that certain Project documents, including the PLOM and certain real estate and collateral documents, are in final or substantially final form, that the Borrower’s counsel is prepared to issue its opinion in standard form, and that there have been no material changes to the Borrower’s financial condition or operations from that reflected in the financial statements and other diligence materials provided by the Borrower.

Recommendation.

As bond counsel to the Authority, we recommend the Board grant supplemental approval authorizing the release and distribution of the PLOM for marketing purposes. As described above, release of the PLOM will remain subject to several conditions precedent that will be certified by the Borrower. We would emphasize however that the Supplemental Resolution does not authorize the sale of the Bonds or the execution of the Bond Purchase Agreement. Final approval of the Project and issuance of the Bonds will require a separate, final approval by the Authority, which we expect will be requested at the Authority's April meeting. We would be happy to answer any questions members of the Authority may have with respect to the proposed Supplemental Resolution, the Bonds or the Project.

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION NO. 2023-3
ADOPTED: March 13, 2023

**A RESOLUTION OF THE OREGON FACILITIES AUTHORITY AUTHORIZING THE
RELEASE AND DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING
MEMORANDUM; DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR; AND
AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.**

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”), is authorized and empowered by the provisions of Oregon Revised Statutes Chapters 286A and 289, as amended (the “Act”), to recommend to the Oregon State Treasurer (the “State Treasurer”) the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith;

WHEREAS, Clackamas Charter Alliance, doing business as Clackamas Middle College, an Oregon nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), previously filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor;

WHEREAS, in said application the Participating Institution requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act in an aggregate principal amount not to exceed \$4,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project, and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund and paying capitalized interest;

WHEREAS, the Authority, in its Resolution No. 2022-2 adopted on March 14, 2022 (the “Preliminary Resolution”), recommended that the State Treasurer indicate his intent to issue bonds in an aggregate principal amount not to exceed \$4,000,000 as requested by the Participating Institution, and the State Treasurer has expressed his intent to issue bonds for such purpose;

WHEREAS, the Participating Institution, the Underwriter and other parties to the transaction pertaining to the issuance, sale and delivery of the Bonds, and the Authority’s bond counsel, financial advisor and Executive Director have negotiated the terms and conditions necessary to structure the proposed offering of the Bonds and the loan to be made to the

Participating Institution, including completion of substantially final forms of the Trust Indenture and the Loan Agreement, together with disclosure, security and other documents;

WHEREAS, the Bonds will be marketed and sold by Piper Sandler & Co., as underwriter (the “Underwriter”), in a limited public offering solely to institutional investors that qualify as an institutional “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1993, as amended (the “Securities Act”), or a “qualified institutional buyer” as defined in Rule 144A under the Securities Act;

WHEREAS, while the Participating Institution has diligently pursued completion of the transactions and matters related to the Project and the financing since the adoption of the Preliminary Resolution, the transactions have experienced challenges and delays, primarily related to negotiations confirming the rights and obligations of the parties with respect to the Ground Lease and the finalization of other agreements related to the Project and necessary to complete the financing;

WHEREAS, the Preliminary Limited Offering Memorandum, including the Participating Institution’s Appendix A (the “PLOM”), which will be distributed in connection with the marketing, offering and sale of the Bonds, is substantially final, except for certain pricing and other information permitted to be omitted therefrom;

WHEREAS, due to the current economic environment, and to remain on schedule to the fullest extent possible, the Participating Institution has requested that the Authority authorize and recommend the release and distribution of the PLOM and the marketing of the Bonds by the Underwriter prior to the Authority’s final approval recommending to the State Treasurer to issue Bonds for the Project;

WHEREAS, to allow the Participating Institution to remain on schedule for the Project and to allow the Underwriter to proceed to market the Bonds to investors, in light of the request by the Participating Institution, the Authority is willing to authorize and recommend the release and distribution of the PLOM upon satisfaction of certain conditions set forth herein, and as such, the Authority wishes to delegate authority to the Executive Director of the Authority to confirm that such conditions have been satisfied prior to the release and distribution of the PLOM, upon the advice of the State Treasurer’s office, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, no Bonds may be sold or issued for the Project unless and until the Authority adopts a final resolution recommending the issuance of the Bonds for the Project and providing such other approvals as shall be necessary for such purpose.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. COMPLIANCE WITH LEGAL REQUIREMENTS AND ADMINISTRATIVE RULES. The Authority hereby finds and determines the following:

(i) In reliance upon the advice of the Authority’s bond counsel and the Authority’s financial advisor, the Executive Director has determined that all legal requirements and other requirements for the release and distribution of the PLOM have been met or will be met prior to the release of the PLOM; and

(ii) A substantially final form of the PLOM relating to the Bonds is on file with the Executive Director of the Authority and is available for inspection by members of the public.

SECTION 2. AUTHORITY TO APPROVE THE PLOM; CONDITIONS TO APPROVAL. The Executive Director of the Authority is hereby authorized, on behalf of the Authority, with the advice of the Authority's bond counsel and the Authority's financial advisor, to approve the release and distribution of the PLOM upon delivery of a certificate by the Participating Institution confirming that, to the best of its knowledge after consultation with its counsel, advisors and the District, (1) the PLOM is in substantially similar form to the PLOM draft as of the date hereof, (2) the Assignment of Ground Lease, Non-Disturbance and Attornment Agreement, and the Purchase and Sale Agreement, are in final form and in the process of being executed by the relevant parties, (3) the Second Amendment to Charter Renewal Contract is in substantially final form, (4) there are no material changes to the financial condition, operations or other material matters related to the Participating Institution or the Project as reflected in the information provided by the Participating Institution to the Authority's bond counsel as part of the diligence process, and (5) the Participating Institution's counsel is prepared to issue its opinion in standard form.

SECTION 3. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-3 as adopted by said Authority at a meeting duly called and held in accordance with law on March 13, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 13th day of March 2023.

Gwendolyn Griffith, Executive Director

TAB 5

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
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PORTLAND, OREGON 97204
PHONE: (503) 802-5710
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MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwen Griffith

Date: March 8, 2023

Subject: Application by Childpeace Montessori Community

Childpeace Montessori Community, headquartered in Portland (the “Applicant”), timely made an application to the Authority for Traditional Bond financing in an approximate amount of \$6,900,000. It paid the required application fee. The Applicant appears to be a §501(c)(3) organization and the type of organization that qualifies for financing through OFA. The Project also appears to be of the type that qualifies under OFA’s statute and administrative rules. If preliminary approval is granted, Bond Counsel will confirm these assumptions in its diligence process.

This is the Applicant’s third OFA financing. This is a bank placement, and the purchasing bank is First Republic Bank. The Applicant has a financial advisor: Stifel, Nicolaus & Co. The team leader for the financial advisory team is Mr. Chad Christoff.

The Applicant was established in 1976, growing from one classroom in the YMCA building to two locations today (one owned and one leased). It operates a Montessori School. The Applicant provides education for children from approximately 14 months through 8th grade. It currently enrolls 273 students, which is lower than in the previous years (286 in academic year 2020-2021 and 289 in academic year 2021-2022). Its mission is to “guide the development of the whole child, socially and academically, through the principles of AMI Montessori education in an urban setting.” In addition, the Applicant maintains five core values: *Responsibility*, *Educational Excellence*, *Love of Learning*, *Sustainability*, and *Excellence*.

The Project is the refinancing of existing OFA debt (the Series 2016 Bonds) in the amount of \$6,986,000, as of June 30, 2023, currently financed by U.S. Bank, N.A. There

is a swap associated with the Series 2016 Bonds, and the Applicant anticipates terminating that swap as part of this refinancing.

The Bank is offering two different facilities:

- 1) A 30-year loan, with a fixed interest rate, that fully amortizes over 28 years after an initial two-year interest-only period; or
- 2) a 15-year loan, with the same 2-year interest-only period, and a fixed rate for the first 15 years with an interest rate reset at the 15-year mark, and a 30-year amortization.

The Bank estimates the interest rate at 3.95% for the 15-year option, and 4.45% for the 30-year option.

Laura Worth, of OST, and I had a call with the financial advisory team on January 17, 2023. The larger financing team held a scoping call on February 14, 2023. No unusual issues were identified, although Bond Counsel will weigh in on whether a TEFRA hearing is needed and the usual diligence issues. In its application for financing, the Applicant expressed its hope to appear at the March OFA meeting for preliminary approval, and return at the April OFA meeting for final approval, and a closing at the end of April. The Applicant and financing team are aware that if unusual issues emerge, it may not be possible to meet this schedule. However, given that this is a refinancing of a bank loan with a bank loan, it appears that the schedule is reasonable.

The Financial Advisor's Report is included in the materials. Mr. Quinn recommends the transaction for preliminary approval.

Bond Counsel's Report is included in the materials. Mr. Schrader recommends the transaction for preliminary approval.

***Recommendation:* I recommend that the Authority adopt Resolution 2023-4, granting Preliminary Approval to Childpeace Montessori Community for an OFA Traditional Bond, in an approximate amount of \$6,900,000.**

If you have any questions, please let me know.

**Oregon Facilities Authority
Preliminary Financial Advisory Report
Childpeace Montessori School
February 28, 2023**

1. Preliminary Findings

Childpeace Montessori School has submitted a Financing Application for tax-exempt bond financing of up to \$6,900,000. As financial advisor to the Authority on this matter, we have reviewed the Application and participated in a scoping call on February 14 to learn more about the School and its proposed financing. The Application and scoping call provided sufficient information to warrant preliminary approval. However, additional information and analysis will be necessary to support a recommendation for final approval. A discussion of key credit considerations is provided below.

2. Description of Borrower and Project

Childpeace Montessori School was founded in 1976 and is based in the Portland Public School District, a district which serves approximately 45,000 students in grades K-12. Serving children age 14 months through 8th grade, the School has approximately 273 students as of the 2022-23 school year. The School operates in three buildings located on two campuses. The Northwest campus, near the banks of the Willamette River adjacent to downtown Portland, comprises two facilities owned by the School and located at 1516 NW Thurman Street and 1418 NW Xavier Street. Those properties (along with a vacant adjacent parcel) appraised in 2016 for \$15.9 million. The Southeast campus building, which is located at 2408 SE 16th Avenue, is leased.

In 2016, the School purchased the NW Xavier Street building and refinanced the other School-owned property with the proceeds of tax-exempt bonds issued through OFA (the "Series 2016A Bonds"). The Series 2016A Bonds were issued in variable rate mode and the School entered into a 7-year swap agreement with US Bank to hedge its interest rate exposure. The expiration date of the swap is September 29, 2023. As of June 30, 2022, \$6,986,000 of the Series 2016A Bonds remained outstanding and the fair market value of the swap was \$65,640. The School seeks to refinance the outstanding Series 2016A Bonds with the proceeds of the proposed tax-exempt bond financing (the "Project").

3. Plan of Finance

The School proposes to finance the Project, including any cost of terminating the associated swap agreement, and transaction costs with approximately \$6,900,000 of tax-exempt bond financing. The School has executed a term sheet with First Republic Bank for the direct purchase of a tax-exempt bond. The proposed term of the bond is 30 years with 2 years of interest-only payments followed by 28 years of principal and interest payments that are based upon a 30-year amortization, resulting in a small balloon payment due at maturity. The final maturity of the Series 2016A Bonds is 2041, so the School is effectively seeking to extend the term of its debt by approximately 12 years in order to reduce its annual debt service burden. Under the term sheet, the School has the option to lock in either 15- or 30-year fixed rate pricing at the time of bond closing and has yet to make a determination. In addition, the School must covenant to (1) maintain minimum debt service coverage of 1.25x, to be measured



annually, and (2) maintain minimum liquidity of \$2 million, to be measured semi-annually. The term sheet also imposes a \$200,000 limit on additional indebtedness.

For the budgeted fiscal year ending June 30, 2023, the Series 2016A Bonds have an average annual debt service of approximately \$525,000. If the School selects the 15-year interest rate option, it expects to reduce its average annual debt service (following the 2-year interest-only period) to approximately \$395,700 (assuming a rate of 3.95%). If the School selects the 30-year interest rate option, it expects to reduce its average annual debt service (following the 2-year interest-only period) to \$420,300 (assuming a rate of 4.45%).

The School seeks preliminary approval at the March OFA Board meeting and final approval at the April meeting in support of a closing in late April.

4. Credit Assessment

The School has been proactive in addressing enrollment challenges, the negative impacts of the pandemic and the changes in work and commuting patterns in Portland and has implemented specific strategies to enhance student retention levels and attract new families to the School. During the last five years, the School has grown its unrestricted net assets from operations and its total cash and investments by nearly 89% and 45%, respectively. At FYE 2022, the School had \$3,500,000 in total cash and liquid investments.

Based on our review of the School's financial information included with the Application, it appears that the School has adequate financial resources to meet the minimum liquidity requirements set forth in the First Republic Bank term sheet. We look forward to seeing analysis of pro-forma debt service coverage.

We will be requesting the following additional documents, information and analysis in order to complete our credit assessment for our final report:

- School's management prepared financial statements for Q2 and Q3 of FY 2023
- FY 2024 Budget
- Detailed plan of finance
- Pro-forma calculations of debt service coverage and liquidity

5. Summary

Childpeace Montessori School appears to be a moderately successful institution and a leader in providing a Montessori education. The School proposes to refinance its outstanding Series 2016A Bonds (which mature in September, 2023) in order to secure a long-term fixed rate of interest and to reduce its annual debt service burden. Stable to improving enrollment and financial stability/growth will be important to the School's continued ability to support debt service and covenant obligations. We look forward to reviewing the additional information described above and further discussions with the School's management and finance team to learn more about the School's finances and proposed transaction.

Respectfully submitted by First Tryon Advisors

By: Kevin G. Quinn
Kevin G Quinn, Managing Director



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MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director

FROM: Michael Schrader and Tommy Sandstrom

DATE: March 13, 2023

RE: Preliminary Approval of Childpeace Montessori School Application for Bond
Financing through the Oregon Facilities Authority

Overview of Bonds.

Childpeace Montessori Community, an Oregon nonprofit corporation doing business as Childpeace Montessori School (the “Borrower”), is requesting preliminary approval from the Oregon Facilities Authority (the “Authority”) for the issuance of tax-exempt and/or federally taxable revenue bonds, in one or more series, in an approximate aggregate principal amount of \$6,900,000 (the “Bonds”). Bond proceeds are expected to be used to refund all of the outstanding Oregon Facilities Authority Revenue Bonds (Childpeace Montessori School Project) 2016 Series A (the “Refinancing”). It is expected that a portion of the proceeds of the Bonds will also be used to pay costs associated with the issuance of the Bonds.

The Bonds are expected to be privately placed with First Republic Bank (the “Bank”) pursuant to a Term Sheet that has been negotiated and executed between the Bank and the Borrower. While the final terms and conditions of the Bonds remain subject to negotiation, it is expected that the Bonds will not be rated and will be issued as fixed rate bonds, fully funded at closing, with a 30-year commitment period, and either a 15-year or 30-year fixed interest rate. The planned repayment schedule will have an initial 24-month interest only period, followed by monthly principal and interest payments based on a 30-year amortization schedule.

The Bonds will be secured by a Deed of Trust on all of the Borrower’s real property and a security interest in certain personal property of the Borrower. A UCC-1 financing statement will also be filed on the collateral.

An initial working group call was conducted on February 14th and we expect to participate on regular working group calls with the Borrower and its counsel and financial advisor, the Bank and its counsel, and other members of the working group to coordinate on documents, diligence review and various other tasks related to the Refinancing.

Discussion of Open Issues and Next Steps.

Diligence requests are in process and are being coordinated with the Borrower and other counsel. We expect to complete our due diligence review in the ordinary course of the financing and well in advance of the request for final approval by the OFA Board. Forms of the Trust Indenture, Loan Agreement and other documents (the “Bond Documents”) have been coordinated with counsel and initial drafting is underway. We expect that final documentation will be completed in advance of consideration of final approval of the Bonds at the Authority’s April 10th meeting. Given our work in connection with the Borrower’s prior bond financing in 2016, we do not anticipate that we will identify material issues with respect to either the Borrower or the proposed financing.

Recommendation.

As bond counsel to the Authority, we recommend the Board grant preliminary approval of the Application submitted by the Borrower. The ultimate issuance of the Bonds will remain subject to several conditions precedent, including without limitation, completion of our due diligence review and completion of the Bond Documents and any other required legal documents. We would be happy to answer any questions members of the Authority may have with respect to the proposed financing.

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION NO. 2023-4
ADOPTED: MARCH 13, 2023

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE STATE TREASURER ISSUE REVENUE BONDS TO FINANCE AND REFINANCE THE PROJECT DESCRIBED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE PARTICIPATING INSTITUTION; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”) is authorized and empowered by the provisions of Oregon Revised Statutes Chapter 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, Childpeace Montessori Community, an Oregon nonprofit corporation doing business as Childpeace Montessori School and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds in one or more series for the purpose of refunding all of the outstanding Oregon Facilities Authority Revenue Bonds (Childpeace Montessori School Project) 2016 Series A (the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue tax-exempt and/or federally taxable revenue bonds, in one or more series (the “Bonds”) under the Act in an approximate aggregate principal amount of \$6,900,000 and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project, and to pay the related costs associated therewith, including paying costs of issuance of the Bonds and funding a debt service reserve fund, if deemed necessary and desirable; and

WHEREAS, the Participating Institution, the other parties to the transaction pertaining to the issuance and sale of the Bonds, and the Authority’s bond counsel are preparing drafts of the basic documents needed in connection therewith, and are ready to conduct required due

diligence, to complete documentation required in connection with the financing of the Project and to proceed expeditiously with the issuance and sale of the Bonds.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. ELIGIBILITY. The Authority, based upon the advice of its bond counsel, hereby finds and determines that the Project qualifies as a “project” within the meaning of the Act. The Authority further finds and determines that the financing and refinancing of the Project by means of revenue bonds issued by the State Treasurer pursuant to the Act will promote the public purposes sought to be advanced by the Act.

SECTION 2. RECOMMENDATION TO ISSUE BONDS. Contingent upon the concurrence of the Executive Director and the Director, Debt Management Division of the State Treasurer, the Authority hereby recommends that the State Treasurer express his intent to issue the Bonds under the Act in an approximate aggregate principal amount of \$6,900,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing and refinancing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds and funding a debt service reserve fund, if necessary and desirable, *provided, however*, that:

(i) prior to the issuance of any Bonds for the purpose of financing and refinancing the Project and paying the related costs associated therewith, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the issuance and sale of such Bonds have been satisfied;

(ii) in the event that any Bonds are issued for the purpose of financing and refinancing the Project and paying the related costs associated therewith, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bonds shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto; and

(iii) the Authority shall retain at all times complete and absolute discretion whether to proceed with the issuance of any Bonds for the purpose of financing and refinancing the Project and paying the related costs associated therewith, and may refuse to proceed therewith for any reason deemed sufficient by the Authority notwithstanding that all legal requirements for the issuance of such Bonds may have been satisfied.

SECTION 3. PRELIMINARY AGREEMENT; AUTHORIZATION. The form of Preliminary Agreement attached hereto as Exhibit A is hereby approved. The Executive Director of the Authority is hereby authorized, empowered and directed, for and on behalf of the Authority, to execute and deliver such Preliminary Agreement in substantially the form approved but with such variations, changes, omissions and insertions as may be necessary or appropriate and not

inconsistent with the provisions of applicable law and to execute such other documents and instruments as shall be necessary or advisable for the purpose of furthering the actions described in Section 2 hereof.

SECTION 4. APPOINTMENT OF ATTORNEY-IN-FACT; DISCLOSURE COUNSEL. The Authority's bond counsel, the law firm of Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, is hereby appointed the Authority's attorney-in-fact for the purpose of applying for any rulings from the Internal Revenue Service that may be required in connection with the bonds described herein and for filing, signing and taking any other actions on behalf of the Authority in connection with any such ruling request. Orrick, Herrington & Sutcliffe LLP is also appointed as disclosure counsel to the Authority for the purpose of assisting the Authority with respect to compliance with its disclosure obligations under applicable federal and state securities law.

SECTION 5. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-4 as adopted by said Authority at a meeting duly called and held in accordance with law on March 13, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 13th day of March 2023.

Gwendolyn Griffith, Executive Director

EXHIBIT A

PRELIMINARY AGREEMENT

BETWEEN

**CHILDPEACE MONTESSORI COMMUNITY,
D/B/A CHILDPEACE MONTESSORI SCHOOL**

AND

OREGON FACILITIES AUTHORITY

THIS PRELIMINARY AGREEMENT is entered into as of the 13th day of March 2023 by and between the **OREGON FACILITIES AUTHORITY**, a public body corporate and politic duly created and existing under the laws of the State of Oregon (the “Authority”), and **CHILDPEACE MONTESSORI COMMUNITY**, an Oregon nonprofit corporation doing business as Childpeace Montessori School (the “Participating Institution”).

WHEREAS, the Authority is authorized and empowered by the provisions of Oregon Revised Statutes (“ORS”) Chapters 286A and 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, the Participating Institution has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of refunding all of the outstanding Oregon Facilities Authority Revenue Bonds (Childpeace Montessori School Project) 2016 Series A (the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and/or federally taxable revenue bonds (the “Bonds”) under the Act, in an approximate aggregate principal amount of \$6,900,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds and funding a debt service reserve fund, if necessary and desirable; and

WHEREAS, the Authority has adopted a resolution pursuant to which it has recommended that the State Treasurer issue the Bonds under the Act for the purposes as described above; and

WHEREAS, the State Treasurer has indicated in writing his intent to issue the Bonds under the Act for the purposes described above;

NOW, THEREFORE, for and in consideration of the premises and the mutual undertakings of the parties as set forth herein, the Authority and the Participating Institution hereby agree as follows:

SECTION 1. RECOMMENDATION OF THE AUTHORITY. By Resolution No. 2023-__ adopted on March 13, 2023 (the “Resolution”), the Authority has recommended that the State Treasurer issue the Bonds under the Act in an approximate aggregate principal amount of \$6,900,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described in the Resolution. Such recommendation remains subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority prior to issuance of the Bonds and upon compliance with all requirements of applicable law, including without limitation, the following conditions and understandings:

(i) **COMPLIANCE WITH APPLICABLE LAW.** Prior to the issuance of any Bonds, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the sale of such Bonds have been fully satisfied. If bond counsel advises the Authority that all legal requirements have not been complied with or that the financing and refinancing and payment of associated costs contemplated by the Participating Institution deviates in any material respect from the financing and refinancing proposed in the application of the Participating Institution, the Authority may require the Participating Institution to take further actions prior to the issuance of the Bonds, including resubmitting an updated application and seeking an additional approval of the Authority.

(ii) **BONDS ARE LIMITED OBLIGATIONS.** In the event that any Bonds are issued, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bond shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto. The Participating Institution understands that any loan agreement, amendment, supplement or other agreement to be entered into in connection with the Bond financing and refinancing will provide that amounts payable thereunder by the Participating Institution will be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the Bonds as and when the same become due and payable.

(iii) **DISCRETION TO DETERMINE WHETHER TO PROCEED.** The Authority and the State Treasurer shall each retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Bonds, and each may refuse to proceed therewith for any reason deemed by either to be sufficient notwithstanding that all legal requirements for the issuance of such Bonds may have been met and satisfied.

SECTION 2. UNDERTAKINGS ON THE PART OF THE PARTICIPATING INSTITUTION.
The Participating Institution agrees as follows:

(A) **COMPLETION OF FINANCING.** If Bonds are issued as requested by the Participating Institution as described above, it is the intent of the Participating Institution to diligently cause the financing and refinancing of the Project contemplated hereby to be completed and to cause the Project to be operated in the manner and for the purposes disclosed to the Authority in the Participating Institution's application for financing. If the Bond proceeds are not sufficient to complete the Project, including the funding of any debt service reserve deemed to be necessary and desirable, and to pay costs of issuance of the Bonds, the Participating Institution agrees to cause the financing, the funding of any reserve and the payment of costs of issuance to be completed at the Participating Institution's expense. The Authority makes no representation or warranty that the proceeds of the Bonds will be sufficient to accomplish the financing, the funding of any debt service reserve and the payment of costs of issuance of the Bonds as planned by the Participating Institution, and the Participating Institution hereby acknowledges and agrees that it assumes all risks associated with such potential insufficiency.

(B) **COOPERATION WITH THE AUTHORITY AND TREASURER.** The Participating Institution will cooperate with the State Treasurer, the Executive Director of the Authority, the Authority's bond counsel and the Authority's financial advisor in all matters relating to the issuance, sale and delivery of the Bonds and the financing and refinancing of the Project from the proceeds thereof; provided, however, that nothing herein shall obligate the Participating Institution to cause the Bonds to be issued.

(C) **ARRANGEMENTS FOR SALE OF THE BONDS.** The Participating Institution acknowledges and agrees that it shall have sole responsibility for arranging for the sale of the Bonds, and acknowledges that under the Act the State Treasurer has the ultimate authority to approve and remove any underwriter for the Bonds.

(D) **EXECUTION AND DELIVERY OF LOAN AGREEMENT:** At the time of issuance of any Bonds, the Participating Institution will deliver an executed loan agreement or other financing agreement with the State Treasurer (acting as issuer of the Bonds on behalf of the State), under which terms the Participating Institution will agree to pay the loan payments sufficient in the aggregate principal of and interest on, and redemption premium, if any, of the Bonds as and when the same shall become due and payable. The loan agreement or other financing agreement shall contain a provision that the Participating Institution shall indemnify and hold the Authority and the State of Oregon harmless from all liabilities incurred in connection with the financing and refinancing and the offering or sale of the Bonds.

(E) **FURTHER ACTIONS.** The Participating Institution will take such further action and adopt such further proceedings as may be required to implement the terms and provisions of this Preliminary Agreement. The Participating Institution shall obtain all necessary governmental approvals and opinions of bond counsel to ensure the legality of the Bonds and the exclusion of interest on the Bonds issued on a tax-exempt basis from gross income for federal income tax purposes. In addition, the Participating Institution shall make no use of the proceeds of the Bonds issued on a tax-exempt basis so as to cause such Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(F) **REIMBURSEMENT FOR EXPENSES.** Regardless of whether the Bonds are issued, the Participating Institution will reimburse the Authority and the State Treasurer for all reasonable and necessary direct and indirect expenses incurred in connection with the consideration and processing of the application for bond financing and the preparation of the Bonds for issuance, which expenses shall be itemized on an invoice sent by the Authority to the Participating Institution and paid within 30 days of the date of such invoice. If any Bonds are issued, the Participating Institution will pay, or cause to be paid, to the Authority its usual and customary fees according to Authority policy (as the same may be modified from time to time), its issuance fee and any annual fee.

(G) **FEES AND EXPENSES OF BOND COUNSEL AND FINANCIAL ADVISOR.** The Participating Institution hereby agrees to pay the fees and expenses of Orrick, Herrington & Sutcliffe LLP, bond counsel and disclosure counsel (hereinafter “bond counsel”) to the Authority, and of First Tryon Advisors, LLC d/b/a Wye River Group, financial advisor to the Authority, for professional services rendered in connection with the issuance, sale and delivery of any Bonds. The Participating Institution acknowledges that the fees and expenses of bond counsel and the financial advisor shall be as set forth in the respective contracts of said firms entered into with the Authority and the State Treasurer, subject to such modifications as may have been agreed upon in writing by bond counsel or the financial advisor, as appropriate. The fees and expenses of bond counsel and the financial advisor shall be paid at the time of the issuance and delivery of any Bonds; *provided, however*, that with respect to any expenses which it is not practicable for bond counsel or the financial advisor to compile and itemize at such time, such expenses shall be paid within thirty (30) days from the date of any invoice therefor; and *provided further*, that if the Participating Institution abandons or otherwise fails to complete the financing contemplated hereby within six months from the date of adoption of the Authority resolution referred to in the preamble hereto, the Participating Institution shall pay all fees and expenses incurred by said bond counsel or said financial advisor in connection therewith, which fees and expenses shall be itemized on an invoice sent to the Participating Institution and paid within thirty (30) days of the date of such invoice.

(H) **INDEMNITY AND HOLD HARMLESS AGREEMENT.** The Participating Institution hereby agrees to indemnify and hold the State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees (the “Indemnified Parties”) harmless against and from any and all claims, of whatever nature and howsoever arising, by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Preliminary Agreement or any other actions

taken or omitted to be taken by any of the Indemnified Parties or the Participating Institution relating in any way to the Project or the offering, issuance, sale or remarketing of the Bonds or any transaction related to the foregoing, including without limitation any claim or liability arising from or in connection with:

- (i) any condition of the Project or the construction thereof;
- (ii) any breach or default on the part of the Participating Institution in the performance of any of its obligations under this Preliminary Agreement or any other agreement entered into in connection with the Bonds or the Project;
- (iii) any act or negligence of the Participating Institution or of any of its agents, contractors, servants, employees or licensees;
- (iv) any act or negligence of any assignee or lessee of the Participating Institution, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Participating Institution;
- (v) any material misstatement or omission, or alleged material misstatement or omission, made or omitted in any disclosure materials used in connection with the offering or sale of the Bonds or any other information used in connection with the offering, placement, sale, remarketing or purchase of any Bond (other than a material misstatement or omission contained in information provided by an Indemnified Party specifically for inclusion in disclosure materials relating to the Bonds).

The Participating Institution shall indemnify and save the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Indemnified Party, the Participating Institution shall, subject to ORS Chapter 180 (or any successor provision of law), defend it in any such action or proceeding at the Participating Institution's expense, and shall pay all attorney's fees and expenses of the Indemnified Parties incurred in connection therewith at trial, on appeal or otherwise related to the claim for which indemnification is provided hereunder, and against all other liabilities arising from the issuance of the Bonds on behalf of the Participating Institution and any fees and costs incurred by the Indemnified Parties in responding to any U.S. Department of the Treasury Internal Revenue Service (the "IRS") audit, U.S. Securities and Exchange Commission (the "SEC") inquiry or any Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The Authority and the State Treasurer may employ, at the Participating Institution's expense, any legal counsel or experts required in responding to any IRS audit, SEC inquiry or any other Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The foregoing indemnification and hold harmless agreement shall be and remain in full force and effect notwithstanding the failure or refusal, for any reason, of the Authority or the State Treasurer to proceed with the issuance of the Bonds. Notwithstanding anything to the contrary contained herein, the Participating Institution shall have no liability to indemnify the Indemnified Parties against claims or damages resulting from the Indemnified Parties' own willful misconduct.

SECTION 3. MISCELLANEOUS. The State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees, and Orrick, Herrington & Sutcliffe LLP and First Tryon Advisors, LLC d/b/a Wye River Group, and each of them individually, shall be third party beneficiaries of this agreement with respect to payment of their respective fees, with the right to enforce the provisions of this agreement directly and individually and without joining any other beneficiary hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

This agreement shall be binding upon the parties hereto and their respective successors and assigns.

This agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Participating Institution have caused this Preliminary Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first set forth above.

OREGON FACILITIES AUTHORITY

By: _____
Gwendolyn Griffith, Executive Director

**CHILDPEACE MONTESSORI COMMUNITY,
D/B/A CHILDPEACE MONTESSORI
SCHOOL,
AS PARTICIPATING INSTITUTION**

By: _____
Printed: _____
Title: _____

TAB 6

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
888 SW FIFTH AVENUE
PORTLAND, OREGON 97204
PHONE: (503) 802-5710
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwen Griffith

Date: March 8, 2023

Subject: Application by City View Charter School

City View Charter School headquartered in Hillsboro (the “Applicant”), timely made an application to the Authority for OFA Traditional Bond financing in an approximate amount of \$18,750,000. It paid the required application fee. The Applicant appears to be a §501(c)(3) organization and the type of organization that qualifies for financing through OFA. The Project also appears to be of the type that qualifies under OFA’s statute and administrative rules. If preliminary approval is granted, Bond Counsel will confirm these assumptions in its diligence process.

This is the Applicant’s first OFA financing. It is a limited offering to qualified institutional investors. Piper Sandler & Co. is the underwriter, led by Nick Hagen, Managing Director. The Applicant has engaged Lewis Young Robertson & Burningham, Inc. as its financial advisor. David Robertson leads the financial advisory team.

The Applicant is a nonprofit that operates a charter school in association with the Hillsboro School District. It was formed in 2004, and currently educates approximately 315 students in grades L-8. It provides “EL Education,” in which the following principles are key to the curriculum:

- ❖ Learning is active
- ❖ Learning is challenging
- ❖ Learning is meaningful
- ❖ Learning is public
- ❖ Learning is collaborative

Memorandum
March 8, 2023
Page 2

The Project will allow the Applicant to purchase and renovate a new building. Because this is a limited offering, the terms of the bonds are not yet known. The Applicant and its financial advisor anticipate that a minimum debt service coverage ratio of 1.3x will be maintained.

OFA received the application in December. On January 3, 2023, we held a scoping call with the financing team. No unusual issues were identified, although we learned shortly thereafter that the Applicant had identified more suitable properties than the building originally contemplated in the application. It requested that OFA hold the application until the board of directors made a decision about which property to acquire. The Applicant is now ready to proceed.

If preliminary approval is granted, the Applicant is expected to return for final approval no earlier than May, 2023.

The Financial Advisor's Report is included in the materials. Mr. Quinn recommends the transaction for preliminary approval.

Bond Counsel's Report is included in the materials. Mr. Schrader recommends the transaction for preliminary approval.

***Recommendation:* I recommend that the Authority adopt Resolution 2023-5, granting Preliminary Approval to City View Charter School for an OFA Traditional Bond in an approximate amount of \$18,750,000.**

If you have any questions, please let me know.

GG/np
034439\00272\16078052v2



Oregon Facilities Authority
Preliminary Financial Advisory Report
City View Charter School
December 28, 2022

1. Preliminary Findings

City View Charter School has submitted a Financing Application for tax-exempt bond financing of up to \$18,750,000, with a to-be-determined amount of taxable bond financing (to fund costs of issuance over 2% of the tax-exempt bond amounts). The Application provides sufficient information to warrant preliminary approval. However, additional information and analysis will be necessary to support a recommendation for final approval. A discussion of key credit considerations is provided below.

2. Description of Borrower and Project

City View Charter School was founded in 2004 and is the only charter school in the Hillsboro School District, a district which served approximately 20,000 students in grades K-12. Serving grades K-8, the School started with 50 students and has grown to 315 as of the 2022-23 school year. The School currently leases two locations for its operations. The School seeks to acquire its own facilities and consolidate its operations into one location. Although acquisition details are limited, it appears that the School proposes to acquire an existing 55,000 square foot building located on 4 acres and to renovate the property to its specific needs. The estimated cost of acquisition and renovation is \$15,650,000. Of that amount, it is estimated that up to \$14 million will be for acquisition and the remaining \$1,650,000 for renovations and FF&E. It appears that the School is still negotiating the terms of acquiring the property and has not yet entered into a definitive Purchase & Sale Agreement. The School has retained an architect who is developing plans and specifications for the project. No details have been provided yet regarding the occupancy capacity of the new facility, expected construction timeframe or timing for receipt of a construction permit.

3. Plan of Finance

The School proposes that 100% of the cost of the Project (as well as associated reserves, funded interest and transaction costs) be financed in the bond issue. The School also proposes that the bonds be sold through a limited public offering and it appears that the bonds are not expected to have a credit rating. The School's bond underwriter, Piper Sandler & Co., is an experienced and reputable underwriter of charter school bond issues. The proposed term of the bonds is 30 years with a level annual debt service structure commencing after a three year period of graduated debt service. The School intends to grow enrollment from 315 to 430 with the new space. The School and its financial advisor are still working on the specific details of financial projections and a plan

of finance, including an assessment of debt capacity, but have advised of the objective to have the projections demonstrate minimum debt service coverage of 1.30x. The most recent (FY 2021) financial statements provided indicate approximately \$426,000 of liquidity.

The School seeks preliminary approval at the January OFA Board meeting and final approval at the March meeting in support of a March sale of bonds with closing in April.

4. Credit Assessment Considerations

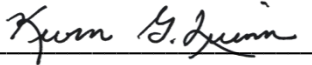
The majority of the School's revenues come from State Board of Education funding on a per pupil basis. The following additional documents, information and analysis will be required in order to conduct a thorough credit assessment:

- School's management prepared FY 2022 financial statements
- FY 2023 Budget
- Information regarding funding sources other than per pupil allotment from the Oregon Department of Education
- School Charter Agreement
- Assessments of School by authorizer (Hillsboro School District) over the past three years including prospects for charter renewal
- Purchase & Sale Agreement for new property
- Appraisal (if any) of new property
- Leases of existing locations and information on term extensions pending completion of project
- Detailed plan of finance
- Pro-forma cash flow analysis (covering three years of historic activity and five years of projections), including enrollment level breakeven analysis (at 1.0x DSC) and liquidity stress test analysis
- Demographic data for Hillsboro School District and basis for expected growth in School enrollment (i.e. demand data)
- Proposed bond financial covenants

5. Summary

City View Charter School appears to be a moderately successful institution which has progressed to the point where owning and operating its own facilities will be integral to its ongoing success. It proposes to finance 100% of the cost of its project. With a relatively modest level of liquidity, good execution of project development and enrollment growth plans will be crucial to the School's ability to sustainably support the payment of debt service on the proposed bonds. We look forward to examining the requested information and analysis and communicating with the School's management, financial advisor and underwriter to learn more about the project, plan of finance and financial projections.

Respectfully submitted by First Tryon Advisors (dba Wye River Group)

By: 
Kevin G Quinn, Managing Director



ORRICK, HERRINGTON & SUTCLIFFE LLP
1120 NW COUCH, SUITE 200
PORTLAND, OREGON 97209
tel 503-943-4800
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MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director

FROM: Michael Schrader and Tommy Sandstrom

DATE: March 13, 2023

RE: Preliminary Approval of City View Charter School Application for Bond Financing through the Oregon Facilities Authority

Overview of Bonds.

City View Charter School, an Oregon nonprofit corporation and a charter school operating pursuant to a charter with the Hillsboro School District (the “Borrower” and the “District,” respectively), is requesting preliminary approval from the Oregon Facilities Authority (the “Authority”) for the issuance of both tax-exempt and federally taxable revenue bonds, in an approximate aggregate principal amount of \$18,750,000 (the “Bonds”). Bond proceeds are expected to be used for the purpose of (i) financing all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities, (ii) funding a debt service reserve fund, if required, (iii) paying capitalized interest, if necessary, and (iv) paying costs of issuing the Bonds (collectively, the “Project”).

The Bonds are expected to be issued in a series of tax-exempt bonds and a series of federally taxable bonds. The purpose of the taxable bonds is to cover costs of issuance (“COI”) in excess of the two-percent COI limit on use of the tax-exempt bonds and any other Project costs that may not be a permitted use of tax-exempt bond proceeds. The Bonds are expected to be sold through a negotiated limited public offering by Piper Sandler & Co., as underwriter (the “Underwriter”). The Bonds will not be rated and will only be marketed and sold to qualified institutional investors, consistent with OAR requirements and established Authority practice with respect to charter school financing projects. The Borrower expects to finance all or most of the costs of the Project with proceeds of the Bonds.

The Bonds will be secured by a pledge of the Borrower’s payments from the District, together with a mortgage lien and security interest granted on the Borrower’s facilities to be acquired, improved, renovated and equipped with proceeds of the Bonds.

An initial working group call was conducted on January 3rd and we expect to participate on weekly working group calls with the Borrower and its counsel and financial advisor, the Underwriter and its counsel, and other members of the working group to coordinate on

documents, diligence review and various other tasks related to the Project and the financing. Diligence requests are in process and are being coordinated with other counsel, and we expect to begin drafting the Trust Indenture, Loan Agreement, Limited Offering Memorandum and other documents (the “Bond Documents”) following preliminary approval of the Project at the March 13th Authority meeting. We expect that all due diligence and final documentation will be completed in advance of consideration of final approval of the Bonds at the Authority’s June 12th meeting.

Discussion of Open Issues and Next Steps.

It is expected that the financing for this Project will have a similar security structure to those utilized in the financings completed through the Authority for other Oregon charter schools, including the ACE Charter School, Metro East Web Academy, Howard Street Charter School, the Arco Iris Spanish Immersion School and the Redmond Proficiency Academy projects. The Project will directly benefit from the work done in those financings, including particularly the charter contract amendments required to provide for the intercept of funds from the District to secure scheduled debt service payments on the Bonds. Additionally, given our recent OFA precedent for unrated, limited offerings to institutional investors financing Oregon charter schools, we do not expect any significant issues in working through initial offering conditions or subsequent transfer restrictions to ensure that the Bonds are offered, sold and held at all times by qualified institutional investors.

With respect to the Project, we would note that while the Borrower has undertaken an extensive process in selecting the property at 1920 NE Stucki Avenue, Hillsboro, Oregon for its permanent facilities, the financing of the Project and agreements related to the acquisition and improvement of the facilities are proceeding on parallel tracks and on an accelerated timeline, meaning that the terms and conditions of the Borrower’s acquisition of the property, contracts related to the property improvements, and any required public approvals, including permits and/or other entitlements, will be proceeding at the same time the offering memo and other bond documents are being completed. This will require coordination of tasks and timeline with respect to the Bond offering to ensure appropriate sequencing of Project deliverables.

In our role as bond counsel and disclosure counsel to the Authority, we expect to perform both a tax and general due diligence review of the Borrower and the Project. If our review reveals any material concerns with respect to the Borrower or the Bond-financed Project, including issues with respect to the Borrower’s tax-exempt status, we will inform the Authority.

Recommendation.

As bond counsel to the Authority, we recommend the Board grant preliminary approval of the Application submitted by the Borrower. The ultimate issuance of the Bonds will remain subject to several conditions precedent, including without limitation, completion of our due diligence review and completion of the Bond Documents and any other required legal documents. We would be happy to answer any questions members of the Authority may have with respect to the proposed financing.

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION NO. 2023-5
ADOPTED: MARCH 13, 2023

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE STATE TREASURER ISSUE REVENUE BONDS TO FINANCE THE PROJECT DESCRIBED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE PARTICIPATING INSTITUTION; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”) is authorized and empowered by the provisions of Oregon Revised Statutes Chapter 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, City View Charter School, an Oregon nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, improvement, renovation and equipping of certain school facilities for the Participating Institution (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act, with the tax-exempt bonds issued in an approximate aggregate principal amount of \$18,750,000 and a to-be-determined aggregate principal amount of federally taxable bonds to be issued, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project, and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary; and

WHEREAS, the Participating Institution, the other parties to the transactions pertaining to the issuance and sale of the Bonds, and the Authority’s bond counsel are preparing drafts of the basic documents needed in connection therewith, and are ready to conduct required due

diligence, to complete documentation required in connection with the financing of the Project and to proceed expeditiously with the issuance and sale of the Bonds.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. ELIGIBILITY. The Authority, based upon the advice of its bond counsel, hereby finds and determines that the Project qualifies as a “project” within the meaning of the Act. The Authority further finds and determines that the financing of the Project by means of revenue bonds issued by the State Treasurer pursuant to the Act will promote the public purposes sought to be advanced by the Act.

SECTION 2. RECOMMENDATION TO ISSUE BONDS. Contingent upon the concurrence of the Executive Director and the Director, Debt Management Division of the State Treasurer, the Authority hereby recommends that the State Treasurer express his intent to issue the Bonds under the Act in an approximate aggregate principal amount of \$18,750,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary, *provided, however*, that:

(i) prior to the issuance of any Bonds for the purpose of financing the Project and paying the related costs associated therewith, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the issuance and sale of such Bonds have been satisfied;

(ii) in the event that any Bonds are issued for the purpose of financing the Project and paying the related costs associated therewith, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bonds shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto; and

(iii) the Authority shall retain at all times complete and absolute discretion whether to proceed with the issuance of any Bonds for the purpose of financing the Project and paying the related costs associated therewith, and may refuse to proceed therewith for any reason deemed sufficient by the Authority notwithstanding that all legal requirements for the issuance of such Bonds may have been satisfied.

SECTION 3. PRELIMINARY AGREEMENT; AUTHORIZATION. The form of Preliminary Agreement attached hereto as Exhibit A is hereby approved. The Executive Director of the Authority is hereby authorized, empowered and directed, for and on behalf of the Authority, to execute and deliver such Preliminary Agreement in substantially the form approved but with such variations, changes, omissions and insertions as may be necessary or appropriate and not inconsistent with the provisions of applicable law and to execute such other documents and

instruments as shall be necessary or advisable for the purpose of furthering the actions described in Section 2 hereof.

SECTION 4. APPOINTMENT OF ATTORNEY-IN-FACT; DISCLOSURE COUNSEL. The Authority's bond counsel, the law firm of Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, is hereby appointed the Authority's attorney-in-fact for the purpose of applying for any rulings from the Internal Revenue Service that may be required in connection with the bonds described herein and for filing, signing and taking any other actions on behalf of the Authority in connection with any such ruling request. Orrick, Herrington & Sutcliffe LLP is also appointed as disclosure counsel to the Authority for the purpose of assisting the Authority with respect to compliance with its disclosure obligations under applicable federal and state securities law.

SECTION 5. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-5 as adopted by said Authority at a meeting duly called and held in accordance with law on March 13, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 13th day of March 2023.

Gwendolyn Griffith, Executive Director

EXHIBIT A

PRELIMINARY AGREEMENT

BETWEEN

CITY VIEW CHARTER SCHOOL

AND

OREGON FACILITIES AUTHORITY

THIS PRELIMINARY AGREEMENT is entered into as of the 13th day of March 2023 by and between the **OREGON FACILITIES AUTHORITY**, a public body corporate and politic duly created and existing under the laws of the State of Oregon (the “Authority”), and **CITY VIEW CHARTER SCHOOL**, an Oregon nonprofit corporation (the “Participating Institution”).

WHEREAS, the Authority is authorized and empowered by the provisions of Oregon Revised Statutes (“ORS”) Chapters 286A and 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, the Participating Institution has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, improvement, renovation and equipping of certain school facilities for the Participating Institution (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act, with the tax-exempt bonds issued in an approximate aggregate principal amount of \$18,750,000 and a to-be-determined aggregate principal amount of federally taxable bonds to be issued, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary; and

WHEREAS, the Authority has adopted a resolution pursuant to which it has recommended that the State Treasurer issue the Bonds under the Act for the purposes as described above; and

WHEREAS, the State Treasurer has indicated in writing his intent to issue the Bonds under the Act for the purposes described above;

NOW, THEREFORE, for and in consideration of the premises and the mutual undertakings of the parties as set forth herein, the Authority and the Participating Institution hereby agree as follows:

SECTION 1. RECOMMENDATION OF THE AUTHORITY. By Resolution No. 2023-___ adopted on March 13, 2023 (the “Resolution”), the Authority has recommended that the State Treasurer issue the Bonds under the Act in an approximate aggregate principal of \$18,750,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described in the Resolution. Such recommendation remains subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority prior to issuance of the Bonds and upon compliance with all requirements of applicable law, including without limitation, the following conditions and understandings:

(i) **COMPLIANCE WITH APPLICABLE LAW.** Prior to the issuance of any Bonds, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the sale of such Bonds have been fully satisfied. If bond counsel advises the Authority that all legal requirements have not been complied with or that the financing and payment of associated costs contemplated by the Participating Institution deviates in any material respect from the financing proposed in the application of the Participating Institution, the Authority may require the Participating Institution to take further actions prior to the issuance of the Bonds, including resubmitting an updated application and seeking an additional approval of the Authority.

(ii) **BONDS ARE LIMITED OBLIGATIONS.** In the event that any Bonds are issued, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bond shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto. The Participating Institution understands that any loan agreement, amendment, supplement or other agreement to be entered into in connection with the Bond financing will provide that amounts payable thereunder by the Participating Institution will be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the Bonds as and when the same become due and payable.

(iii) **DISCRETION TO DETERMINE WHETHER TO PROCEED.** The Authority and the State Treasurer shall each retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Bonds, and each may refuse to proceed therewith for any reason deemed by either to be sufficient notwithstanding that all legal requirements for the issuance of such Bonds may have been met and satisfied.

SECTION 2. UNDERTAKINGS ON THE PART OF THE PARTICIPATING INSTITUTION.
The Participating Institution agrees as follows:

(A) **COMPLETION OF FINANCING.** If Bonds are issued as requested by the Participating Institution as described above, it is the intent of the Participating Institution to diligently cause the financing of the Project contemplated hereby to be completed and to cause the Project to be operated in the manner and for the purposes disclosed to the Authority in the Participating Institution's application for financing. If the Bond proceeds are not sufficient to complete the Project, including the funding of any debt service reserve deemed to be necessary and desirable, and to pay costs of issuance of the Bonds, the Participating Institution agrees to cause the financing, the funding of any reserve and the payment of costs of issuance to be completed at the Participating Institution's expense. The Authority makes no representation or warranty that the proceeds of the Bonds will be sufficient to accomplish the financing, the funding of any debt service reserve and the payment of costs of issuance of the Bonds as planned by the Participating Institution, and the Participating Institution hereby acknowledges and agrees that it assumes all risks associated with such potential insufficiency.

(B) **COOPERATION WITH THE AUTHORITY AND TREASURER.** The Participating Institution will cooperate with the State Treasurer, the Executive Director of the Authority, the Authority's bond counsel and the Authority's financial advisor in all matters relating to the issuance, sale and delivery of the Bonds and the financing of the Project from the proceeds thereof; provided, however, that nothing herein shall obligate the Participating Institution to cause the Bonds to be issued.

(C) **ARRANGEMENTS FOR SALE OF THE BONDS.** The Participating Institution acknowledges and agrees that it shall have sole responsibility for arranging for the sale of the Bonds, and acknowledges that under the Act the State Treasurer has the ultimate authority to approve and remove any underwriter for the Bonds.

(D) **EXECUTION AND DELIVERY OF LOAN AGREEMENT:** At the time of issuance of any Bonds, the Participating Institution will deliver an executed loan agreement or other financing agreement with the State Treasurer (acting as issuer of the Bonds on behalf of the State), under which terms the Participating Institution will agree to pay the loan payments sufficient in the aggregate principal of and interest on, and redemption premium, if any, of the Bonds as and when the same shall become due and payable. The loan agreement or other financing agreement shall contain a provision that the Participating Institution shall indemnify and hold the Authority and the State of Oregon harmless from all liabilities incurred in connection with the financing and the offering or sale of the Bonds.

(E) **FURTHER ACTIONS.** The Participating Institution will take such further action and adopt such further proceedings as may be required to implement the terms and provisions of this Preliminary Agreement. The Participating Institution shall obtain all necessary governmental approvals and opinions of bond counsel to ensure the legality of the Bonds and the exclusion of interest on the Bonds issued on a tax-exempt basis from gross income for federal income tax purposes. In addition, the Participating Institution shall make no use of the proceeds of the Bonds issued on a tax-exempt basis so as to cause such Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(F) **REIMBURSEMENT FOR EXPENSES.** Regardless of whether the Bonds are issued, the Participating Institution will reimburse the Authority and the State Treasurer for all reasonable and necessary direct and indirect expenses incurred in connection with the consideration and processing of the application for bond financing and the preparation of the Bonds for issuance, which expenses shall be itemized on an invoice sent by the Authority to the Participating Institution and paid within 30 days of the date of such invoice. If any Bonds are issued, the Participating Institution will pay, or cause to be paid, to the Authority its usual and customary fees according to Authority policy (as the same may be modified from time to time), its issuance fee and any annual fee.

(G) **FEES AND EXPENSES OF BOND COUNSEL AND FINANCIAL ADVISOR.** The Participating Institution hereby agrees to pay the fees and expenses of Orrick, Herrington & Sutcliffe LLP, bond counsel and disclosure counsel (hereinafter “bond counsel”) to the Authority, and of First Tryon Advisors, LLC d/b/a Wye River Group, financial advisor to the Authority, for professional services rendered in connection with the issuance, sale and delivery of any Bonds. The Participating Institution acknowledges that the fees and expenses of bond counsel and the financial advisor shall be as set forth in the respective contracts of said firms entered into with the Authority and the State Treasurer, subject to such modifications as may have been agreed upon in writing by bond counsel or the financial advisor, as appropriate. The fees and expenses of bond counsel and the financial advisor shall be paid at the time of the issuance and delivery of any Bonds; *provided, however*, that with respect to any expenses which it is not practicable for bond counsel or the financial advisor to compile and itemize at such time, such expenses shall be paid within thirty (30) days from the date of any invoice therefor; and *provided further*, that if the Participating Institution abandons or otherwise fails to complete the financing contemplated hereby within six months from the date of adoption of the Authority resolution referred to in the preamble hereto, the Participating Institution shall pay all fees and expenses incurred by said bond counsel or said financial advisor in connection therewith, which fees and expenses shall be itemized on an invoice sent to the Participating Institution and paid within thirty (30) days of the date of such invoice.

(H) **INDEMNITY AND HOLD HARMLESS AGREEMENT.** The Participating Institution hereby agrees to indemnify and hold the State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees (the “Indemnified Parties”) harmless against and from any and all claims, of whatever nature and howsoever arising, by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Preliminary Agreement or any other actions

taken or omitted to be taken by any of the Indemnified Parties or the Participating Institution relating in any way to the Project or the offering, issuance, sale or remarketing of the Bonds or any transaction related to the foregoing, including without limitation any claim or liability arising from or in connection with:

- (i) any condition of the Project or the construction thereof;
- (ii) any breach or default on the part of the Participating Institution in the performance of any of its obligations under this Preliminary Agreement or any other agreement entered into in connection with the Bonds or the Project;
- (iii) any act or negligence of the Participating Institution or of any of its agents, contractors, servants, employees or licensees;
- (iv) any act or negligence of any assignee or lessee of the Participating Institution, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Participating Institution;
- (v) any material misstatement or omission, or alleged material misstatement or omission, made or omitted in any disclosure materials used in connection with the offering or sale of the Bonds or any other information used in connection with the offering, placement, sale, remarketing or purchase of any Bond (other than a material misstatement or omission contained in information provided by an Indemnified Party specifically for inclusion in disclosure materials relating to the Bonds).

The Participating Institution shall indemnify and save the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Indemnified Party, the Participating Institution shall, subject to ORS Chapter 180 (or any successor provision of law), defend it in any such action or proceeding at the Participating Institution's expense, and shall pay all attorney's fees and expenses of the Indemnified Parties incurred in connection therewith at trial, on appeal or otherwise related to the claim for which indemnification is provided hereunder, and against all other liabilities arising from the issuance of the Bonds on behalf of the Participating Institution and any fees and costs incurred by the Indemnified Parties in responding to any U.S. Department of the Treasury Internal Revenue Service (the "IRS") audit, U.S. Securities and Exchange Commission (the "SEC") inquiry or any Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The Authority and the State Treasurer may employ, at the Participating Institution's expense, any legal counsel or experts required in responding to any IRS audit, SEC inquiry or any other Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The foregoing indemnification and hold harmless agreement shall be and remain in full force and effect notwithstanding the failure or refusal, for any reason, of the Authority or the State Treasurer to proceed with the issuance of the Bonds. Notwithstanding anything to the contrary contained herein, the Participating Institution shall have no liability to indemnify the Indemnified Parties against claims or damages resulting from the Indemnified Parties' own willful misconduct.

SECTION 3. MISCELLANEOUS. The State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees, and Orrick, Herrington & Sutcliffe LLP and First Tryon Advisors, LLC d/b/a Wye River Group, and each of them individually, shall be third party beneficiaries of this agreement with respect to payment of their respective fees, with the right to enforce the provisions of this agreement directly and individually and without joining any other beneficiary hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

This agreement shall be binding upon the parties hereto and their respective successors and assigns.

This agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Participating Institution have caused this Preliminary Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first set forth above.

OREGON FACILITIES AUTHORITY

By: _____
Gwendolyn Griffith, Executive Director

**CITY VIEW CHARTER SCHOOL, AS
PARTICIPATING INSTITUTION**

By: _____
Printed: _____
Title: _____