



Community and Economic
Development

State Land Use Compliance Project

Amends the zoning code to conform to recent state legislation
affecting land uses and procedures

Southeast Uplift – June 15, 2026



Summary of Bills



House Bill 2138 - Middle Housing

Effective July 17, 2025, January 1, 2027, and January 1, 2028

- Middle Housing changes – effective 1/1/2027 and cottage clusters by 1/1/2028
- Changes Expedited and Middle Housing Land Divisions – effective July 17, 2025
- Limits exactions and traffic studies for middle housing
- Voids certain CC&R's (ADUs and middle housing) – effective July 17, 2025
- Additional DLCD Rulemaking – to be completed by 1/1/2028



Senate Bill 974 - Limiting Hearings on Certain Land Use Applications

Effective July 1, 2026

- Applies to residential Zone Map Amendments, Adjustments, Planned Developments
- Limits notification area
- 14-day comment period
- No hearing, except if appealed by applicant or opponent

House Bill 4037 - Limiting Notice for Clear and Objective Reviews

Effective July 1, 2026

- Applies to residential development reviewed using clear and objective standards
- If notice is provided, it may only be mailed to owners 100 feet from site, or 500 feet when more than 20 dwelling units are proposed.
- No hearing
- Local appeal and LUBA appeal limited to applicant only



House Bill 2005 – Residential Treatment Facility Siting

Effective July 24, 2025

- Requires cities to allow treatment homes (1-5 people) and treatment facilities (6+ people) as outright allowed uses in residential, commercial, and employment zones.

Senate Bill 1561 – Replacement Dwellings

Effective January 1, 2027

- Allows nonconforming dwelling units that are destroyed by natural causes (e.g. fire, flood, etc) to be rebuilt



Proposals

Category 1: Middle Housing Development Standards (HB 2138)

1. Allow more configurations of middle housing
2. Expand where middle housing is allowed
3. Limit siting and design standards to new units
4. Add and modify bonuses
5. Allow combined utilities in MHL D
6. Allow existing ADUs/Duplexes in MHL D

Category 2: Review Procedures (HB 2138, SB 974, HB 4037)

7. Allow MHL D before, during or after building permits
8. Allow combined MHL D with regular land division
9. Revise process for ELD/MHL D
10. Revise process for zone changes, planned developments, and adjustments
11. Revise process for clear and objective reviews

Category 3: Allowed Uses (HB 2005, SB 1561)

12. Expand allowances for residential treatment facilities
13. Allow replacement dwellings damaged by natural causes



1. Allow more configurations of middle housing

HB 2138: Requires cities to allow any configuration of attached or detached duplex, triplex, or fourplex units, and allow up to four attached cottages.

Proposal:

- Revise the definition of middle housing.
- Allow up to four units to be attached in a cottage cluster building.



One possible configuration for a cottage cluster showing two 4-unit buildings



Various configurations of 4 attached and detached units. The upper left is a fourplex, while the other configurations are "multi-dwelling development."



4. Add and modify bonuses - Affordability

HB 2138: requires cities to allow up to 2 additional units for affordability and accessibility bonuses. The bill also requires cities grant “commensurate” additional area to accommodate the additional units.

The bill specifies affordability at 120% MFI but allows the level of affordability to be modified.

	Current	Proposed
Affordable Unit	1 unit @ 60% MFI = extra FAR	1 unit @ 100%MFI sales (HOLTE) = extra FAR
Deeper Affordable Unit	50% of units @ 60%MFI = +2 units, 1.2 FAR + extra coverage OR height	1 unit @ 60% MFI = +1 unit, extra FAR, extra coverage



4. Add and modify bonuses - Accessibility

The bill specifies accessibility as meeting Type A dwelling unit requirements as referenced in the State Building Code.



Type A units feature lower counter tops, front controlled appliances, wider doorways, sinks that can be converted to roll in, adjustable showerhead, stabilizing bars for shower and toilet. All levels of a unit must be accessible



Type B units have smaller clearances than Type A units, parallel approaches to sinks, reinforcement for future grab bars. Only the first floor must be accessible, with a bedroom, full bath, and kitchen.



Visitable units have a no step entry, wider doorways and a half bath on the ground floor.



4. Add and modify bonuses - Accessibility

The bill specifies accessibility as meeting Type A dwelling unit requirements as referenced in the State Building Code.

Proposal:

- Add the required Type A unit bonus
- Supplement with a Type B unit option
- Delete the current visitability requirement, in light of new accessibility bonuses

	Current	Proposed
Visitable	Required at 3 or more units	n/a, deleted
Type A accessible	n/a	= +1 unit, extra FAR, extra coverage
Type B adaptable	n/a	= extra FAR, extra coverage

Affordability and accessibility bonuses can be mixed and matched to add up to two units and increase FAR to a maximum limit that varies by zone. Bonus coverage is a one-time increase for the entire site.



9. Revise expedited land division procedures

HB 2138: Restricts notice and appeal rights for expedited land divisions

Proposal:

- Modify expedited land division procedure to remove notice and eliminate option for a local appeal



10. Revise procedures for certain reviews that involve residential uses

SB 974: Limits public hearings, notice, and comment periods for zone changes, planned developments and adjustments

Proposal:

- Assign residential zone changes and planned developments to Type IIx process
- Limit notice for Type II and Type IIx reviews to 100 feet, and reduce comment period to 14 days



11. Revise process when proposal meets clear and objective standards

HB 4037: Limits public hearings, notice, and appeals for applications that meet clear and objective standards

Proposal:

- Assign clear and objective land divisions to a Type Ix process
- Remove notice requirement for environmental plan checks



Community and Economic Development

Table: Key Distinctions Between Current City Review Procedures, HB2138, SB974 and HB4037
 With proposed changes shown in **red text**

Procedure Type	Type I	Type Ix	Type II AD	Type IIx ZC, PD	Type III	HB 2138 ELD, MHL D	SB 974 ZC, PD, AD	HB 4037 C&O reviews	SB1537 Automatic AD ³
Decision Maker	PP&D Staff	PP&D Staff	PP&D Staff	PP&D Staff	Commission	Staff	Staff	Staff	Staff
Public Hearing	No	No	No	No	Yes	Not allowed	Not allowed	Not allowed	Local process
Notice Period¹	14 days	30 days	21 days 14 days	30 days 14 days	30 days	Not allowed	14 days	Not specified	Local process
Notice Area	100'	100'	150' 100'	150' 100'	400'	N/A	100'	100' or 500' for 20+ units ²	Local process
Days to Decision¹	21 days	45 days	28 days	42 days	Hearing w/in 51 days	63 days max	100 or 120 days max	Not specified	Local process
Who can appeal	Applicant Commenter	Applicant Commenter	Applicant Intervenor Commenter	Applicant Intervenor Commenter	Applicant, Testifiers	Applicant	Applicant Intervenor Commenter	Applicant	Applicant
Appeal Body	LUBA	LUBA	Commission	Commission	City Council	LUBA	Local process	LUBA	LUBA

1. The notice period runs concurrently with the decision period and begins when the application has been deemed complete.
2. HB4037 allows but does not require notice.
3. SB1537 allows cities to use an existing process that conforms to the bill. In this case, a Type I review, except only the applicant may appeal



Timeline



State Land Use Compliance Project Timeline

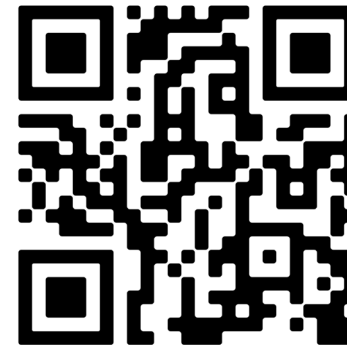
June 23, 2026 Planning Commission briefing and hearing

Summer 2026 Recommended Draft

Fall 2026 Council Process

January 1, 2027 Code effective date

www.portland.gov/state-land-use-compliance-project





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