

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Human Services and Early Childhood

**REVENUE: No revenue impact****FISCAL: No fiscal impact****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Cheyenne Ross, Administrator**Meeting Dates:** 5/19, 6/2

**WHAT THE MEASURE DOES:** Allows local governments to affect sales price of residential housing development or designate sale to particular class or group of purchasers, so long as no more than 30 percent of units are available at or below market rates and specified incentives are provided in exchange.

**ISSUES DISCUSSED:**

- Economics of inclusionary zoning practices
- Majority of states that engage in inclusionary zoning practices
- Uniqueness of Oregon's land use system
- Importance of local control
- Affordable housing crisis
- Ripple effect in migration of populations and concentrating poverty
- Monolithic versus holistic views of causes of ever-increasing housing costs
- Significant costs and barriers to construction
- Increasing burdens on builders and developers

**EFFECT OF COMMITTEE AMENDMENT:**

[-A5 amendment] Includes rentals.

**BACKGROUND:** Inclusionary zoning, also called inclusionary housing, is a land-use practice that directs a certain amount of housing development be made available to people of low and moderate incomes. Currently, local governments are prohibited from imposing regulations or conditions on residential development that have the effect of setting a sales price or of designating a certain class of individuals as purchasers.

House Bill 2564-A permits local governments to impose conditions that effectively set the sales price of residential housing or that direct the sale of housing to a particular group of people, limited to 30 percent of available units, in exchange for incentives such as density adjustments, fee waivers, and expedited processing.

*House Committee: 5 – 4 – 0**House Floor: 34 – 25 – 1*

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***This summary has not been adopted or officially endorsed by action of the committee.***