

STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Fiscal: No Fiscal Impact**Revenue:** No Revenue Impact**Action Date:** 04/13/15**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.**Meeting Dates:** 03/25, 04/13**Vote:**

Yeas: 8 - Buehler, Evans, Gallegos, Keny-Guyer, Parrish, Piluso, Stark, Taylor

Nays: 1 - Hayden

Prepared By: Robyn Johnson, Committee Administrator

WHAT THE MEASURE DOES:

Allows governing bodies to establish reasonable maximum holding times for land designated for low-income housing development for the purposes of property tax exemption. Allows governing bodies to elect additional criteria to extend exemption. Takes effect on the 91st day after *sine die*.

ISSUES DISCUSSED:

- Availability of affordable housing
- Low-income housing development

EFFECT OF COMMITTEE AMENDMENT:

Modifies language for consistency.

BACKGROUND:

Across Oregon and the nation, property tax abatement is used by local governments as a tool to encourage the development of affordable housing. This tax exemption helps expand the number of housing units that are available and supports extending affordable rents to low-income residents. There are several criteria that jurisdictions may elect that developers must meet in order to receive abatement, such as: the occupants of the housing have low income, as defined; lands being held must be designated for development as low-income housing; the housing must be rental housing; the developer must be a nonprofit or tax-exempt entity or, if not, the benefit of the property tax savings must be reflected in lower rent.

House Bill 2130-A allows a city or county government to adopt additional criteria in order to extend the tax abatement. It also allows local governments to adopt provisions that may limit the number of new projects, excluding changes to basic program eligibility criteria.