

FISCAL IMPACT OF PROPOSED LEGISLATION

78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office

Measure: SB 1533 B

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 02/23/2016

Measure Description:

Permits certain cities and counties to adopt land use regulations or functional plan provisions, or impose conditions for approval of permits, that effectively establish sales or rental price for up to 20 percent of multifamily structure or limit sales or rental purchase to class or group of purchasers or renters in exchange for one or more developer incentives.

Government Unit(s) Affected:

Cities, Counties, Housing and Community Services Department

Summary of Expenditure Impact:

See Analysis.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill allows local jurisdictions to impose requirements on the developers of housing for rent or for sale. The requirements would ask developers to include a percentage of units in developments to be affordable to people of certain incomes.

The bill allows a metropolitan service district to adopt rules to voluntarily promote the inclusion of affordable units and allow cities and counties to adopt rules which impose requirements on the developers of housing for sale or for rent which require the inclusion of affordable units. It also requires that jurisdictions offer housing developers incentives and offer the payment of an in-lieu of fee instead of complying with the requirement. The amendments do not allow jurisdictions to impose these requirements on applications for permits submitted prior to the date of adoption. The amendment also allow local jurisdictions to impose construction excise taxes of no more than one percent of the permit value on residential construction. The amendments are permissive in that they allow local jurisdictions to impose construction excise taxes on commercial and industrial construction. For jurisdictions that adopt these taxes, 85 percent of the revenue would stay with the jurisdiction to fund developer incentives and needed housing, and 15 percent would be transferred to the Housing and Community Services Department (HCSD) to provide down payment assistance.

HCSD currently has a program that provides down payment assistance for low income home-buyers, and assumes that funds resulting from this measure will augment that program; as such, no additional staffing resources are anticipated to be necessary. Additional special payments expenditure limitation will be required to allocate funds generated as a result of this measure, and the agency will need to return to the Legislative Assembly when this amount is known.