

HB 2997 A STAFF MEASURE SUMMARY

Senate Committee On Housing

Prepared By: C. Ross, Counsel

Meeting Dates: 4/29, 5/13

WHAT THE MEASURE DOES:

Authorizes cities with populations between 30,000 and 40,000 located in counties with populations between 105,000 and 125,000, to apply existing inclusionary zoning practices to collections of residential units, as specified in the measure, until January 2, 2023.

ISSUES DISCUSSED:

- Targeting city of McMinnville in particular; temporarily providing for it to impose inclusionary zoning on more housing developments than are currently allowed in statute
- Local control; being responsive to local governments' proposed solutions
- Unrelated -A11 amendment affecting inclusionary zoning generally; distinguishing development of housing with services from development of other multifamily structures
- Potential for further amendment

EFFECT OF AMENDMENT:

[-A9 amendment, 04.25.19] Changes definition of "affordable housing" for qualifying cities only, from housing that must be affordable to households with incomes 20 percent below the median and higher in the relevant county, to households with incomes 20 percent below, to 20 percent above, the median in the relevant county.

[-A13 amendment, 05.03.19] Replaces the measure. Exempts continuing care retirement communities (CCRCs) from inclusionary zoning requirements that may be imposed by local governments. Requires CCRCs to record covenant to operate all units as CCRC units. Requires any units offered or converted for residential sale or rent to comply with inclusionary zoning consistent with that imposed on new multifamily structures.

[-A14 amendment, 05.07.19] Identical to -A13 amendments, but does not replace the content of the underlying measure.

BACKGROUND:

Inclusionary zoning, also called inclusionary housing, refers to land-use regulations that direct a certain amount of housing development be made available to people of low and moderate incomes. Oregon law prohibits local governments from engaging in inclusionary zoning practices, but in 2016, Senate Bill 1533 was enacted to carve-out an exception, in order to encourage the development of affordable housing. Senate Bill 1533 allowed local governments to impose land use regulations and permit conditions that effectively set the sale or rental price, or designated sale or rent to a particular class or group of people, but only for new multifamily structures of 20 units or more, so long as no more than 20 percent of the units were required to be made available at below-market rates, and so long as certain incentives were provided to developers. Developers could also opt-out of compliance by paying a fee instead. In addition, local governments that choose to practice inclusionary zoning are also required to adopt and apply only clear and objective processes to regulate the development of affordable housing that do not result in unreasonable cost or delay, except for residential development in protected historic areas.

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House Bill 2997 A extends the application of existing exclusionary zoning practices and requirements beyond only new multifamily structures of 20 units or more, to collections of residential units that are planned, owned or constructed together through applications, development projects, or development agreements as specified in the measure, in cities with populations between 30,000 and 40,000 located in counties with populations between 105,000 and 125,000, until January 2, 2023.

Passed off the House floor 51 - 8 - 1 and out of House committee 7 - 1 - 1.