

HB 2997 A STAFF MEASURE SUMMARY
House Committee On Human Services and Housing

Carrier: Rep. Noble

Action Date: 04/08/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 7-1-1-0

Yeas: 7 - Helt, Meek, Mitchell, Noble, Sanchez, Schouten, Williams

Nays: 1 - Zika

Exc: 1 - Keny-Guyer

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 3/25, 4/8

WHAT THE MEASURE DOES:

Defines "affordable housing" to mean housing that is affordable to households with income equal to or higher than 80 percent of median family incomes for that county. Defines "contiguous units" to mean units on the same lot or parcel that have common boundaries. Defines "housing development" to mean a multifamily or a collection of non-multifamily housing units planned, owned, or constructed as a statutory application process or a development agreement for a project of 20 or more contiguous units. Defines "multifamily housing" to mean a structure that contains three or more housing units that share at least one wall, floor, or ceiling surface. Allows a city with a population between 30,000 and 40,000 located in a county with a population between 105,000 and 125,000 to adopt a land use regulation for approval of a permit, or for establishing the sale or rental price for new housing. Outlines regulations, provisions, or requirements. Stipulates incentives that developers may be offered. Stipulates that the city is not restricted from offering developers voluntary incentives to increase the amount of affordable housing, decreases sales and rent prices, and to build units for those with lower incomes. Outlines conditions when the city regulations may not be imposed. Requires the city to adopt or impose only clear and objective standards, conditions, and procedures. Sunsets measure on January 2, 2023.

ISSUES DISCUSSED:

- Unique blend of industries present in McMinnville; challenges in creating affordable housing in limited space
- City of McMinnville Affordable Housing Task Force recommendation to expand zoning within city for affordable housing
- Homes constructed in past 20 years unable to qualify for inclusionary zoning due to statutory 20-unit threshold
- Definition of affordable housing; income requirements as percentages of median income set by different cities for inclusionary zoning

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

As housing is the largest single component of a family's budget, the tremendous rise in housing prices has presented difficult challenges for Oregonians in recent years. Housing prices in Oregon are more than four times as expensive as they were in 1980. According to the Office of Federal Housing Enterprise Oversight, housing prices in Oregon incurred the highest increase in the nation of 11.7 percent between the second quarters of 2015 and 2016. The increase in the price of housing in some Oregon communities has been far greater than this statewide average. As incomes have not kept pace, the escalating housing prices throughout Oregon have made it increasingly harder for individuals and families to obtain rental housing or own a home.

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The Department of Housing and Urban Development (HUD) defines “cost-burdened” households as those that pay 30 percent or more of their income on housing. Currently, over 33 percent of Oregon homeowners are cost-burdened and approximately 15 percent are severely cost burdened (severely cost burdened is defined as paying more than 50 percent of one’s income on housing costs). According to the National Low Income Housing Coalition, a person who earns minimum wage would have to work 65 hours per week to afford a modest one-bedroom apartment a fair market rent in Oregon.

Higher home prices have made it harder for Oregonians to save for a down payment or afford the monthly mortgage payments, insurance, energy bills, and other costs associated with home ownership. Home ownership in Oregon is low by national standards, ranking 45th of the 50 states.

House Bill 2997-A allows a city with a population between 30,000 and 40,000 located in a county with a population between 105,000 and 125,000 to adopt a land use regulation for approval of a permit, or for establishing the sale or rental price for new housing.