

HB 2997 B STAFF MEASURE SUMMARY**Carrier:** Sen. Burdick**Senate Committee On Housing****Action Date:** 05/20/19**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Fagan, Golden, Heard, Knopp, Monnes Anderson**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** C. Ross, Counsel**Meeting Dates:** 4/29, 5/20**WHAT THE MEASURE DOES:**

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 by local government on new multifamily structures.

ISSUES DISCUSSED:

- Provisions of measure as-introduced; intent to revisit and continue work on underlying content during interim
- Replacement amendment to exempt qualifying CCRCs from local inclusionary zoning

EFFECT OF AMENDMENT:

Replaces the 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 may also opt-out of compliance by paying a fee instead. Local governments that choose to practice inclusionary zoning are 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.

House Bill 2997 B excludes continuing care retirement communities (CCRCs) from inclusionary zoning requirements that might otherwise be applicable, so long as they covenant to operate all units as CCRC units, and comply with inclusionary zoning for any units converted for residential sale or rent, consistent with new multifamily structures.