

**HB 2984 -5, -6 STAFF MEASURE SUMMARY**  
**House Committee On Housing and Homelessness**

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**Meeting Dates:** 3/2, 3/23

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**WHAT THE MEASURE DOES:**

Requires local governments to allow conversion of a building located within an urban growth boundary from commercial use to residential use for workforce housing, without requiring a zone change or conditional use permit. Defines “workforce housing” as a residential property available to own or rent to families earning 120 percent or less of area median income, subject to an affordability period of no less than 15 years. Prohibits, for such housing, local governments from enforcing parking minimums greater than amount allowed for existing commercial use, or from requiring payment of a system development charge prior to expiration of 15-year affordability period.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: No revenue impact*

**ISSUES DISCUSSED:**

- Financial feasibility of affordable residential development projects
- Expense for developers and local governments in converting commercial properties to residential use
- Applicability of measure to cities smaller than 10,000 in population

**EFFECT OF AMENDMENT:**

-5 Requires local governments to allow housing on a property zoned for commercial use, to allow religious assembly, or as public lands, without requiring a zone change or conditional use permit. Requires local governments to allow conversion of a building from commercial to residential use without requiring a zone change or conditional use permit, subject to specific conditions. Prohibits local governments, for commercial to residential conversion, from enforcing parking minimums greater than amount allowed for existing commercial use. Allows local governments to require payment of a system development charge (SDC) if the charge is calculated based on a specific policy for commercial to residential conversions, or is offset by any SDCs paid when building was originally constructed.

-6 Removes requirement that units in a building converted from commercial to residential use be affordable, for at least 15 years, to families earning 120 percent or less of area median income. Specifies commercial to residential conversion development may not occur on lands zoned for industrial use. Allows local governments to require payment of system development charge (SDC) if charge is: based on specific commercial to residential conversion policy adopted by a local government on or before December 31, 2023; or is for water or wastewater and is offset by any SDCs paid when building was originally constructed.

**BACKGROUND:**

Local governments may deny or condition the approval of affordable housing applications based on a variety of factors, including whether the application proposes to develop on land zoned for residential uses and the nature of the property ownership.

In 2021, the Legislative Assembly enacted Senate Bill 8, which restricted local governments from denying or limiting the approval of affordable housing applications, subject to certain zoning and property ownership conditions. The measure established density standards and conditions under which local governments must

approve affordable housing applications.

House Bill 2984 requires local governments to allow conversion of a building from commercial use to residential use without requiring a zone change or conditional use permit, if the property is located within the local government's urban growth boundary. The housing must be available to own or rent to families earning 120 percent or less of area median income, subject to an affordability period of no less than 15 years. The measure prohibits local governments from enforcing certain parking minimums or from requiring payment of a system development charge prior to expiration of the affordability period.