

HB 2008 A STAFF MEASURE SUMMARY

House Committee On Housing

Action Date: 04/08/21

Action: Do pass with amendments and be referred to Revenue. (Printed A-Eng.)

Vote: 8-0-0-0

Yeas: 8 - Campos, Fahey, Marsh, Meek, Morgan, Neron, Weber, Zika

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Claire Adamsick, LPRO Analyst

Meeting Dates: 3/11, 4/8

WHAT THE MEASURE DOES:

Provides tax exemption for property owned or purchased by a religious organization that is used solely to provide affordable housing to individuals with a combined household income at or below 60 percent of area median income. Specifies that development is subject to an affordable housing covenant which guarantees affordability for no less than 60 years. Requires local governments to approve, without requiring a zoning change, the development of affordable housing on property owned by a religious organization that is located within an urban growth boundary (UGB), is not zoned for industrial use, and is contiguous to property zoned for residential use. Clarifies that, for a property contiguous to more than one residential property, the zoning of the property with the greatest density is applied to the new development. Allows local governments to apply certain restrictions or conditions of approval, provided that the conditions are clear, objective, and related to health, safety, habitability, or infrastructure. Applies to property tax years beginning on or after July 1, 2021. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Property tax exemption for religious organizations in developing part of property for affordable housing
- Anti-displacement strategy for churches who provide affordable housing for older congregants who want to stay in neighborhood
- Whether siting of affordable housing on properties is allowed in industrial zones
- Eligibility of properties within UGB but not necessarily within the city boundary
- Ability of smaller churches to finance affordable housing
- Need to clarify contradictory occupancy and affordability requirement language in measure
- Need for provision in measure that requires a local government to convey an approved application and tax exemption to the county assessor

EFFECT OF AMENDMENT:

Requires local governments to approve, without requiring a zoning change, the development of affordable housing on property owned by a religious organization that is located within an urban growth boundary, is not zoned for industrial use and is contiguous to property zoned for residential use. Clarifies that, for a property contiguous to more than one residential property, the zoning of the property with the greatest density is applied to the new development. Allows local governments to apply certain restrictions or conditions of approval, provided that the conditions are clear, objective, and related to health, safety, habitability, or infrastructure.

BACKGROUND:

Under Oregon law, religious organizations are exempt from property taxation for properties owned and used for administration, education, literary, benevolent, charitable, entertainment, and recreational purposes. The exemption also applies to parking lots and cemeteries owned by religious organizations.

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To address affordable housing supply needs, Senate Bill 1051 (2017) allowed the development of affordable housing on land owned by religious organizations, if the development was located inside an urban growth boundary (UGB) and complied with local land use regulations.

House Bill 2008 A provides a property tax exemption for religious organizations that provide affordable housing on their property to low-income individuals. It limits local governments from imposing certain zoning restrictions or conditions of approval on an affordable housing development application by a religious organization.