

HB 3232 Limited Equity Co-ops

Affordable housing. We need more. And it comes in many shapes and forms. Some people talk about affordable apartments, some talk about single family housing and first-time home buyers. This bill is about something different, a creative twist blending ownership with a co-op element: Limited Equity Cooperative Housing.

In 2023, the legislature passed a bill to help expand the use of limited equity cooperative housing by including it in Low Income Rental Housing Property Tax Exemption.

Limited-Equity Co-ops are an innovative financing tool used to build multi-family housing where residents share in ownership. In my area, SquareOne Villages provides long-term supportive housing and has set up several co-op housing projects. Most recently, they opened PeaceVillage with 70 new units of resident-owned housing, permanently affordable to households under 60% area median income.

The project is founded on a **shared ownership structure** that combines a **Community Land Trust** with a **Limited-Equity Co-op**. SquareOne retains ownership of the underlying land, with the intent of preserving long-term affordability, and the residents collectively own the housing on the land as member-owners of Peace Village Co-op. The goal of this shared-equity ownership structure is to create the most accessible pathway to homeownership in Lane County—reaching households with incomes as low 30% of the area median income—while also preserving the long-term affordability of the housing.

Dan Bryant, a chief driving force behind these innovative projects, explains it this way: owners in a LEC cannot profit by selling their share on the open market to the highest bidder. But unlike traditional rentals, they function collectively through the housing co-op as their own landlord. The benefit of this cooperative model of housing is that it gives the residents more voice in their housing, greater financial stability and security, and a sense of pride as a part-owner of their own housing as well as responsibility for it.

During the interim, another local Limited Equity Co-op, East Blair Housing Cooperative, flagged for my office an issue with our existing law. Current law allows the exemption only for LEC housing units constructed or converted to LEC ownership *after* the local governing body adopted the property tax exemption program-Eugene adopted an ordinance in 1990. East Blair's affordable housing project dates back to 1981, before the ordinance, making it ineligible for the Tax Exemption program.

What the bill does

This bill removes the date requirement, extending property tax exemption to additional low-income limited equity housing cooperatives, if the property is constructed or converted before the city or county adopts the exemption program and all other criteria are met. This small change will allow East Blair to make investments in infrastructure, repair, and expansion, to support long-term affordable housing.

HB 3232 left Revenue Committee unanimously with a do-pass recommendation. I urge your aye vote. Thank you.