Long Term Affordability with a Ground Lease: An Overview for Tax Assessors

The Land Lease Model of Homeownership

Since the land lease model for long-term affordability was developed in the 1960s it is increasingly being used in communities across the country as a mechanism to preserve housing affordability over the long term.

In brief, the land leased model for long term affordability makes it possible for low and moderate income households to own homes on land that is leased from a non-profit through a long-term (typically 99-year), renewable ground lease. The home buyer leases the land but owns and holds the deed to their home.

Taxation on Homes with Resale Restrictions:

- House Bill 3275 passed the legislature in 2021. This bill provides tax exemptions/relief for homeowners in the State of Oregon that own resale restricted homes.
- The text of this law can be found in Chapter 466 of Oregon Laws 2021
- The law states that the land owned by an eligible Affordable Housing Covenant holder, as defined in ORS 456.270, is exempt from ad valorem property taxation.
- This law went into affect on July 1st, 2022
- There are additional provisions in the law for condominiums.