



March 14, 2023

Senate Committee on Housing and Development
Oregon State Capitol
Salem, OR 97301

Re: City of Wilsonville Comments on Senate Bill 847

Dear Honorable Chair Jama and Members of the Committee:

Thank you for the opportunity to provide comments on SB 847.

Overall, the City of Wilsonville is supportive or neutral on the various components of the bill. The City appreciates the collaboration with stakeholders on the bill language. The City understands the language reflecting many recently discussed amendments will not be complete prior to the March 15 hearing. With the language still pending prior to the hearing, the City wants to go on the record with a few outstanding concerns. The City expects many, if not all, of these concerns will be addressed in the next draft of the bill.

First, regarding residential use on commercial land in Sections 2-3. While the City understands an opportunity exists in Oregon to convert underutilized commercial space and land into needed housing, the City is concerned about the unintended consequences in a couple circumstances. First, is where needed industrial and employment land, where limited commercial is allowed, could be used for anything but their intended use. Second, is in new residential development where limited commercial land is needed and desired to have local commercial uses close to residents to provide neighborhood amenities and reduce vehicle trips.

Accordingly, the final language should ensure, at least, the following carve outs from the residential allowance on commercial land:

- Industrially-zoned land that also allows commercial
- Ground floor commercial required in new residential mixed-use buildings
- Commercial required in primarily residential new urban areas and master-planned communities

The City's other outstanding technical concern relates to Section 21. The City supports this concept. It appears a sound policy change to allow the funding letters for affordable development as assurance for infrastructure construction. However, our engineering and legal staff, that are the subject matter experts on

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infrastructure assurance and related risks, have an outstanding technical concern. The current bill language states the funding letters must be "an amount greater than the project cost". Actual final project costs are not known at the time of permit issuance and getting assurances. While those providing funding letters also factor in contingency, there is no guarantee the percent of contingency they require equals that required by the public agency. As such, the City requests adding language that allows additional bonding with the public agency to fill any gap between the amount covered by the funding letter and the amount required for assurance by the public agency. For example, if the infrastructure cost is expected to be \$1,000,000, the funding entity may only require a 30% contingency while the public agency may require a 50% contingency. In this example, the public agency would require a \$1,500,000 assurance. The funding letter would cover \$1,300,000 of this assurance, and the developer would still need to bond or offer up other assurance for the \$200,000 gap.

The City of Wilsonville appreciates the thoughtfulness behind this bill and appreciate these considerations to support our continued efforts to create great communities.

Regards,



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City of Wilsonville