



## Testimony by City of Wilsonville Mayor Julie Fitzgerald Supporting SB 141A:

### ***Proposed Legislation Streamlines and Clarifies Requirements for Local-Option Use of Tax Credit that Can Provide Additional Affordable Housing Opportunities***

Scheduled for public hearing on April 29, 2021, before House Committee on Housing

Chair Fahey, Vice-Chairs Campos and Morgan, and Members of the Committee:

On behalf of the City of Wilsonville City Council, I am testifying in support of the SB 141A that streamlines and clarifies requirements for use of the multi-family community “Vertical Housing Tax Credit” as a component of a locally enacted Vertical Housing Development Zone (VHDZ). The bill provides for a local-option use of the tax credit for the abatement of a percentage of property taxes over a 10-year period that is designed as an incentive for developers to build both mixed-use and affordable, multi-family housing projects.

Currently, state statutes are interpreted to limit the abatement threshold in a manner that creates uncertainty and discourages projects from fully developing housing as a part of a VHDZ. SB 141A clarifies existing statutes on how the abatement is calculated through an “equalized floor,” and provides well-defined language determining the value of the tax abatement that is applicable for up to four floors of housing.

The bill removes uncertainty and disincentives to maximizing development in any project without granting more in abatements than is actually developed. The bill also provides an additional abatement incentive for projects that provide housing for low-income individuals earning 60 percent or less of an area’s median income.

The City of Wilsonville is exploring the potential use of VHDZ as an incentive to encourage both vertical, mixed-use and affordable housing developments in the Wilsonville Town Center. Given the hot, active residential real-estate market, developers indicate that incentives are necessary to advance lower-revenue-generating multifamily housing projects that are not market-rate oriented.

As a local-option program, increased utilization of VHDZ tax credits by a community could make both vertical, mixed-use and affordable-housing projects pencil out, thereby contributing to a state goal of creating new housing opportunities. The City of Wilsonville requests your support for SB 141A. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Julie Fitzgerald".

Julie Fitzgerald, Mayor  
City of Wilsonville