

Vertical Housing Development Zone

In 2017 the Housing and Community Services Department for the state of Oregon approved the designation of a Vertical Housing Development Zone (VHDZ) by adoption of Senate Bill 310 authorizing the cities to designate VHDZs, adopt local criteria for certification and administer its own program.



Establishing a VHDZ provides a 10-year tax exemption for developers who build two or more story high housing structures within the defined boundary. The tax exemption provides 20% per equalized floor with a maximum exemption of 80% or four floors. Staff has spoken with other cities whom have implemented a VHDZ and have seen encouraging development in response to the program in both undeveloped zones and rehabilitation zones. The program is designed to encourage construction and rehabilitation to revitalize the designated development zone.

On March 15, 2021 all effected taxing districts were notified of the proposed action; each district had 45 days from mailing to provide the City with formal correspondence “opting out” of the proposed tax exemption. Staff attended many local taxing district meetings to answer questions and provide background on the program. No correspondence was received prior to the 45 day limit.

On June 7, 2021 City Council passed Ordinance 2021-1188 establishing a Vertical Housing Development Zone encompassing the existing Urban Renewal District.

October 4, 2021 City Council passed Resolution 2021-019 establishing a fee of \$400.00 for a Vertical Housing Development Zone Project Application.

Supporting Documents

VHDZ Application 150.97 KB