

March 20, 2015

City of Grants Pass

House Committee on Revenue
State Capitol
900 Court Street NE
Salem, OR 97301



RE: HB 2126, Extension of Vertical Housing Program

Chair Barnhart and Members of the Committee:

The City of Grants Pass was the first community in Oregon to establish a Vertical Housing district. It was established with support from local property owners and businesses, providing incentives to rehabilitate buildings in the city's central business district, including under-utilized upper-story spaces in historic buildings. One property owner utilized the program almost immediately after the district was established.

With recovery from the recession, the city has been experiencing renewed interest and activity in the downtown area, with numerous property owners rehabilitating buildings. The city has also recently expanded local grant and loan programs to facilitate rehabilitation including seismic and fire-life-safety retrofits, which has helped spur building improvements in the downtown area.

We strongly endorse HB 2126, which would extend the sunset on the Vertical Housing tax credit program by 10 years to 2026. Without this extension, new projects would not be eligible for the benefits of this program. With the continued improvement of the economy, we believe it is important for property owners to have the option of utilizing this program, which complements the city's other incentive programs now in place to facilitate downtown revitalization.

While vertical housing may be a given in some communities throughout the state, programs like this may mean the difference between leaving upper-story spaces unutilized or bringing them back into productive use.

When the district was originally established, taxing districts were provided with the option of opting out. Only one district opted out of the program, and the impacts to other districts have been negligible, especially considering the potential benefits.

HB 2126 would provide continued opportunity for property owners to use this program at an optimal time in our community as the economy continues to recover together with renewed re-investment in our downtown. **We encourage you to vote in support of HB 2126.** If other communities no longer wish to participate in the program, one alternative may be to include an opt-out provision.

Sincerely,

Aaron K. Cubic,
City Manager

CF#: 15-027

cc: Erin Doyle, Intergovernmental Relations Associate, LOC