



AFFORDABLE HOUSING INCENTIVES IN FOREST GROVE



A place where families and businesses thrive.

Community Development
1924 Council Street
PO Box 326
Forest Grove, OR 97116
503.992.3227
www.forestgrove-or.gov

IN RESPONSE TO PUBLIC INPUT
FROM THE AD-HOC AFFORDABLE
HOUSING COMMITTEE,

the Housing Needs
Analysis, and from the
Severe Rent Burden
meetings, Forest Grove
has implemented
incentives to construct
quality, attractive, and
affordable housing in
the City.





NON-PROFIT, AFFORDABLE HOUSING TAX EXEMPTION

When a non-profit organization owns housing and collects rent, property taxes must be paid unless a specific exemption is allowed. In Forest Grove, the City worked with the Forest Grove School District to exempt non-profit organizations that own property from all local ad-valorem property taxes used for affordable housing for individuals at 60% average median income (AMI) or less.

DENSITY BONUSES FOR CONSTRUCTION OF AFFORDABLE HOUSING

In the Town Center Core, Town Center Transition, and Community Commercial Zones, the City allows a density increase of 20 units per acre for projects that provide at least 20% of the units to households earning 60% AMI in Community Commercial zone and 80% AMI in the Town Center zones.

VERTICAL HOUSING TAX EXEMPTION

This tax exemption incentivizes multi-story, mixed-use development in the Vertical Housing Development Zone by exempting improvements up to 80% of their City ad-valorem property taxes. The exemption is based on the number of stories. As an added benefit to affordable housing providers, the City will also exempt the land value from taxation.

SYSTEM DEVELOPMENT CHARGE (SDC) DEFERRAL

The City understands that loans for construction and SDCs can add significant costs to a project. This can be particularly impactful to affordable housing projects which are often financed by a myriad of lenders and funders. For this reason, Forest Grove allows SDCs to be deferred from the time the Building Permit is issued prior to construction to the time the Certificate of Occupancy is issued after construction is complete.



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For complete details on the program, funding guidelines, and application materials, please visit us at:
<https://www.forestgrove-or.gov/planning/page/affordable-housing-strategy>