

**IMPACT STATEMENT**

**Legislation title:** Direct permitting bureaus to review development fees and charges and collaboratively formulate a plan to waive fees for qualified affordable housing and reduce fees for other residential developments for the for duration of the Housing State of Emergency. (Resolution)

**Contact name:** Kyle Chisek  
**Contact phone:** 3-1126  
**Presenter name:** Kyle Chisek

**Purpose of proposed legislation and background information:**

- Direct Permitting Bureaus to return to City Council with a plan for minimize fees for affordable housing and reducing fees in general for workforce housing.
- Directs bureaus to begin work on reducing development review timelines.
- Directs BDS to create a concierge style intake for affordable housing for cradle to grave facilitation and case management.
- Designates OMF to lead this inter-bureau work.

**Financial and budgetary impacts:**

- Because this is a resolution, once the bureaus return to Council they would provide a financial analysis on the costs/ benefits of various approaches.

**Community impacts and community involvement:**

Reduced and or fully absorbed fees will be worked out through typical budgetary/rate setting processes within the City. This legislation is part of the continued Council effort to address the Housing Emergency declared in 2015.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES: Please complete the information below.  
 NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

**REFERRED TO COMMISSIONER OF  
FINANCE AND ADMINISTRATION**

**RESOLUTION No.**

Direct permitting bureaus to review development fees and charges and collaboratively formulate a plan to waive fees for qualified affordable housing and reduce fees for other residential developments for the duration of the Housing State of Emergency (Resolution)

WHEREAS, the City of Portland has seen tremendous population growth over the past decade but multi-family development has not kept pace with this demand, particularly housing that meets the incomes of 0-60 percent of area median income, pushing Portland's vacancy rates down significantly; and

WHEREAS, this low vacancy rate and increased demand has resulted in increased housing costs for Portlanders seeking to rent or buy within the City and the pool of truly affordable housing where only 30 percent of one's income is going toward housing, is not adequate to meet the City's needs; and

WHEREAS, two factors influence this cost of housing the number of units produced compared to population growth and the regulatory constraints placed upon development; and

WHEREAS, while Portland has made significant progress to address both factors through the Construction Excise Tax passage, Inclusionary Zoning, passage of the Affordable Housing Bond package, and restrictions upon landlords, incentivizing or easing regulations for the growth of residential housing and, more importantly affordable housing, is an area where some limited progress has occurred; and

WHEREAS, while affordable housing is a crucial piece of housing reform, general residential housing that serves middle income earners is also needed because it does not serve Portland's interests to price out the middle of the housing market; and

WHEREAS, currently, each of the permitting bureaus set fees independently and often have not coordinated their approach toward fee increases; and

WHEREAS, in the past, the Development Review Advisory Committee has asked for a comprehensive review of development fees; and

WHEREAS, the development community has long indicated that increased costs for permits and fees inevitably are passed on to renters and buyers through higher rents; and

WHEREAS, the City Council and the Office of Management & Finance have also attempted to bring some level of coordination and information sharing to other bureaus and offices; and

WHEREAS, because problems persist and the costs for development are ever increasing, actions taken now can prevent costs from being passed on to future tenants or buyers.

NOW, THEREFORE, BE IT RESOLVED that City Council actively seeks ways to waive fees for the cost of affordable housing (as defined through the System Development Charge exemption) and reduce fees for the cost of other “workforce” residential development (as defined in the Construction Excise Tax exemption) so as encourage and enable the faster production of housing; and

BE IT FURTHER RESOLVED, that City bureaus that review development permits, including Bureau of Development Services, Portland Bureau of Transportation, Fire Bureau, Water Bureau, Bureau of Environmental Services, and Parks Bureau, are directed to examine existing permitting fees and charges and formulate a plan to waive or reduce some or all fees and charges so as to promote more housing; and

BE IT FURTHER RESOLVED, the Bureau of Development Services is directed to collaborate with other City bureaus to also focus on development review timelines to reduce these as much as practical; and

BE IT FURTHER RESOLVED, the Bureau of Development Services is directed to create a single case manager style of service for Affordable Housing where qualified affordable housing developments are prioritized for review and response; and

BE IT FURTHER RESOLVED, that after evaluating existing permit fees and charges, City bureaus will return to Council in four (4) weeks with suggested amendments to existing fees and charges and development review timelines with the Office of Management & Finance taking the lead.

Adopted by the Council:

Mayor Wheeler  
Prepared by: Kristin Dennis  
Date Prepared: 01/10/2017

**Mary Hull Caballero**  
Auditor of the City of Portland  
By

Deputy

Agenda No.  
**RESOLUTION NO.**

Title

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<p style="text-align: center;"><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b></p>	<p>CLERK USE: DATE FILED <u>JAN 24 2017</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p>	<p style="text-align: right;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>Mayor—Finance &amp; Administration – Wheeler </p>	
<p>Position 1/Utilities - Fritz</p>	
<p>Position 2/Works - Fish</p>	
<p>Position 3/Affairs - Saltzman</p>	
<p>Position 4/Safety - Eudaly </p>	
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p>	<p><b>ACTION TAKEN:</b></p> <p style="font-size: 1.2em; font-weight: bold;">FEB 02 2017    REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Bureau: Bureau Head:</p>	
<p>Prepared by: Kyle Chisek Date Prepared: January 24, 2017</p>	
<p>Impact Statement Completed <input checked="" type="checkbox"/>    Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/>    No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date    <b>Febraury 1, 2017</b></p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz		
2. Fish	2. Fish		
3. Saltzman	3. Saltzman		
4. Eudaly	4. Eudaly		
Wheeler	Wheeler		