

## IMPACT STATEMENT

**Legislation title:** \*Amend the Transportation Fee Schedule, TRN-3.450, to incorporate the Multimodal Incentive Fees for the Pre-Approved Transportation Demand Management Plan, per Code Chapter 17.107 and exempt Affordable Dwelling Units from the Multimodal Incentive Fee until June 30, 2020 (Ordinance)

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**Presenter name:** Liz Hormann

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

The enactment of the Comprehensive Plan 2035 on May 24, 2018 will trigger a number of code changes that were adopted by City Council, in December 2016, as part of the Plan update process (Ordinance 188177). One of the new code requirements is that developments within the new Commercial Mixed Use zones that add over 10 new dwelling units, and are close to transit, must develop a Transportation and Parking Demand Management (TDM) Plan and have it approved prior to building permit issuance.

Zoning Code Chapter 33.266.410 outlines two options for an applicant to meet the TDM Plan requirement; a Pre-Approved TDM Plan (17.107.035) or a Custom TDM Plan (33.852 and 17.107.020).

This amendment to the Transportation Fee Schedule, TRN-3.450, will include the Multimodal Incentive Fee rates for the Pre-Approved TDM Plan, as approved by Council in Ordinance 188177.

This ordinance implements Council direction in Ordinance 188177 by instituting the new Multimodal Incentive Fee rates in the Transportation Fee Schedule, TRN-3.450.

This ordinance also exempts affordable dwelling units with the Commercial/ Mixed Use Zones that are subject to the TDM Requirement (Title 33.266.410) and utilize the Pre-Approved TDM Option under Title 17.107 from the Multimodal Incentive Fee requirement until June 30, 2020.

**Financial and budgetary impacts:**

Staff are adding new fee rates for the implementation of new TDM requirements outlined in 33.266.410 and 17.107.035 (per Ordinance 188177).

Staff are also proposing an exemption on affordable dwelling units from the fees for a two-year period.

**Community impacts and community involvement:**

- The changes to code requirements implement policy changes made in the Comprehensive Plan 2035 and Transportation System Plan update projects. Both of these projects consisted of considerable public outreach, including public comment periods.
- The work to develop two rates under the Multimodal Incentive Fee came out of discussions with the Portland Housing Bureau (PHB) and PBOT staff.
- After further discussions with PHB and the Portland Housing Advisory Committee, staff are proposing an exemption to the Multimodal Incentive Fee on affordable dwelling units for two years.
- This will help keep development costs down in the short-term to facilitate affordable housing development, and offer PBOT time to assess the TDM program on Market Rate Units.
- This code requirement will help to reduce transportation costs, however potentially could increase housing costs.

**100% Renewable Goal:**

N/A

**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

KK 5-11-18

**ITEM 508**  
**AMEND TRANSPORTATION FEE SCHEDULE**

188956

NOW, THEREFORE, the Council directs:

- a. The amendment of the Transportation Fee Schedule, TRN-3.450, to include the new fee structure for the Multimodal Incentive Fee rates for the Pre-Approved TOM plan per Code Chapter 17.107, attached to this Ordinance as Exhibit A.
- b. Affordable Dwelling Units within the Commercial/ Mixed Use Zones that are subject to the TOM Requirement (Title 33.266.410) and utilize the Pre-Approved TOM Option under Title 17 .107, are exempt from the Multi modal Incentive Fee requirement. If all the following requirements are satisfied.
  - (1) The Unit is an Affordable Dwelling Unit as defined in as residential dwelling units in a development document as affordable by a recorded covenant or regulatory agreement with a government entity that are rented, leased or for purchase by households earning 80% MFI (median family income) or less.
  - (2) The applicant is still subject to the other components of the Pre-Approved TOM Option under Title 17 .107.
- c. The exemption shall cease to be effective on June 30, 2020; at that time the Affordable Dwelling Units will be subject to a Multimodal Incentive Fee rate based on the current rate of an annual TriMet Low Income Fare pass.

5/24/18

AMEND TRANSPORTATION FEE SCHEDULE

MAYOR AMENDMENT 1

PRIORITIZE INCLUSIONARY HOUSING (AFFORDABLE) UNITS

Explanation of Amendment

The cost to provide the incentive per unit and built into the pro-forma of a development is equivalent to the cost of providing a transit pass for one year (\$1100). Since the incentive is calculated on a per-unit basis, any unclaimed or un-used incentives should first be prioritized and offered to the affordable units.

Amendment Language

d. Where exempt dwelling units are within buildings with other dwelling units subject to the Multimodal Incentive Fee, the same multimodal incentives will be offered to all units in the building, regardless of which units generated the fee. ~~Any unclaimed or un-used~~ incentives will be offered to the exempt units first.

*Fritz amendment*

5/24/18

MAYOR AMENDMENT 2

ENSURE AFFORDABLE HOUSING UNITS RECEIVE BENEFITS OF THE INCENTIVE

Explanation of Amendment

Under the current proposal, any affordable unit, 80% MFI or below, that has a covenant with the City (60 or 99 years) is exempt. We want to make sure that we balance the production of affordable housing without cost-burdening our partners with ensuring tenants of affordable units receive the same transportation benefits as tenants of market-rate units.

Amendment Language

e. The Portland Bureau of Transportation is directed to report back to Council by September 30, 2018 with options for how to fund an equivalent level of multimodal incentives for the exempt units, for the duration of the exemption period. ~~Funding priority will be given to buildings where all units are exempt.~~

*Fund an equivalent level of incentives for buildings where all the units are exempt.*

f. Exhibit A of this ordinance is binding City Policy.

*City  
Amend-  
ment*