

IMPACT STATEMENT

Legislation title: Mixed-Use Zones Affordable Commercial Space Bonus - Prosper Portland Administrative Rules

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Purpose of proposed legislation and background information:

At the June 21, 2018 Portland City Council meeting, Prosper Portland staff will provide an update on the Administrative Rules for the Affordable Commercial Space Bonus (ACS Bonus) within Title 33. The ACS Bonus was approved by Portland City Council on June 6, 2018 as a part of the 2035 Comprehensive Plan Code Reconciliation Project. As described in Portland City Code Section 33.130.212.D, the ACS Bonus allows development proposals in Mixed Use Commercial zones and 20 or fewer residential units to access floor area ratio (FAR) and height bonus if they provide on-site affordable commercial space or pay into the Affordable Commercial Space Fund. The code revisions tasked Prosper Portland with developing the Administrative Rules for determining when and how applicants meet City Code guidelines and for the administration of the ACS Bonus.

On June 13, 2018, the Prosper Portland Board of Commissioners approved Administrative Rules for the ACS Bonus. The ACS Bonus is a component of the Prosper Portland Affordable Commercial Framework to support small businesses through access to commercial space, technical assistance, and direct financial support and aligns with and implements the Prosper Portland 2015-2020 Strategic Plan.

Financial and budgetary impacts:

The ACS Bonus impacts the City Budget in the following ways:

- Depending on the development community's uptake of the ACS Bonus, Prosper Portland and Bureau of Development services staff time will be required for initial review and certification of qualified applicants in coordination with the City's permitting process.
- In addition, Prosper Portland staff time will be required for the referral and financial review of potential tenants to the space provided via the ACS Bonus; and for ongoing monitoring throughout the life of the ten-year requirements outlined in the administrative rules for on-site affordability.
- Small business technical assistance support will be provided by Prosper Portland through the existing Inclusive Business Resource Network, and is anticipated to be funded with current year and future year General Fund resources.
- Payments into the Affordable Commercial Fund are available and intended to support Affordable Commercial projects citywide and to anticipated staff costs.
- Future requests may be made of the General Fund to build on Prosper Portland's small business technical assistance and staffing for this program.

Community impacts and community involvement:

In 2017, Prosper Portland and the Bureau of Planning and Sustainability convened a 14-member Stakeholder Advisory Committee (SAC), which included representatives from the Planning and Sustainability Commission, Venture Portland, Neighborhood Prosperity Initiative districts, real estate developers, and brokers. The SAC met four times and provided a sounding board to staff in the development of the ACS Bonus code language and administrative rules and made recommendations regarding the program's viability.

The SAC discussions were also informed by a market analysis completed by Johnson Economics which identified the need for a program that looked beyond lease rates and rate discounts when establishing ACS Bonus administrative rules. Prosper Portland and BPS incorporated the analysis and SAC feedback into the proposed administrative rules as approved by the Prosper Portland Board. As part of implementing a broader Affordable Commercial Framework, Prosper Portland will convene an Affordable Commercial Advisory Committee to continue to guide the ACS Bonus as well as other components of the Affordable Commercial Framework.

100% Renewable Goal:

The ACS Bonus has no direct connection or impact on the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

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