

## ORDINANCE No. 189302

\*Amend Property Tax Exemption for Multiple-Unit Housing Development Code and Inclusionary Housing Code to extend the current inclusion rate and fee in lieu for affordable units until 2020 (Ordinance; amend Code Section, 30.01.120 and 3.103.040)

The City of Portland ordains:

Section 1. The Council finds:

1. In December 2016, the City Council passed Ordinance 188163, adding the Inclusionary Housing program to the City's portfolio of affordable housing development tools to increase the number and types of units available to households earning 80 percent or less of the median family income in high opportunity areas.
2. To build the momentum of the inclusionary housing program, the Housing Bureau initially allowed for a lowered set aside rate which required new buildings with 20+ units to provide 15% of the units at regulated affordable rents for households at 0-80% AMI, or provide 8% of units at 0-60% AMI, both with exceptions in the Central City and Gateway Plan District between February 2017 December 2018.
3. As of September 2018, the inclusionary housing program is in the process of permitting 362 units of affordable housing under the lowered set aside rate and fee in lieu.
4. The market is adjusting to the inclusionary housing program. However, in the September 2018 inclusionary housing program memo, the Housing Bureau reported market indicators signaling a shift in the market cycle based on factors unrelated to the inclusionary housing program including; increasing construction costs, increasing federal fund rates, tariffs on construction, and the state economists warning of a potential economic slowdown.
5. Review of the inclusionary housing program indicates there may be areas outside the Central City that need additional support for the development of inclusionary housing units. The Housing Bureau is committed to perform an analysis of areas outside the Central City and potentially recalibrate the incentive package to support affordable housing development in specific geographies.

NOW, THEREFORE, the Council directs:

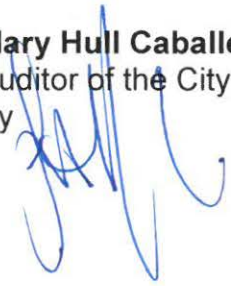
- a. Subsections 30.01.120.C, Financial Incentives, and 30.01.120.F, Fee-in-Lieu, are hereby amended for developments subject to and built under Inclusionary Housing and that are located outside the Central City with a lower inclusion rate and lower fee-in-lieu rate for an additional two years as specifically set forth in Exhibit A, attached hereto.
- b. Subsection 3.103.040.C, Affordability, is hereby amended for developments subject to and built under Inclusionary Housing and that are located outside the Central City with a lower inclusion rate and lower fee-in-lieu rate for an additional two years as specifically set forth in Exhibits B, attached hereto.

Section 2. The Council declares that an emergency exists to provide clarity and certainty to developers in early assistance, land use review, and permitting; therefore, this ordinance shall be in full force from and after its passage by the Council.

Passed by the Council: DEC 12 2018

Commissioner: Mayor Wheeler  
Prepared by: Jessica Conner  
Date Prepared: November 6, 2018

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

 Deputy

Agenda No.  
**ORDINANCE NO. 189302**  
 Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b>	CLERK USE: DATE FILED <u>DEC 04 2018</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler <i>MA</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland  By: <u><i>Mary Hull Caballero</i></u> Deputy  <b>ACTION TAKEN:</b>
<b>BUREAU APPROVAL</b> Bureau: Housing Bureau Head: Shannon Callahan <i>SC</i>  Prepared by: Jessica Conner Date Prepared: November 6, 2018  Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>  Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  <b>City Auditor Office Approval:</b> required for Code Ordinances <i>TAG</i>  <b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>J</i>  Council Meeting Date <b>12/12/18</b>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 3pm</b> <i>3:45</i> <b>Total amount of time needed: 20-min</b> (for presentation, testimony and discussion)  <b>CONSENT</b> <input type="checkbox"/>  <b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)			
	1. Fritz	YEAS	NAYS
	2. Fish	✓	
	3. Saltzman	✓	
	4. Eudaly	✓	
	Wheeler	✓	