

City of Portland, City of Gresham, and Multnomah County Consortium

Part A. Local Jurisdictions. Counties Exercising Land Use and Building Regulatory Authority and Other Applicants Applying for Projects Located in such Jurisdictions or Counties

Supplemental answer

12. Within the past five years, has the jurisdiction initiated major regulatory reforms either as a result of the above study or as a result of information identified in the barrier component of the jurisdiction's "HUD Consolidated Plan?" If yes, attach a brief list of these major regulatory reforms.

Regulatory Reforms

In the *Consolidated Plan 2005-2011*, the Consortium identified the need to coordinate housing initiatives within a regional planning framework. It also identified the cumulative impact of local regulations, systems development charges, and revitalization that had the unintended consequence of promoting involuntary displacement.

In the Consolidated Plan 2011-2016, the Consortium affirmed the need for coordinated regional planning. Metro is the regional planning agency. Over the last two years, Metro has coordinated the work of many local governments and community partners, including the Consortium members, around achieving sustainable communities: energy-efficient, equitable communities that both reduce the carbon footprint and offer all residents access to opportunities for good jobs, public transit, quality education, health care and a range of community amenities and services.

While Metro's application to HUD for a Sustainable Communities Initiative Planning Grant was not successful, HUD designated the Metro area a Preferred Sustainability Status Community. Moreover, Metro, its member jurisdictions and community partners have continued to work on a number of projects and proposals to advance the sustainability of this region, including a plan to create regional "opportunity maps" that would illuminate where barriers exist to the creation of communities of opportunity, and what strategies might be effective to address them.

The Portland City Council has continued to lead regional affordable housing efforts, and acted aggressively to keep the cost of housing down and to remove barriers to the development, maintenance, and improvement of affordable housing.

It has also provided incentives to develop maintain and improve affordable housing in our jurisdiction. Specifically, the Portland City Council has acted on the policies detailed below:

1. Policy for Supporting Regional Affordable Housing Strategy Implementation

Metro, the regional land-use planning agency, has developed the Regional Affordable Housing Strategy (RAHS). The strategy sets aspirational goals for affordable housing production, and requires each jurisdiction to consider the adoption of various tools to promote development of affordable housing.

Multnomah County, Portland, and Gresham have all adopted the RAHS. In December 2003, Portland reported that it had considered and taken action on most tools. Examples include: density bonuses, reduced parking requirements, private lender participation and loan guarantees, systematic inspections, siting policies, regional revenue option for housing, mobility strategies, partnerships with public schools, weatherization and energy efficiency, and various

financial tools. In June 2004, the City of Portland reported on the outcomes of its amendments to its Comprehensive Plan and implementing ordinances pending at the time of the December 2003 report and the public response to the adoption of these amendments.

As a result of this policy, Portland is fully implementing the regional affordable housing strategy. Units are counted under specific programs.

2. Policy of Exempting Affordable Housing from Property Taxes

The Portland City Council has adopted six tax exemption programs allowed under State law. The Bureau of Planning and Sustainability and the Portland Housing Bureau administer these programs which include ones for:

- Low-income housing held by nonprofit organizations;
- Renter rehabilitation;
- Owner rehabilitation in homebuyer opportunity areas;
- New construction of single unit owner occupied housing in homebuyer opportunity areas;
- New transit supportive residential or mixed use development; and
- New multi-unit housing in the Central City and urban renewal areas (URAs).

As of 2010, the City of Portland has assisted over 14,000 housing units through its residential tax exemption programs. The largest program in terms of units and foregone revenue is the nonprofit program for low income housing.

Starting in 2010, the City of Portland, Multnomah County, and other taxing jurisdictions have been engaged in a "Big Look" at the residential tax exemption programs. This policy review is intended to ensure that the exemptions are aligned with the current set of priorities for housing development, including the development of affordable housing.

3. Policy to Assess and Eliminate Unnecessary Regulatory Barriers

The City of Portland Bureau of Planning and Sustainability was directed to perform periodic and ongoing assessments of the cumulative impact of regulations (zoning and building codes) and infrastructure requirements on the ability of the market to meet housing demand at different price levels. As a result of this assessment, the City of Portland has allowed accessory dwelling units in single family zones since at least the early 1980s and has continued to liberalize the regulations governing them and approved the development of small, detached units on 2,500 sq. ft. lots in R2 and R2.5 zones in the 1990's. The Portland Bureau of Development Services established a moratorium on collecting fees for accessory dwelling units throughout 2010.

No outcomes are available at this time.

4. Policy to Expedite Housing Development

The City of Portland Bureau of Development Services was directed in 2003 to adopt a policy to guarantee a ten-day turn around for complete residential building permit applications. *This removed a barrier to development of affordable housing.*

5. Policy to Provide Incentives for Mixed-Use, Mixed-Income Development

The City of Portland Planning Bureau was directed to offer density bonuses, large-unit bonuses, and underground parking bonuses for mixed-use, mixed-income projects in the West End of the Central City beginning in 2002.

6. Policy to Exempt Affordable Housing from System Development Charges

In 1998, the Portland City Council directed the City Parks, Water and Transportation Bureaus to provide complete or partial exemptions to system development charges (SDCs) for affordable housing projects serving households below 60% MFI. For FY 2009-2010, SDC exemptions totaled \$4,067,493.89 in foregone revenue. This reduced the cost of developing a total of 570 units of affordable housing, 356 affordable rental units and 214 homeownership units.

7. Policy to Mitigate Effects of New Development on Existing Affordable Housing

In 2001, the Portland City Council adopted a Central City No Net Loss policy, in response to concerns that the economic development of the Central City was squeezing out affordable housing. In FY2009-2010, the city completed two affordable housing preservation projects: Walnut Park and Upshur House. 68 total units were preserved; 67 units were preserved to be affordable to households below 30% MFI, one unit was preserved at above 80% MFI for a property manager unit.

Seven downtown properties have Project-based Section 8 contracts that are due to expire within the term of this 2011-2016 Consolidated Plan. Under Portland’s Preservation Ordinance, the City may purchase the properties to preserve affordability of the 581 units:

Project name	Project Street Address	Expiration Date	Total Units	Contract Units
Chaucer Court	1019 Southwest 10th Avenue	10/21/11	83	83
Hawthorn East	1420 Southeast 16th Avenue	12/20/11	71	71
Lexington	1125 SW 12th Avenue	11/22/12	54	54
Park Tower	731 SW Salmon Street	12/15/12	162	162
Bronaugh Building	1434 SW Morrison Street	02/09/13	51	51
1200 Building	1220 Southwest 12th Avenue	05/26/13	89	89
Uptown Tower	712 Southwest Saint Clair Avenue	07/18/13	71	71
Total			581	581

8. Portland Plan policies. Portland is nearing completion of a new 25-Year Portland Plan. The Plan will include policies and both long and short-term implementation activities. Current drafts of the plan would boost affordable housing preservation and new production efforts. For details, please see www.portlandonline.com/portlandplan.

The City of Gresham has acted on the policies described below:

1. The perimeter lot size compatibility standard was removed in 2008, which allows for the construction of housing on smaller lots. This was part of the Residential Districts Review process.
2. In 2011, the plan development requirement for lots that were less than 6000 square feet was removed making it easier to develop subdivisions with minimum lot sizes of 5000 square feet.
3. In 2011, code was changed to permit the overlap of buffers and setbacks for infill development which increased the land available for housing units.

The City of Gresham continues to promote high density residential development within Transit Corridors, Town Centers and Regional Centers. In addition, Gresham allows Community Services Uses (special use housing) in all districts except industrial districts. This action has substantially broadened the range of siting opportunities for special needs housing.

