

**RESOLUTION No.      3 7 0 7 0**

Direct the Bureau of Planning and Sustainability and the Portland Housing Bureau to collaborate to develop recommendations to create zoning incentives for affordable housing development in the Central City (Resolution)

WHEREAS, Portland is expecting approximately 30,000 new households and 40,000 new jobs in the Central City by 2035 (CC2035 Plan), a map of the Central City is attached as Exhibit A.

WHEREAS, according to the METRO *Urban Growth Report 2009*, the Central Business District (a subset of Central City) can expect 33% of total households in 2030 to be burdened by housing costs which exceed more than thirty percent of their household income, this is higher than the forecasted regional average of between 17 to 23 percent of all households.

WHEREAS, where people live can often mean a pathway of success. To thrive, people need access to the things that make a neighborhood great. Quality schools, parks, jobs, transportation and affordable housing all contribute to our success and wellbeing.

WHEREAS, Portland Housing Bureau's Opportunity Maps, developed with the Bureau of Planning and Sustainability (BPS), look through the lens of access to transportation, family wage jobs, quality education, and active living revealing that opportunity in Portland as defined by these maps is concentrated in the Central City, with most locations enjoying the City's best access to jobs, public transportation, strong schools and parks.

WHEREAS, there is a well-documented and growing need for affordable housing in the Central City based on the following studies: Household Demand & Supply Projections; Housing: Updates on Key Housing Supply & Affordability trends; Consolidated Plan 2011-2016; Fair Housing Plan 2011 and the Central City Housing Inventory -2012.

WHEREAS, there is a well-documented need for additional resources to support development of affordable housing in the Central City as outlined in Portland Plan; the 2011-2016 Consolidated Plan of the Cities of Portland and Gresham and Multnomah County; the Portland Housing Opportunity Analysis and the Portland Housing Bureau Strategic Plan 2011-13.

WHEREAS, the availability of tax increment financing funding in the Central City is declining.

WHEREAS, increasing the supply of affordable housing in the Central City is called for in the Portland Plan, Consolidated Plan 2011-2016, current and new draft Comprehensive Plan, Central City Plan and the draft CC2035 Plan (the update to the 1988 Central City Plan).

WHEREAS, the City has used zoning bonuses as a means to accomplish public policy objectives in the Central City.

WHEREAS, an analysis, by the Bureau of Planning and Sustainability, of the use of the bonus system has found that a few of the current bonuses are regularly utilized and that the whole system is in need of review to be more effective and relevant to today's policy objectives including increasing the supply of affordable housing.

WHEREAS, the Portland City Council is committed to assisting developers in creating mixed income properties which include affordable units that increase the diversity of the housing stock and thus the Central city residents.

WHEREAS, the CC2035 project is an update of the 1988 Central City Plan and will include revision of the Central City zoning bonus system.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, a municipal corporation of the State of Oregon, that the Bureau of Planning and Sustainability, in collaboration with the Portland Housing Bureau, is directed to develop and return to City Council with recommendations to create zoning incentives for the development of affordable housing in the Central City and an assessment of the current bonus system.

BE IT FURTHER RESOLVED by the Council of the City of Portland, a municipal corporation of the State of Oregon, that this proposal will be based on the following:

- An economic study of the type and amount of bonus necessary to create an effective incentive for the development of affordable housing, completed by the December 1, 2014.
- An assessment of other zoning bonuses that may be added or retained to the Central City zoning bonus system and how these other bonuses affect the likelihood of use of the affordable housing bonus.
- An initial assessment of which of the current bonuses in the Central City bonus system should be retained or eliminated and will be discussed as part of the CC2035 Plan development process.
- An assessment of the best way to design the new zoning tools to be most easily administered and updated to meet changing market conditions.
- An assessment of whether different types of bonuses or incentives are needed in different subareas of the Central City.
- An assessment of specific variables that could impact the effectiveness and efficiency of the affordable housing bonus, including but not limited to:
  - Levels of affordability
  - Type and mix of types of units
  - Location of units within buildings
- An assessment of the best way to design the new zoning tools to be most easily administered and updated to meet changing market conditions.

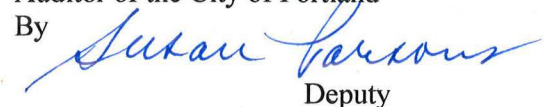
Adopted by the Council: MAY 07 2014

Commissioner Dan Saltzman  
Prepared by: Joe Zehnder  
Date Prepared: April 30, 2014

**LaVonne Griffin-Valade**

Auditor of the City of Portland

By

  
Deputy

398

✓140

Agenda No. **37070**  
**RESOLUTION NO.**  
 Title

Direct the Bureau of Planning and Sustainability and the Portland Housing Bureau to collaborate to develop recommendations to create zoning incentives for affordable housing development in the Central City. (Resolution)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Saltzman</b>	CLERK USE: DATE FILED <u>MAY 02 2014</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>DS/sc</i> Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland  By: <i>[Signature]</i> Deputy
<b>BUREAU APPROVAL</b> Bureau: Bureau Head:  Prepared by: Joe Zehnder Date Prepared: April 30, 2014  Financial Impact & Public Involvement 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 checked="" type="checkbox"/> No <input type="checkbox"/> <b>City Auditor Office Approval:</b> required for Code Ordinances  <b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan  Council Meeting Date: <b>May 7, 2014</b>	<b>ACTION TAKEN:</b>

<b>AGENDA</b>
<b>TIME CERTAIN X</b> <b>Start time: 11:00 AM</b>  <b>Total amount of time needed: 30</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <b>Total amount of time needed: _____</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	