

INCENTIVE ZONING FOR AFFORDABLE HOUSING

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
<i>John Miller</i> <small>Cif not already on invited panel</small>	<i>1000 Oregon Street NW</i>	
✓ <i>Michael Buonocore</i>	<i>Home Forward 135 SW Ash St 97204</i>	
✓ <i>Maggie Tallmadge</i>	<i>Coalition Communities for</i>	
✓ <i>Heidi Guenin</i>	<i>Upstream Public Health</i>	
✓ <i>Diane Linn</i>	<i>Proud Ground 5122 N. Interstate PDX</i>	
✓ <i>Cat Goughnour</i>	<i>Radix Consulting</i>	
✓ <i>Bob Sallinger</i>	<i>Audubon Portland</i>	
✓ <i>Raihana Ansary</i>	<i>PBA</i>	
✓ <i>Susan Pearce</i>		
✓ <i>Lightning</i>		

July 9, 2015

Portland City Council  
1221 SW 4<sup>th</sup> Ave.  
Portland, Oregon 97204



*Re: Central City Density Bonus Policy Update*

Dear Mayor Hales, Commissioner Saltzman and Portland City Commissioners,

On behalf of OPAL Environmental Justice Oregon, I write to encourage Portland City Council to support an aggressive revision of the density bonus policy to achieve greater residential affordability in and around the Central City neighborhood. We are part of the broader Anti-Displacement PDX coalition that also supports this policy adoption.

As you know, our state is only one of two in the country that prohibits the use of mandatory inclusionary housing policy, a basic land use tool that has secured below-market-rate housing units in over 500 jurisdictions across the country over the past 40 years. Portland was right to prioritize lifting the ban in this past legislative session, and even though our recent efforts fell just short, we are now engaged in a more genuine conversation about the various tools and strategies required to address the affordability crisis in our city. While we are optimistic about our chances to finally repeal the prohibition on mandatory inclusionary housing in the next legislative session, it is now incumbent upon Portland City Council to do everything within your existing authority to maximize below-market-rate housing production wherever possible.

This incentive-based inclusionary housing policy is such an opportunity. While providing density bonuses for a range of development amenities may have made sense 20 or 30 years ago in order to stimulate residential development, we have no such need today. Portland has one of the hottest housing markets in the country, and many of those amenities, such as green roofs, water features, sustainable landscaping, "public" space and bike parking racks, are now included in new market-rate development outright, due to consumer demand. We can no longer afford, literally, to provide valuable bonuses to developers for amenities that the market is already dictating, and that frankly are not absolutely critical to the health and well-being of working families.

We support a focused incentive policy that only provides a bonus for the development of below-market-rate units, with an on-site production target at 80% MHI, and an in-lieu fee production target at 60% MHI. And we ask that the City Council remain aware that the feasibility study supporting this policy is based on underlying assumptions favorable to the development community. This is sensible, in that the purpose is to incentivize production, yet it calls for an aggressive approach in other aspects of the policy to account for the fact that we continue to operate in the context of profit entitlement. Hopefully, with your continued support, we can restore this City's authority to utilize all available tools to maximize housing affordability and mobility for all residents.

We ask that you resist the political expediency of placating enablers of the status quo, blind to the struggles of hard-working families that still cannot quite stay afloat or find stability in our escalating housing market. Even if initial gains from this policy are modest, they represent real gains, tangible gains, gains that we otherwise would not have, and serve as a foundation to build on. Public awareness around affordability concerns is at an all-time high, and your balancing of competing interests sends a message to the public about the degree to which these concerns are prioritized. This policy proposal is a step in the right direction, chipping away for the greater public benefit. OPAL strongly encourages that you adopt this updated density bonus policy.

Thank you for your consideration.

Sincerely,

Jonathan Ostar  
Executive Director



Thursday, July 9, 2015  
 Portland City Council  
 1221 SW 4<sup>th</sup> Ave  
 Portland, Oregon 97204

Dear City of Portland Commissioners:

We write to you on behalf of Anti-Displacement PDX, a coalition of 22 community-based organizations working to end displacement and expand access to affordable housing in Portland.

Our coalition’s primary focus has been on adding strong equity and anti-displacement provisions to Portland’s Comprehensive Plan Update. Since March, we have been working closely on amendments with the Planning and Sustainability Commission and their staff. We have also begun to reach out to you and your staff in anticipation of the Comprehensive Plan moving to Council. We look forward to continued conversation that will have a significant impact on the lives of the various communities our organizations represent.

In the meantime, our coalition wishes to weigh in with strong support for the resolution currently before you that would update the density bonus program and prioritize affordable housing development.

Multiple tools and strategies are required in order to address Portland's housing crisis. Improving the incentive system to encourage the construction of both market-rate and affordable units sets an important precedent toward equitable development in Portland. By intentionally incentivizing affordable units, the Council has an opportunity to directly mitigate the increasing housing and transportation cost burdens that low-income residents and communities of color have seen first-hand.

Displacement and barriers to housing access are real, and they are a direct result of the waves of the development boom across Portland. As affordable rents have been and continue to be pushed farther and farther from the city's core, those with less means to pay incur deeper transportation and transit costs - and some are even forced to sever the vital bonds of healthy community. While no single policy or investment will fully solve this crisis by itself, we are confident that this proposal is a significant and essential step toward making an equitable Portland possible. Imagine a Portland in which all neighborhoods boast opportunities for affordability along with amenities such as walking, biking, clean air, and accessible transit. This can only be done by increasing the interest of developers to build the types of housing that are needed - housing that allows people to stay in place, the types that is affordable and meets the needs of the growing diversity of our communities..

We are also aware that you are hearing from advocates who wish to preserve incentives for green infrastructure such as bike racks and eco-roofs. We urge you to consider the broader intent of the City's bonus system - we have seen that in the past by incentivizing these green options the City has successfully shifted the market to offer much needed bike parking and storm water solutions as amenities of development. This has become a win-win for developers and those residents who directly benefit from these developments. We ask that you take the same intention with housing affordability. Additionally, given the Council's stance and interest in using inclusionary zoning tools, we see this proposal as a vital move in that direction, given the lack of movement at the state level - even as the highest court in the nation recognizes disparate impact caused by the failure to provide equitable distribution of affordable housing in our best neighborhoods. Nonetheless, we are certain that an equitable Portland can become livable and "complete" for all of our neighborhoods.

We also understand the perennial concern: that there are many competing priorities for the City's public funds. Many of our organizations agree that addressing inequities and barriers at their root cause is the most transformative towards building an equitable and "complete" Portland. Please take a stand for housing opportunity by prioritizing affordable housing as the only incentive of the City's density bonus program. This proposal is timely, logical, appropriate and urgently needed for communities throughout Portland. Thank you very much for your consideration.

Sincerely and with great gratitude,  
Anti-Displacement PDX

Asian Pacific American Network of Oregon (APANO)  
Bradley Angle  
Center for Intercultural Organizing (CIO)

Coalition of Communities of Color (CCC)  
Community Alliance of Tenants (CAT)  
Community Cycling Center (CCC)  
Community of Practice  
Design + Culture Lab  
Groundwork Portland  
Housing Land Advocates  
Living Cully  
North/NE Neighbors for Housing Affordability  
OPAL, Environmental Justice Oregon  
Oregon Opportunity Network  
Portland Community Reinvestment Initiatives Inc. (PCRI)  
Portland African American Leadership Forum  
Radix Consulting Group  
Right 2 Dream Too  
Right 2 Survive  
Portland Harbor Community Coalition  
Rose Community Development  
Upstream Public Health  
Urban League of Portland  
1000 Friends of Oregon

Thursday, July 9, 2015  
Portland City Council  
1221 SW 4<sup>th</sup> Ave  
Portland, OR 97204

Dear Mayor Hales and Commissioners,

The Coalition of Communities of Color (CCC) urges Council to support Commissioner Saltzman's resolution, prioritizing affordable housing development in the City's FAR bonus and transfer provisions.

The mission of the Coalition of Communities of Color (CCC) is to address the socioeconomic disparities, institutional racism, and inequity of services experienced by our families, children and communities; and to organize for collective action resulting in social change to obtain self-determination, wellness, justice and prosperity. Formed in 2001, the Coalition is an alliance of 20 culturally-specific community based organizations with representation from six communities of color: African, African American, Asian and Pacific Islander, Latino, Native American and Slavic.

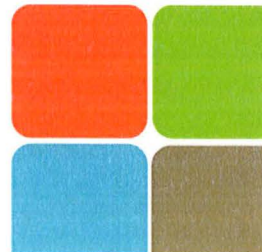
Our families and communities face disproportionate housing cost burdens—often spending more than 30% or even 50% of their income on housing. The recent State of Housing in Portland Report reiterates this. While communities of color represent 30% of Multnomah County, only average white households and married couples with children have median incomes high enough to withstand rising housing costs in most parts of the City. Average Black households can afford to rent in seven of Portland's neighborhoods without becoming cost burden. Average Native American households can afford only two.

As housing prices and rents rise, Portland residents, and, in particular, communities of color and low-income communities are seeing their incomes and housing options severely constrained. Households are steadily pushed to the fringes of cities, communities are increasingly segregated, and widespread disparities are exacerbated.

We believe today's private market already provides many public benefits such as water features or bike racks; instead, benefits incentivized through FAR bonus and transfer provisions must prioritize one of the city's most pressing issues—affordable housing up to 80% MFI. Without stable affordable housing, our families may not see public benefits such as open space or bike racks.

The FAR bonus and transfer provisions are just one tool of many required to meet the housing needs of our communities; no one tool will be the solution to the City's affordable housing crisis. However, incentive-zoning practices that support affordable housing development or an in-lieu fund by the private market, allow developers to be part of the solution. Our City needs to capture the value of density and elevate affordable housing as the primary community benefit in this mechanism.

Thank you for your continued leadership and support of more equitable housing solutions.



Sincerely,

A handwritten signature in black ink, appearing to read "M. Tallmadge". The signature is written in a cursive, flowing style.

Margaret Tallmadge  
Environmental Justice Manager  
Coalition of Communities of Color



Testimony of Raihana Ansary  
Government Relations Manager  
Portland Business Alliance  
Before Portland City Council  
Regarding Central City FAR Bonus and Transfer Options  
Thursday, July 9, 2015

Good afternoon Mayor Hales, Commissioners.

I'm Raihana Ansary, here on behalf of the Portland Business Alliance to testify on the central city floor area ratio and bonus and transfer resolution before you today. My comments largely reflect a letter that we sent to city council yesterday.

First, we too are concerned with housing affordability. Our recent report on Middle-Income Jobs shows that housing affordability is a growing concern with a minimum median household income of \$70,000 required per year to purchase a home (single-family and multi-family) in most of the city of Portland today.

As our data show, we believe affordability is a growing issue not just for low income households, but also middle income households. We, therefore, urge that any proposed affordable housing bonus program apply to households up to 100 percent MFI (median family income).

We don't feel it necessary to eliminate so many of the current bonus and transfer options to achieve the city's affordable housing goals. The current bonus and transfer system supports the city's goals for density, encourages the delivery amenities that support other city goals, and allow for greater architectural creativity that enhances the city's skyline.

Instead of removing bonus options such as those for bike storage facilities that are working, the city should explore mechanisms to incent and make more attractive a new affordable housing bonus.

For example, the 3:1 cap on bonus FAR that can be used on a single site could be raised for affordable housing. If this additional entitlement were allowed it would make this affordable housing bonus attractive to developers and drive its use even among the other bonus options. There are likely other options to incent the use of the affordable housing bonus.

We are concerned that the resolution before you may be too prescriptive to accommodate potential adjustments, such as the one I just mentioned, that would make the affordable housing bonus attractive for projects. This should be the ultimate goal; otherwise there is a risk the bonus will not be used, which does nothing to drive increased affordable housing.

Should this proposal move forward, we strongly recommend that it be revisited on a yearly basis at least for the first few years to evaluate how it is performing and make adjustments if needed.

Thank you for the opportunity to comment. We stand ready to work with you to create a system that will advance our common goals around ensuring housing affordability.

**Parsons, Susan**

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**From:** jon.ostar@gmail.com on behalf of Jonathan Ostar <jon@opalpdx.org>  
**Sent:** Thursday, July 09, 2015 1:06 PM  
**To:** Council Clerk – Testimony  
**Cc:** Callahan, Shannon  
**Subject:** Written testimony in support of FAR Bonus Provision Resolution  
**Attachments:** LoS Density Bonus Update 7\_9\_15\_OPAL.pdf

Karla, attached please find written testimony in support of this resolution.

Thank you,

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Jonathan Ostar, Executive Director  
OPAL Environmental Justice Oregon  
O: [503-342-8910](tel:503-342-8910) | M: [503-407-9145](tel:503-407-9145) | [www.opalpdx.org](http://www.opalpdx.org)  
Building Power for Environmental Justice and Civil Rights in our communities

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**HELIUM COMEDY CLUB** | **503.342.8910**  
**1510 SE 9th Avenue** | **VIVIAN@OPALPDX.ORG**

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