

Inclusionary Housing Program Recommendations



PORTLAND HOUSING BUREAU

Dan Saltzman, Commissioner
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Senate Bill 1533 Background

- Mandatory affordability at 80% AMI and above
- Applies to rental and for-sale buildings with 20+ units
- Affordable units limited to 20% of all units
- Requires incentives for affordable units, such as SDC or fee waivers, financing, and tax exemptions
- Fee-in-lieu option

Process Overview

April 2016: Panel experts appointed and meetings begin

May 2016: Development prototypes

June 2016: Financial modeling assumptions

July 2016: Nexus analysis

August 2016: Economic and feasibility analysis

September 2016: Program Recommendations

Nearly 40 hours of public meetings over 7 months

Policy Framework

- Citywide program, **calibrating** the inclusion rate and incentives **by geography**
- Set mandatory program at 80% AMI, and develop **supplemental incentives to reach below 60% AMI**
- Prioritize **units on site** over fee-in-lieu revenue or units off-site

Policy Framework Continued

- Inclusionary housing requirement for **all buildings with 20 or more units**
- Inclusionary units maintain comparable size, composition, and unit distribution in the building
- Maintain **affordable units for 99 years**
- Develop a policy that does not impede market rate development

Program Recommendations

Mixed Use Zones

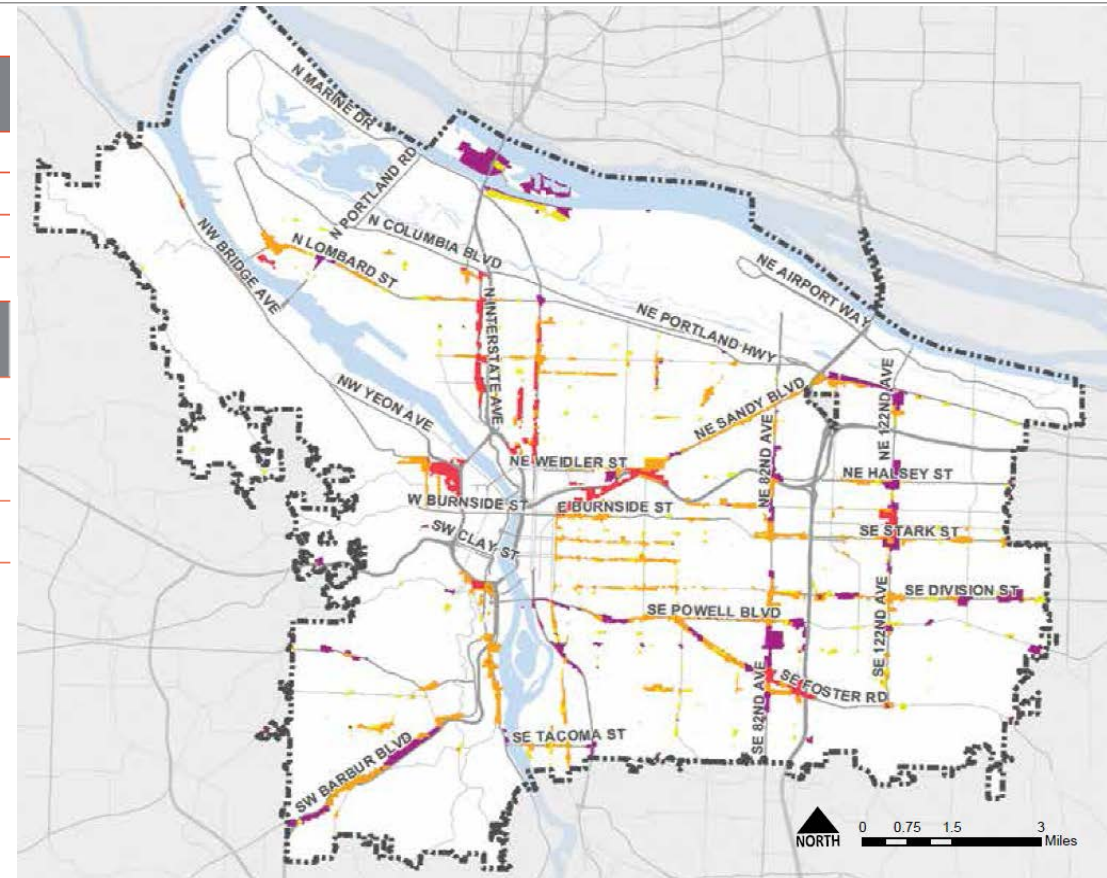
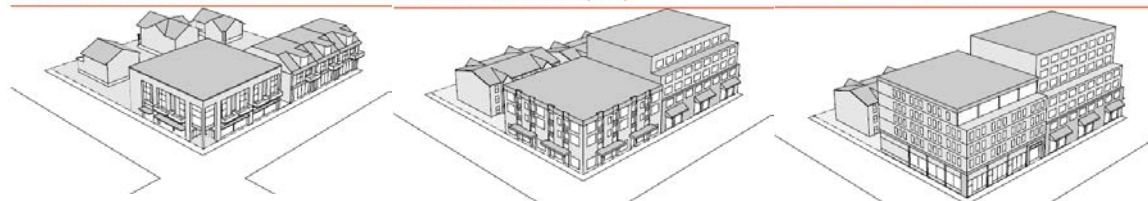
Proposed Comprehensive Plan Designation	Future Implementing Zones
Mixed Use Dispersed	CM1, CE
Mixed Use Neighborhood	CM1, CM2, CE
Mixed Use Civic Corridor	CM1, CM2, CM3, CE
Mixed Use Urban Center	CM1, CM2, CM3

Comprehensive Plan Designation	Current Zones						
	CN1/2	CO1/2	CM	CS	CG	EX	CX
Mixed Use Dispersed	CM1	CM1	CM1	CM1	CM1# CE#	CM1	n/a
Mixed Use Neighborhood	CM1	CM1+ CM2+	CM2	CM2	CM2# CE#	CM2	n/a
Mixed Use Civic Corridor	CM1	CM1+ CM2+	CM2	CM2	CM2# CE#	CM3	CM3
Mixed Use Urban Center	CM1	CM1+ CM2+	CM2	CM2	CM2# CE#	CM3	CM3

Commercial Mixed-Use 1 (CM1)

Commercial Mixed-Use 2 (CM2)

Commercial Mixed-Use 3 (CM3)



New Mixed Use Zones

■ Commercial Mixed Use 1 (CM1)
 ■ Commercial Mixed Use 2 (CM2)
 ■ Commercial Mixed Use 3 (CM3)
 ■ Commercial Employment (CE)

Mixed Use Zones Inclusion Rates

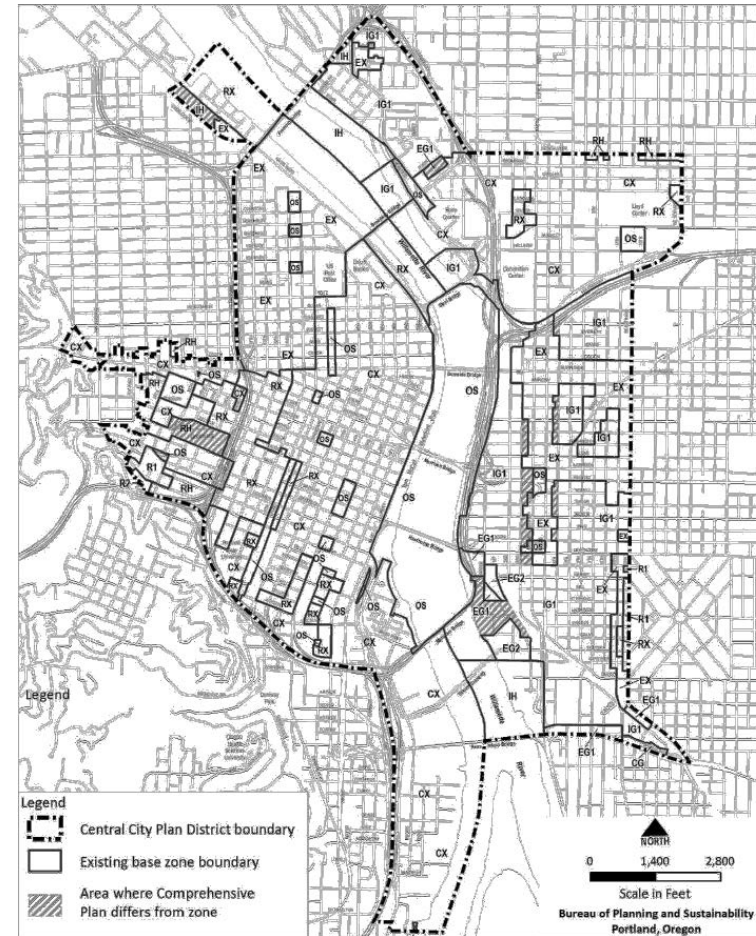
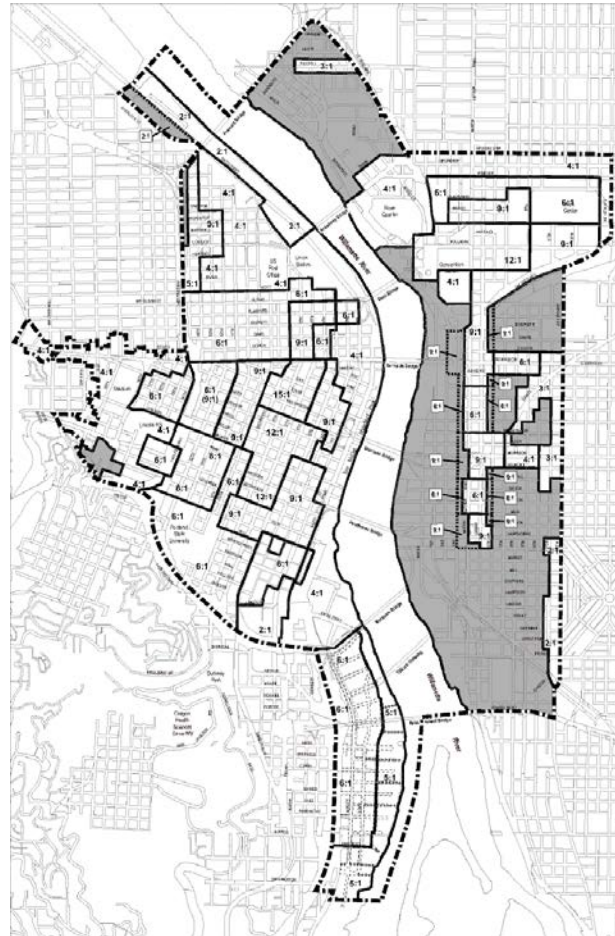
- **Mandatory Inclusionary Requirement**
 - Initial rate of 15% of Units at 80% AMI
 - In 2019, 20% of Units at 80% AMI
- **Deeper Affordability Option**
 - Initial rate of 8% of Units at 60% AMI
 - In 2019, 10% of Units at 60% AMI
- **2-Year Phasing of Fee-in-Lieu**

Mixed Use Zones Incentives

- Density Bonus
- 10 Year Property Tax Exemption on Affordable Units
- CET Exemption on Affordable Units
- Waiver of Parking Requirements
- SDC Waivers on affordable units at 60% AMI

Program Recommendations

Central City



Central City Inclusion Rates

- Mandatory Inclusionary Requirement
 - 20% of Units at 80% AMI
- Deeper Affordability Option
 - 10% of Units at 60% AMI

Central City Incentives

- Density Bonus
- 10 Year Property Tax Exemption on **all units** for sites with **base FAR 5.0+**
- CET Exemption on Affordable Units
- SDC Waivers on affordable units at 60% AMI

Options to Comply

- Include affordable units in new development
- Pay the fee-in-lieu
- Offsite Option
 - Build new units or dedicate market rate units as affordable
 - Location must be no more than 1/2 mile from sending site, or in an area with an equal or better opportunity mapping score
 - Units must be comparable in site, quality and bedroom count

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