

IMPACT STATEMENT

Legislation title: *Amend Inclusionary Housing Code to make technical corrections to the floor area ratio requirement for a tax exemption as designated in the Zoning Code (Ordinance; amend Code Section 30.01.120)

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Purpose of proposed legislation and background information:

The Central City 2035 Plan states that the Central City is the fastest growing part of the City and that by 2035 the Central City will gain approximately 38,000 new households. The Central City 2035 Plan outlines goals and policies that support the production and preservation of affordable housing. The Inclusionary Housing (IH) Program directs the Portland Housing Bureau (PHB) to periodically review the IH options and incentives to determine if they are consistent with City goals and market conditions. PHB’s initial analysis in 2016 of IH found that developments built at or above a 5:1 floor area ratio would need greater public subsidy. PHB calibrated the IH Program to encourage the development of affordable housing in the Central City where access to transit and amenities is greatest. After internal review, PHB finds that a technical correction to the tax exemption is needed to fulfill the policy intent of supporting the development of buildings in the Central City by amending the language to include built floor area ratio of 5:1 or greater as well as base floor area ratio of 5:1 or greater.

Financial and budgetary impacts:

Expanding the number of properties that would be eligible for a tax exemption may impact the foregone revenue rolling cap. There is no budgetary impact.

Community impacts and community involvement:

These technical corrections would impact the Central City only. These technical corrections are a response by the Portland Housing Bureau following internal review of the IH Program incentives and from community engagement with the local development industry. Portland residents seeking market rate or affordable housing options would also be impacted through greater housing options either at market rate or affordable prices.

100% Renewable Goal:

This legislation will have no impact on the City’s renewable energy goals

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section