



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

Portland Planning and Sustainability Commission

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August 7, 2019

Shannon Callahan, Director
Portland Housing Bureau

Dear Director Callahan:

The Planning and Sustainability Commission (PSC) appreciated the June 11, 2019 Inclusionary Housing (IH) presentation given to us by Matt Tschabold and Dory Van Bockel of the Portland Housing Bureau (PHB). It was informative to see how the backlog of pre-IH permits continues to work their way through the development process. While we recognize that this is a new program, it is concerning that the post-IH permits do not appear to be coming in at a level that is needed to meet the demand for new housing – for both market rate and affordable units.

The PSC supports the inclusionary housing policy and is interested in the evaluation that PHB will be conducting this year. While PHB has primary responsibility for implementing the IH program, it is important to remember that the underlying policy provisions are part of the Comprehensive Plan and Zoning Code. As such, the PSC expects to work with PHB as partners to design the scope of the upcoming IH evaluation.

We look forward to a robust discussion, including input from private developers, on the complexities of the IH program and ways in which this program can be strengthened. We continue to be concerned that the cost of compliance is not sufficiently offset by the incentives, which will suppress new development in the long term and undermine our shared goals for housing affordability.

The evaluation should clearly analyze the impact on development feasibility in today's market. And, if there is a gap between the cost of compliance and the incentives, the evaluation should identify how the City can either increase the incentives and/or the decrease inclusion rate to make projects financially feasible. As you prepare the scope for this evaluation, we would like an opportunity for a community scoping discussion at a PSC meeting to identify the different issues, concerns and opportunities that need to be addressed in this evaluation process. We appreciate the chance to partner with PHB in this process.

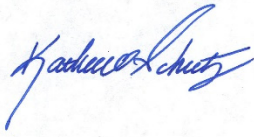


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We look forward to a continuing discussion to make the IH program as effective as possible for providing much needed affordable housing in balance with the city's overall housing goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Katherine Schultz", is centered within a light gray rectangular box.

Katherine Schultz, Chair

Cc: Mayor Ted Wheeler



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