

# Central City 2035

Housing & Community Development Symposium  
October 22<sup>nd</sup> & November 12<sup>th</sup>, 2010



Background Report – Discussion Draft



City of Portland Bureau of  
**Planning and Sustainability**  
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**Central City 2035** is a planning effort lead by the Bureau of Planning & Sustainability (BPS). BPS maintains a web page for CC2035 at the following address: [www.portlandonline.com/bps/cc2035](http://www.portlandonline.com/bps/cc2035). This site can be used to view background reports, project updates, and other project related information. From this site you can also contact the CC2035 team and request to be placed on our mailing list.

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# Purpose of Report and Symposium

The Bureau of Planning & Sustainability is creating a new 25-year plan for the Central City through an effort known as Central City 2035 (CC2035). The first step in this multi-year process is to develop a new policy framework to replace that from the 1988 Central City Plan. This new policy framework will better and more fully address the policy areas that remain applicable to the Central City as well as important and emerging issues not addressed by the existing framework.

The new policy framework will serve as a basis for updating the plans for the Central City's subdistricts. It will also influence revisions to transportation, capital improvement, and urban renewal plans. Most of all, this policy framework will express and prioritize what the people of Portland want to achieve in their Central City now and into the future.

To develop this draft policy framework a symposium series is being conducted on each of the major policy themes of CC2035: Economic Vitality; Housing & Community Development; Urban Design; Mobility; the Green City; and Civic & Cultural Life. This background report provides information for the housing and community development symposium. Symposium participants will be asked to identify additional issues where further attention is needed and where new policies and objectives should be established. Participants will also be asked to identify barriers and constraints that inhibit the ability to address these issues.

Lastly, we thank all those participating in the symposium series and other CC2035 events as your contributions and input in this early stage of plan development will result in the creation of a richer and more comprehensive policy frame to guide future of development and investment in the Central City.

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# Overview

The 1988 *Central City Plan* set out to transform the city center into a place where people could live and work regardless of their lifestyles, family status, or income level. The goal was to create a diverse and prosperous place that met the needs of residents, workers, and visitors. While the housing policies of the 1988 plan were in effect, more than 15,000 residential units were developed and new residential districts - the Pearl and South Waterfront – were created, and housing supply and neighborhood vitality grew in established neighborhoods like Goose Hollow and the West End.

The desire for a more residential Central City dates back to the 1972 Downtown Plan when less than 11,000 housing units remained Downtown. The desire to increase the supply of housing was to:

- Ensure lower income and elder residents living downtown could continue to live in the Central City (near jobs and public services they depended upon); and
- To enliven the urban core and create a more 24-hour environment.

Despite these desires, little progress had been made by the time the *Central City Plan* was developed over 15 years later as both the number of housing units and residents had grown by only a few thousand people. Thus, the 1988 *Central City Plan* adopted a series of more aggressive implementation measures that focused on preserving and expanding the supply of affordable housing and significantly increasing the supply of housing for people at all income levels.

New development standards establishing minimum housing densities in specific locations were adopted as were target areas where developers could earn a significant development bonus in terms of height and floor area when this increased development potential was used to produce housing. In addition to these tools, various tax abatement programs and other financial tools and incentives were used to support the growth of housing.

In urban renewal areas such as the River District and South Waterfront development agreements were adopted with provisions requiring a set number of affordable units and minimum targets for overall residential densities. Additionally, in 2006 the Portland City Council adopted a new policy that essentially requires that 30% of all tax increment (TIF) collected within each urban renewal area (URA) be used to construct affordable housing.

As a result, the Central City has a population exceeding 34,000 residents and a housing supply of approximately 22,994 housing units. With regard to housing the numbers look like this (these numbers are based on the 2008 Central City Housing Inventory):

- **Rental versus Ownership Units.** 68% of the housing in the Central City (15,601 units) are available as rental units, with 32% (7,393 units) available for ownership.
- **Affordability.** 54% of all rental housing (8,425 units) are affordable to households earning less than 60% of the median family income (MFI) and 72% of all rental housing (11,233 units) is affordable to people earning 80% MFI.
- **Housing Diversity.** Approximately 88% of all rental housing in the Central City consists of one-bedroom units, studio apartments, and single room occupancy units. It is more difficult to quantify diversity in ownership units, but various sources indicate the supply of units with two or more bedrooms is limited (perhaps no more than 50% of all ownership units). For comparison, city-wide over 63% of the housing consists of units with 2 or more bedrooms.

Thus, while the implementation efforts of the Central City Plan resulted in a significant expansion of the supply of housing and number of rental units available to lower income residents, there is a significant lack of diversity with regard to housing type.

## **Demographic Shifts and Emerging Community Needs**

The population of the Central City is beginning to diversify and increasingly includes households with children (approximately 48 children a year are born to households in the Pearl District) and more senior population as baby boomers enter retirement age. These demographic shifts, as well as the overall increase in housing concentration and population, are creating entirely new neighborhoods and communities that require the same range and level of services and amenities that support other neighborhoods in Portland. These include retail sales and services such as grocery stores, general merchandise, pharmacies, daycare, and other neighborhood serving commercial services. These areas also are underserved or have limited access to essential public services such as schools, community centers, parks with play grounds, libraries, post offices, etc.

These demographic shifts also require that the Central City's housing stock needs to diversify to be compatible with the needs of families with children and seniors. There is also a growing need to provide housing compatible with the needs of residents with disabilities, and a growing student population that attends the various universities and schools within the Central City (such as Portland State University, Oregon Health & Science University, University of Oregon, Portland Community College, Pacific Northwest College of Art, and others).

Additionally recent analysis suggests that approximately 83% of the jobs in the Central City earn wages that are less than the median family income for the City while also earning wages too high to qualify for subsidized rental housing. As a result they can not afford ownerships units either, resulting in a situation whereby most of the workforce for the Central City must travel some distance from home to work which increases commute times, traffic congestion, and the amount of carbon and other pollutants released due to increased vehicle miles and the number of vehicles on the road.

The successes of the Central City Plan can be measured in a significant increase in housing and creation of new vibrant residential districts. We are at a turning point where strategic interventions are necessary to ensure that Central City neighborhoods are sustainable in the long run and that the Central City remains the economic center for the region. Specifically, a more diverse supply of housing and neighborhood supporting services and amenities are required to ensure downtown neighborhoods are accessible to people at all levels of age, income and ability. Thus, a new policy framework is necessary for the Central City that better addresses the full spectrum of barriers, challenges and opportunities facing the city with regard to housing and community development.

For CC2035, Housing and Community Development policies and strategies would support overall integrated approach.

**Economic Vitality:** By ensuring our neighborhoods are able to support and sustain a diverse population of residents at all age and income levels, we may better support retail, institutions, and the full range of commercial services that exist in the Central City today and in the future. We also can support the development of a more diverse workforce closer to where businesses and jobs are located.

**Urban Design:** Often the places and cities most celebrated are those that have an urban form that: is well designed to accommodate a diversity of housing types; supports activities and services that benefit residents at different age levels; maintains a vibrant retail environment; have safe and walkable streetscapes; and that have a unique fine grained neighborhood character. A stronger approach to community development requires an equally strong urban design response.

**Willamette River Systems:** If neighborhoods are designed to be better connected to and embrace the river, the Willamette can serve as a significant visual and recreation amenity for these residents who in turn will form a stronger bond with this significant and unique resource. This in turn benefits the Willamette as residents will become stewards of resource

enhancement efforts, recreational use of the river, and will call for new riverfront development that is more responsive to the river as a public amenity.

**Mobility:** Expanding opportunities for people to live closer to the services they depend upon, schools, parks, retail, entertainment and other amenities, while reducing the number of vehicle miles driven in the city, will support our expanding multimodal transportation network and decreases congestions. This also increases the ability for people to walk, bike, or take transit to work which can have numerous health benefits.

**The Green City:** The utilization of the full development potential of the Central City for housing and other complementary land uses will reduce the need to expand the urban growth boundary but also to significantly reduce our carbon footprint. This will also reduce the need to travel far distances from home to work, schools, retail services, and other daily needs which will also reduce carbon release as well as a host of other pollutants.

**Civic & Cultural Life:** A dense and diverse Central City population better enables the city to foster the development of civic and social networks that provide stewardship and advocacy for the maintenance of a strong and vibrant central core. This population also helps to support cultural institutions, the presence of art and entertainment, and a richer environment that will help to attract tourism, business and investment to the benefit of all Portlanders.

## Symposium Issues

As part of the Housing & Community Development Symposium we intend to identify the range of issues that are most critical to address as a new policy framework is developed for the Central City. The symposiums are also intended to establish new goals and objectives and ways to achieve these ends.

The following is a draft set of issues developed in advance of the first symposium. We ask that participants review this list and suggest additions that cover that spectrum of housing and community development issues that may need to be addressed.

### Draft Set of Issues of Concern

- i. **Housing Diversification.** *The majority of housing in the Central City consists of one-bedroom and studio dwelling units. This lack of diversity also extends to housing compatible with the needs of families with children, seniors, people with disabilities, and students. Issues of concern include:*
  - Preservation of existing publicly subsidized housing
  - Acquisition and upgrade of “market” low-cost/poor condition rentals (at risk of condo/high rent conversion)
  - Family Compatible Housing
  - Accommodation Needs Housing (special needs)
  - Senior Housing
  - Student Housing
  - Affordable Homeownership
- ii. **Housing Affordability.** *Housing in the Central City is generally not affordable to the majority of people who work in the Central City. Although there are a sizable number of units accessible to lower income residents, supply is not keeping pace with demand. Also, most of the people who work in the Central City, including many in our targeted job sectors, do not earn enough to be able to afford to live in the current housing stock. Issues of concern include:*
  - 0-30% Housing (Addressing needs of homeless)
  - Lower Income Housing

- Worker-Middle Income Housing
- iii. **Essential Public Services (current and future needs).** *The demographics of the Central City are changing and increasingly residents are starting families while older residents entering their senior years desire to age within their neighborhoods. To support the needs of this diversifying population a greater range of public services and facilities are needed to maintain sustainable communities in the Central City. Services and facilities necessary to sustain community development include, but are not limited to:*
- Public Schools
  - Parks, Playgrounds & Community Centers
  - Libraries & Other Services
- iv. **Neighborhood Supportive Commercial Services.** *In addition to public services and facilities, a host of public sector uses and services are necessary to support more complete neighborhoods and residents at different income and age level. Services and facilities necessary to sustain community development include, but are not limited to:*
- Grocery Stores
  - Daycare
  - Medical Care
  - Neighborhood Supportive Retail Sales & Services
- v. **Implementation Tools & Barriers.** *The ways and means necessary to support a more comprehensive approach to housing and community development are challenged by funding constraints and policy decisions and priorities. New strategies, programs, and partnerships will need to be considered to address these constraints and to open up new opportunities. Issues of concern include:*
- Financing housing projects
  - Impact of municipal fees (System Development Charges) on housing projects
  - Regulatory tools & incentives
  - 30 percent set aside for affordable housing
  - Tax incentives and other subsidies
  - Need for anti-displacement strategies
  - Anticipating where housing demand is likely
  - Removing barriers to development in desirable locations such as brown field remediation



# General Questions for Symposium

As a starting point in the initiation of the Central City 2035 plan effort, the following questions were posed regarding housing and community development in the Central City. To varying degrees these questions are addressed by the background materials in this document; however, we would ask symposium participants to reconsider these as they provide input on the issues noted above.

- **Housing Diversity:** *Given the expected housing needs of workers, families with children, and seniors? How can the development of a more diverse housing stock for all Central City residents be encouraged?*
- **Housing Affordability:** *What aspects of housing affordability needs should be the focus in the Central City and can strategies be developed to address these needs?*
- **Schools and Public Amenities:** *What public amenities and services are needed in the Central City (public schools, community centers, libraries, parks, etc.) to adequately support the needs of residents and workers? What are the public policy priorities among these?*
- **Private Sector Amenities and Services:** *Do residents and employees in the Central City have adequate access to affordable daycare and neighborhood retail uses and services that support their daily needs?*
- **Transportation Access and Connections:** *Where do improvements need to be made to make better transit, bike, pedestrian, and vehicular connections between home, work, and to neighborhood public and private amenities?*
- **Diversity, Equity and Prosperity:** *What is the range of challenges and needs that will face a larger and more diverse population in Portland and the Central City over the next 25 years? What can be done now to address these challenges and make the Central City an equitable and prosperous environment where any Portlander could live and/ or work?*

In addition to these questions we would like use the symposium to also address the following:

- What actions can be taken to address the full spectrum of housing issues facing the Central City?
- Are there actions that can be taken that address multiple policy themes and objectives, rather than “standalone” issues?
- What public/private partnerships can be established or enhanced to better pursue our community development goals and objectives in the Central City?
- What barriers and constraints exist to achieving a more diverse supply of housing and housing at all affordability levels in the Central City?
- What incentives, funding mechanisms, and public/private partnerships can be used or created to expand the level of public services and neighborhood amenities in the Central City?
- Are there different housing typologies for affordable workforce housing and family housing that should be explored for both 5-over-1 and high rise construction and what are the obstacles?
- When establishing a new policy framework to guide decision making and investment regarding housing and community development in the Central City, what is the range of issues that should be addressed to ensure clear direction is provided?

# Existing Housing & Community Development Policies

The *Central City Plan* and Portland's Comprehensive Plan each contain policies and objectives intended to guide decision making and investment in the Central City. In addition to the housing policies, a limited number of community development related policies have also been developed for different subdistricts of the Central City. Each of these policies, summarized below, remain in effect today.

## Central City Plan's Housing Policy

When the Central City Plan was adopted one of the primary objectives of the plan was to preserve the existing housing stock, significantly increase the supply of new housing, and increase access to affordable housing across the Central City. Although this policy remains in effect today, the new challenges and needs facing housing in the Central City may require the development of additional policies that cover a more expansive set of issues than the existing housing policy, which states as follows:

### **Central City Plan: Policy 3 - Housing**

*Maintain the Central City's status as Oregon's principal high density housing area by keeping housing production in pace with new job creation.*

#### **Objectives**

- A. *Promote the construction of at least 15,000 new housing units in the Central City by the year 2010.*
- B. *Preserve and encourage rehabilitation of existing housing.*
- C. *Encourage the development of housing in a wide range of types and prices and rent levels.*
- D. *Foster the growth of housing to help reinforce the Central City as a lively urban area, especially during evenings.*
- E. *Secure greater regional participation in addressing the housing needs of the homeless, low-income and other special needs populations.*
- F. *Where residential development is required, assure that when development of the housing is deferred to the future the housing sites is designated and zoned residential.*

The North Pearl District and South Waterfront Plans also contain policies that speak to the need to provide a diversity of housing types and housing for people at all income levels. These are not included in this document as they are specific only to those districts.

## Comprehensive Plan Housing Goal & Policies

In addition to the Central City housing policy, Portland's Comprehensive Plan contains a larger housing goal and framework of policies and objectives that apply city-wide (presented in Appendix A of this report). These policies and objectives are also applicable to the Central City and are required to provide guidance for decision-making and investment that supports housing. These policies cover four focus areas: housing supply; safety and quality; housing opportunity; and housing affordability.

## Community Development Related Goals and Policies

The Comprehensive Plan further contains goals and policies regarding the provision of public services, parks and recreation, schools, and other essential services that support urban living throughout the city. These goals and policies tend to be general and not geographically specific,

although they are intended to ensure that all neighborhoods in Portland, including those in the Central City, have adequate access to these and other essential services.

When the 1988 Central City Plan was adopted the need for this full range of services was not as critical as today and often access to these services was available in surrounding neighborhoods. However, the growth of housing in the Central City has resulted in the creation of new and much denser neighborhoods within the Central City and there is a significant and growing need to provide access to these services within the boundaries of the Central City.

Recently adopted subdistrict plans for the Central City, including the River District, South Waterfront, and North Pearl District Plans, contain policies and objectives that to varying degrees have a more strategic approach to community development than does the Central City Plan. These plans call for additional parks and open space and one offers incentives to facilitate the development of public services such as schools, community centers, and libraries. It may be advisable to consider that similar incentives are considered to support the development of these and other neighborhood services and amenities (such as play grounds, pocket parks, daycare facilities, grocery stores, and other neighborhood serving retail sales and services) strategically throughout the Central City.

## Implementation Tools

Various tools were developed to implement the Central City Housing Policy. Some tools involve the adoption of new land use zones where housing was the preferred use, or one of a desired mix of uses. Additionally, a set of development standards as well as floor area bonus and transfer provisions were adopted to establish incentives to create housing, often in specific target areas. A series of different funding tools have also been used to support the development of different types of housing in the Central City.

### Planning, Zoning, & Development Incentives

Over the last two decades a series of regulations and incentives have been created to encourage the development of housing in the Central City. The most basic of these is the adoption of base zones which identify the range of land uses allowed within a specified area. In the Central City a number of different base zones have been applied, most of which allow housing without any restrictions (Appendix B contains a description of these zones and zoning map of the Central City). It is only within specific employment zones and all industrial zones (occur mostly in the Central Eastside) where housing is not allowed.

In addition to zoning, regulations identifying where housing is required (regardless of base zone) have been adopted in strategic locations to ensure at least a minimum amount of housing is developed among the mix of other uses allowed. This approach has been used in Goose Hollow, as well as the River, South Waterfront, and Lloyd Districts (the maps in Appendix E identifies the areas where this remains in effect).

Beyond these more restrictive approaches, a number of different development bonus and transfer provisions have been adopted that provide incentives to developing housing. Some of these apply Central City-wide, while others can only be used within specific subdistricts (each of these are summarized in Appendix C). A recent study contracted by BPS found that only one of the six residential bonus provisions has ever been used (although one of these provisions has only recently been adopted and was partially used for a new project in the North Pearl subarea). This bonus provision is simply known as the “residential bonus option”, has been used at least 34 times and is a rather generous bonus because it provides a significant floor area bonus (and a potential height bonus as well) when residential development of any type is developed.

Although most of the City’s zoning tools and incentives have been targeted at the production of housing units, a few provisions have been adopted to support the development of essential neighborhood services and amenities. Specifically, there are bonuses to increase the amount of public open space and daycare Central City-wide; however, these tend to be rather restrictive and

thus have not been widely used. Also, different provisions were adopted for the South Waterfront and North Pearl District plan areas aimed at increasing access to different public services and facilities (these are also summarized in Appendix C).

## Financial Incentives & Strategies

Over the last two decades various financial tools have also been used to provide incentives to develop housing in the Central City (Appendix F contains a summary of these tools). These tools most often have been used to bridge financial gaps making affordable housing projects possible. Many of these tools have been used by Portland Development Commission (PDC) as part of the urban renewal strategy implementing different urban renewal areas in the Central City. In other cases the City's bonding authority or ability to secure grants or provide tax abatements have been used. Although not all of these tools remain in use today the ability to return to some of these or similar strategies should be considered as new policy directions are created to address the housing and community development needs in the Central City.

## Existing Conditions

### Demographic Trends

Because the 2000 Census was conducted prior to the most recent boom in housing in the Central City, 2010 Census is eagerly anticipated as it will provide a clear snapshot of the diversity and associated needs of Central City residents. This said, information from other sources demonstrate that the 34,000 people living in the Central City represent a more diverse population than existed in 2000.

#### **Families with Children**

In 2000 the average number of births within the River District was approximately 16 per year. By 2009 the average was 49 births per year. This reflects a national trend where many households that have returned to live in dense city centers are beginning to have children and most desire to remain in these communities where they often work and live, and have made civic and other social connections. The presence of families with children is considered a vital sign of a healthy urban environment. In 2006 CEOs for Cities released a report entitled City Kids that discussed the growing trend of families locating in city centers. The report also identified barriers that jurisdictions typically needed to address to ensure retention of these families, ranging from compatible housing stock to essential public services. The report noted that cities should be concerned about these families leaving the city center because:

- It contributes to middle class flight
- It erodes the base of the population that supports mainstream institutions – banks, libraries, museums – places that serve everyone
- It reduces the diversity and vibrancy of the city
- It pulls entrepreneurship from urban centers, and
- It undermines city parent advocacy

Families with children also help to support the tax base and retail sales and services. Each year approximately 190 births occur to families living in the Central City and this number is expected to climb. To support these households and the benefit they bring to the vitality and prosperity of the Central City a more compatible housing stock and an expanded array of services and facilities will need to be introduced to ensure the needs of residents at all age levels are being addressed.

#### **Seniors**

Another significant demographic shift occurring nationally and locally is that of the Baby Boomer generation (those born between 1946 and 1964). Currently over 30% of the population of Multnomah County are considered to be Baby Boomers and as this population transition into their senior years their housing needs, the public and private services they depend upon, and their

transportation needs will change with them. Currently only five senior housing projects (providing fewer than 1,100 units) exist in the Central City. As our population grows we will need expanded access to housing and services designed to accommodate the needs of seniors at all income levels. This will allow seniors to age in place and remain connected with the communities, businesses, and civic and social networks they have helped to establish in the Central City. Housing and services that allow seniors to transition between different levels of care and need will also need to be pursued.

### **Residents with Disabilities**

Although some senior housing in the Central City has been designed with the needs of people with physical disabilities in mind, most of the housing in the Central City is not designed to be compatible with residents with disabilities. Medical advancements and overall life expectancy have increased the survival rate of people with illnesses, injuries, and various birth defects which increase our need to better understand the range of housing needs, public services, and design techniques that make living in the Central City possible for these residents and employees with disabilities.

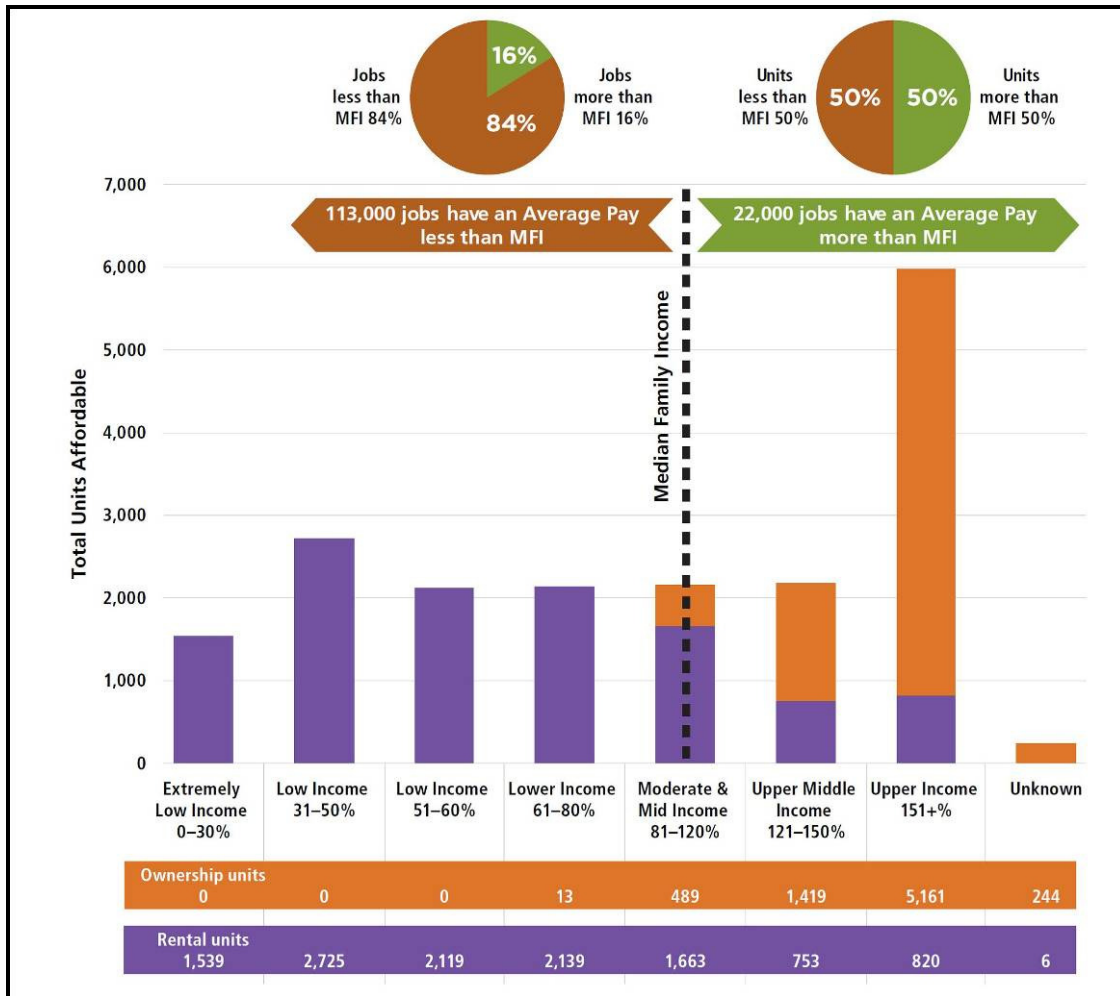
### **Homeless**

The need to provide shelter, housing and services to the homeless is always present, even more so when significant economic shifts occur such as those currently effecting Portland. Annual counts of the number of homeless in shelters and on the street, living in cars, or staying with friends and relatives demonstrate that more than 2,000 people in Multnomah County are homeless on any given night. This population includes people of all ages and abilities. A number of programs and agencies exist to provide shelter, housing assistance and other services. The *Central City Plan* contains a policy and objectives addressing Human Services, which mostly identifies the need to provide these types of services. The new policy framework for the Central City will need to consider if this policy needs to be amended and what new goals, policies, and objectives should be created to address current housing and community development.

### **Middle-Income Employees**

An estimated 134,870 people work in the Central City. The average wage of a Central City employee is approximately \$42,200, and the median family income for a family of two in the Portland metro region is \$54,000. This makes most housing units in the Central City unavailable to most workers because they earn too much to qualify for subsidized affordable housing, but do not earn enough to be able to afford market rate housing. The graph on the following page illustrates the number of units available to people at different MFI levels in the Central City.

Although housing accessible to middle-income residents is available elsewhere in the City, there are various reasons to want to increase the supply within the Central City. Middle income residents in the Central City can increase economic vitality by supporting retail, restaurants, institutions, and various services located within and around the Central City. The ability to live and work close to home also helps to reduce traffic congestion, increase use of our transit infrastructure, and reduces trip time between home and work. This in turn increases livability while lowering commute costs and the carbon footprint of the City. Ways to fill the gap in middle income housing needs should be pursued to allow the City to better achieve its community development goals as well as those related to economic vitality, transportation, and climate change.



## Students

There currently are only 1,663 units (2,284 beds) of student housing serving the Central City, and this only serves students of Portland State University. PSU has a goal of providing housing for approximately 25% of its projected 2034 student body of 36,000 students (today they provide housing for 7% of a student body of 28,000). Although they are currently developing a new housing facility that will create an additional 283 student housing units, they project they will need an addition 7,000 beds. Much as with worker and affordable housing, the need to increase the supply of student housing should be a critical component of our housing, as well as community and economic development related strategies for the Central City.

## Housing Inventory

In 2008 the Portland Development Commission (PDC) published the most recent version of the Central City Housing Inventory (CCHI). This document gives a comprehensive overview of the state of housing in the Central City and helps to identify areas where housing needs are being met as well as areas where additional effort is necessary.

Generally the most recent CCHI found that the supply of housing in the Central City continued to grow into 2008, but that there was a decrease in the amount of affordable housing, and that middle-income housing needs were not being met.

Specifically, the CCHI found that the Central City has 22,994 units, 68% of which are rental and 32% ownership. Approximately 54% of all rental units are affordable to households earning at

least 60% of the MFI and 72% are affordable to households at least 80% MFI. The majority of these affordable rental units are located in the River, Downtown, and Lower Albina Districts. No housing is currently available in the Lloyd or South Waterfront Districts to households earning less than 50% MFI or below; however, in the latter district a new 208 unit project will soon begin development that will provide housing for residents earning less than 60% MFI, and 40 units will be reserved for veterans. The CCHI also found that 7,326 ownership units are located in the Central City, with approximately 7% of those available to those earning between 81% and 120% MFI, and the rest available to those earning more than 120% MFI.

**Table 1.2: Central City Estimated Total Number of Housing Units (2008)**

Tenure	Central Eastside	Downtown	Goose Hollow	Lloyd District	Lower Albina	River District	South Waterfront	University	Central City Total
Rental	863	4,940	2,162	1,017	86	4,573	503	1,457*	15,601
Owner	94	2,002	798	148	1	3,582	767	1	7,393
CC total	957	6,942	2,960	1,165	87	8,155	1,270	1,458	22,994
Percent of CC units	4.2%	30.2%	12.9%	5.1%	0.4%	35.5%	5.5%	6.3%	

\*This includes student housing

**Table 1.3: Central City New Construction of Affordable Rental Projects (1998-2008)**

Subdistrict/Area	Unit types	Totals	Percent of total Central City-wide
Downtown	Total units	633	16.8%
	Total subsidized units	482	16.9%
Goose Hollow	Total units	639	17.0%
	Total subsidized units	538	18.9%
River District	Total units	1,931	51.3%
	Total subsidized units	1,293	45.5%
University District	Total units	564	15.0%
	Total subsidized units	531	18.7%
Central City-wide	Total units	3,767	100.0%
	Total subsidized units	2,844	100.0%

For a complete list of all projects by subdistrict, please see the appendix. Other subdistricts not listed here did not have any recorded construction of affordable rental projects during this timeframe.

Source: BPS CC2035 Subdistrict Profiles

With regard to housing diversity (the number of bedrooms per unit) the Central City contains a disproportionate number of units consisting of one bedroom and studio units. Less than 12% of the rental units in the Central City (approximately 1,876 units) consist of units with two or more bedrooms. Thus, as the majority of affordable housing in the Central City consists of rental housing, there are limited opportunities for lower income families with children to find adequate housing in the Central City.

2008 Surveyed Rental Housing Units  
by Unit Type

Central City Subdistricts	Unit Type						Total Units
	SRO	Studio	1 Bed	2 Bed	3 Bed	Manager	
Central Eastside	159	239	254	34	3	3	692
% of Units	23.0%	34.5%	36.7%	4.9%	0.4%	0.4%	
Downtown	908	1484	1096	334	9	7	3,838
% of Units	23.7%	38.7%	28.6%	8.7%	0.2%	0.2%	
Goose Hollow	32	683	677	88	5	3	1,488
% of Units	2.2%	45.9%	45.5%	5.9%	0.3%	0.2%	
Lloyd District	0	19	213	120	2	0	354
% of Units	0.0%	5.4%	60.2%	33.9%	0.6%	0.0%	
Lower Albina	0	42	24	0	0	0	66
% of Units	0.0%	63.6%	36.4%	0.0%	0.0%	0.0%	
River District	861	888	1446	576	19	1	3,791
% of Units	22.7%	23.4%	38.1%	15.2%	0.5%	0.0%	
South Waterfront	0	22	79	79	0	0	180
% of Units	0.0%	12.2%	43.9%	43.9%	0.0%	0.0%	
University	174	735	369	75	2	0	1,355
% of Units	12.8%	54.2%	27.2%	5.5%	0.1%	0.0%	
<b>CC Total</b>	<b>2134</b>	<b>4112</b>	<b>4158</b>	<b>1306</b>	<b>40</b>	<b>14</b>	<b>11,764</b>

Source: 2008 CCHI Surveys

Confidence Interval: +/- .5%

Source: PDC 2008 Central City Housing Inventory

Although it is more difficult to quantify unit diversity in ownership units, the CCHI was able to approximate the distribution of ownership units by total square feet per unit. This does not provide any direct insight to the distribution of bedrooms per unit; however, the Housing Supply report for the Portland Plan estimates that 7,950 one bedroom and studio units in the Central City were developed between 2001 and 2005 (or 77% of all units developed in that period). Thus, only 23% of the housing stock developed in the Central City during the biggest housing boom in its history consisted of units with two or more bedrooms. The same report found that city-wide the only 22% of the housing stock consists of one bedroom and studio units and that 63% of the housing consists of two and three bedroom units (15% consist of units with four or more bedrooms).

## Community Services & Amenities

Despite having a population of approximately 34,000 residents, the Central City is generally underserved by services and amenities typical in neighborhoods of similar size elsewhere in Portland. The following highlights these disparities:

- **Public Schools.** Only one public school (Lincoln High School) and one charter school (Emerson School) are located in the Central City. Both of these schools are at capacity and both serve an area larger than the Central City. The elementary schools that serve the Central City are at least a mile or more from the closest Central City residents (most much further) and the only middle school serving the Central City is nearly six miles from the densest residential populations. Lastly, each of these elementary and middle schools are intended to directly serve other areas and each is at or near its service capacity.
- **Parks & Playgrounds.** Only two play ground facilities serve the Central City. One is located at the southern edge of the South Park Blocks on the PSU campus, the other in the North Park Blocks adjacent to the Emerson School. Both of these include play structures for small children. Although a number of new parks and park upgrades have occurred or been proposed in the Central City over the last decade, none have included basic play structures for children. The newest park in the River District, The Fields, is proposed to include an open field for flexible play as well as some sort of children's play area.



- **Public Community Centers.** There are no public community centers within the Central City (centers operated by Parks & Recreation that provide community space, recreational opportunities, and programs for residents of all ages). There is a proposal to develop a new regional community center at the former Washington High School site. This facility is outside of the Central City (although on its eastern edge) and is intended to serve Southeast Portland neighborhoods. The current status of this project is also not currently known as it has encountered delays for various reasons.
- **Daycare Facilities.** There are approximately 15 daycare facilities in the Central City, most of which are located in the Central Business District. Few daycare facilities are located in or immediately adjacent to districts with the densest residential populations. Also, due to design and safety requirements daycare facilities in the Central City have to be developed on the ground floor of buildings and in a manner that makes them compete for the same types of spaces usually used by retail, this makes it potentially more costly to develop and maintain daycare in the Central City than elsewhere in the City.
- **Retail Sales & Service Uses.** Although, access to grocery stores and other neighborhood serving retail uses has increased (for instance there are now at least 4 general service grocery stores in the Central City), not all residential neighborhoods enjoy easy access to these services. Additionally, to gain access to general merchandise stores (such as Target) or specialty stores (such as Home Depot), Central City residents need to travel several miles from their home. Increasingly, these types of services can be found even in the densest parts of other North American cities and expanded access to these and other retail sales and services will be necessary in the Central City.



# Appendix A

## Housing Goal & Policies

The following is an overview of the Portland Comprehensive Plan's policies regarding housing. These policies are intended to guide decisions including public investments in housing throughout the City of Portland, including the Central City. As we consider the future of housing and community development in the Central City and elsewhere in Portland we need to be as mindful of these policies as those crafted specifically for the Central City. It should be noted that only the goals and policies are included here and that the Comprehensive Plan should be consulted to review the more complete and expansive framework of objectives associated with each policy statement.

### **Comprehensive Plan Goal 4 - Housing**

*Enhance Portland's vitality as a community at the center of the region's housing market by providing housing of different types, tenures, density, sizes, costs, and locations that accommodate the needs, preferences, and financial capabilities of current and future households.*

#### ***Housing Supply***

**Policy 4.1 Housing Availability.** Ensure that an adequate supply of housing is available to meet the needs, preferences, and financial capabilities of Portland's households now and in the future.

**Policy 4.2 Maintain Housing Potential.** Retain housing potential by requiring no net loss of land reserved for amendments to the *Comprehensive Plan* map, require that any loss of potential housing units be replaced.

**Policy 4.3 Sustainable Housing.** Encourage housing that supports sustainable development patterns by prompting the efficient use of land, conservation of natural resources, easy access to public transit and other efficient modes of transportation, easy access to services and parks, resource efficient design and construction, and the use of renewable energy resources.

#### ***Safety and Quality***

**Policy 4.4 Housing Safety.** Ensure a safe and healthy built environment and assist in the preservation of sound existing housing and the improvement of neighborhoods.

**Policy 4.5 Housing Conservation.** Restore, rehabilitate, and conserve existing sound housing as one method of maintaining housing as a physical asset that contributes to an area's desired character.

**Policy 4.6 Housing Quality.** Encourage the development of housing that exceeds minimum construction standards.

#### ***Housing Opportunity***

**Policy 4.7 Balanced Communities.** Strive for livable mixed-income neighborhoods throughout Portland that collectively reflect the diversity of housing types, tenures (rental and ownership) and income levels of the region.

**Policy 4.8 Regional Housing.** Ensure opportunities for economic and racial integration throughout the region by advocating for the development of a range of housing options affordable to all income levels throughout the region.

**Policy 4.9 Fair Housing.** Ensure freedom of choice in housing type, tenure, and neighborhood for all, regardless of race, color, age, gender, familial status, sexual orientation, religion, national origin, source of income or disability.

**Policy 4.10 Housing Diversity.** Promote creation of a range of housing types, prices, and rents to 1) create culturally and economically diverse neighborhoods; and 2) allow those whose housing needs change to find housing that meets their needs within their existing community.

### ***Housing Affordability***

**Policy 4.11 Housing Affordability.** Promote the development and preservation of quality housing that is affordable across the full spectrum of household incomes.

**Policy 4.12 Housing Continuum.** Ensure that a range of housing from temporary shelters, to transitional, and to permanent housing for renters and owners is available, with appropriate supportive services for those who need them.

**Policy 4.13 Humble Housing.** Ensure there are opportunities for development of small homes with basic amenities to ensure housing opportunities for low-income households, members of protected classes, households with children, and households supportive of reduced resource consumption.

**Policy 4.14 Neighborhood Stability.** Stabilize neighborhoods by providing: 1) a variety of homeownership and rental options; 2) security of housing tenure; and 3) opportunities for community interaction .

**Policy 4.15 Regulatory Costs and Fees.** Consider the impact of regulations and fees in the balance between housing affordability and other objectives such as environmental quality, urban design, maintenance of neighborhood character, and protection of public health, safety, and welfares.

# Appendix B

## Planning & Zoning Tools

**Zones Where Housing Allowed.** Within the following land use designations housing is either intended as a central focus of the applicable area or is one of a range of uses intended to occur.

**High Density Residential - RH.** The RH zone is a high density multi-dwelling zone where the maximum size of buildings and intensity of use is regulated by floor area ratio (FAR) limits and other site development standards. Density will range from 80 to 125 units per acre. In this zone housing is the predominate use allowed with most other uses being prohibited (e.g. commercial parking) or allowed only as a conditional use (e.g. retail). In the Central City this zone has been applied only to Goose Hollow where it covers approximately 25% of the district.

**Central Residential - RX.** The RX zone allows the highest density of dwelling units of the residential zones. FAR limits are targeted for 100 or more units per acre. The major types of new housing development will be medium and high rise apartments and condominiums, often with allowed retail, institutional, or other service oriented uses; however, most of these uses are a “conditional” in this zone. This zone is used heavily in the West End, and to a limited extent in Goose Hollow and the Lloyd, River, and University Districts.

**R1 and R2 Zones.** The R1 and R2 zones are low to medium density multi-dwelling zones usually used outside of the Central City. Density may be as high as between 32 units per acre (R1) and 43 units per acre (R2). These zones tend to be some of the more densely developed zones outside of the Central City and have only been used in limited portions of Goose Hollow and the south-eastern edge of the Central Eastside.

**Central Commercial - CX.** The Central Commercial (CX) zone is intended to provide for commercial development within Portland's most urban and intense areas and is intended to allow a broad range of uses including commercial office, retail, cultural and governmental centers, and housing. Development is intended to be pedestrian-oriented with a strong emphasis on a safe and attractive streetscape. This is the most widely used zone in the Central City used extensively in the Downtown, University, South Waterfront, River, and Lloyd Districts.

**Central Employment - EX.** This zone operates much like the EX zone only it was originally intended for areas in the center of the City that have predominantly industrial type development. Despite this intent, residential uses are allowed, and even though not intended to predominate or set development standards for other uses in the area, this zone is the predominate zone in the Pearl District where housing, retail, and office commercial uses predominate. This zone is also used heavily along the Grand Avenue/MLK Boulevard corridor in the Central Eastside. Increasingly this zone has also been used to promote residential mixed use development in other town centers and corridors throughout Portland.

**Zones Where Housing is Restricted or Prohibited.** Within the following land use designations housing is either restricted, allowed only as a conditional use or is prohibited as it is considered not appropriate among the range of uses intended for the applicable area or district. An example of this would be allowing residential uses in industrial zones where a number of conflicts and safety concerns could be cited.

**General Employment 1 & 2 – EG1 & EG2.** The General Employment zones allow a wide range of employment opportunities without potential conflicts from interspersed residential uses. The emphasis of the zones is on industrial and industrially related uses, though other commercial uses are allowed to support a wide range of services and employment opportunities. The EG2 zone has been applied on the OMSI site in the Central Eastside and

the EG1 zone has been applied to two blocks adjacent to the Portland Public School District headquarters in Lower Albina.

**General Industrial 1 (IG1) and Heavy Industrial (IH).** These zones implement the Industrial Sanctuary map designation of the Comprehensive Plan and are intended for industrial uses that can operate free of interference from uses that could impact the viability of industry and industrial related uses. The IG1 zone is characterized by smaller lots, a grid block pattern, and sites having high building coverage. These sites tend to be in the City's older industrial areas. This zone has been heavily used throughout the Central Eastside. The IH zone provides areas where all kinds of industries may locate including those not desirable in other zones due to their objectionable impacts or appearance. In and around the Central City this zone is applied to small segments of the Central Eastside and Northwest District. Housing is not allowed in either of these zones.

# Appendix C

## Regulatory Tools & Incentives

The following is a list of the development bonus and transfer provisions intended to provide incentives for the development of housing and community supporting amenities and services:

### HOUSING RELATED FLOOR AREA BONUSES

**Residential bonus option.** In the CX and EX zones, which dominate the landscape of the Central City, a general residential bonus is available whereby 1 additional square foot of floor area is earned for every square foot of development dedicated to residential uses. This bonus provides a maximum bonus of 3:1 which means on a typical Central City site (40,000 sq. ft.) up to an additional 120,000 sq. ft. of floor area can be earned. A height bonus allowing up to an addition 75' in building height is also available in many portions of the Central City when this bonus is utilized.

Historically this bonus provision has been used more than any other available in the Central City and is a contributing factor in the amount of residential development that has occurred over the last two decades. Additionally, there are some locations where this bonus must be used before other available options (see maps in Appendix C). However, there are areas where the use of this bonus has been prohibited and restricted. For instance, the bonus can not be used in South Waterfront where FAR bonuses for parks and open space bonuses take precedent. Additionally, in the North Pearl Subarea this bonus can be used to earn no more than 2:1 FAR.

**North Pearl Subarea efficient family size unit bonus.** In the North Pearl Subarea a developer may be able to earn more than the 2:1 FAR maximum bonus (up to a total project total of 9:1 FAR) when 2 bedroom units (no larger than 1,000 sq. ft.) and 3 bedroom units (no larger than 1,200 sq. ft) are developed. To earn this bonus at least 20 such units must be created and interior and outdoor gathering spaces and play areas of a specific size must also be created.

**West End Subarea large dwelling unit bonus.** This bonus provides additional floor area when units larger than 750 sq. ft. are created. When a unit is larger than 750 sq. ft. an additional square foot of floor area is earned for every square foot developed above 750 sq. ft.

**South Waterfront large household dwelling unit bonus.** This bonus provides additional floor area when units with more than 2 bedrooms are created. Each additional bedroom over 70 sq. ft. earns an additional 150 sq. ft. of floor area.

**Middle-income housing bonus.** This bonus provides additional floor area when 30% of the dwellings units for sale in a project are affordable to those earning no more than 150% MFI. Rental projects may qualify as well, but a covenant must be established that ensures 30% of the units will be affordable at or below 150% MFI for at least 60 years.

**Affordable Housing Replacement Fund bonus:** This bonus provides an additional square foot of development for each \$18.70 contributed to a fund managed by the City to support affordable housing projects in the Central City.

### HOUSING RELATED FLOOR AREA TRANSFER PROVISIONS

**SRO housing transfer.** This provision allows unused floor area to be transferred to another site anywhere in the Central City when used to preserves and develop single room occupancy housing (SROs).

**Residential floor area transfer.** This provision allows unused floor area to be transferred to another site anywhere in the Central City when used for housing.

**Central City Master Plan transfers.** This provision is more complicated than the others listed but contains among other provisions the ability to transfer FAR to and from sites anywhere in the Central City for purposes of developing housing.

#### **COMMUNITY DEVELOPMENT RELATED FLOOR AREA TRANSFER & BONUS PROVISIONS**

**Central City Open Space Height transfer.** When a site a least 35,000 sq. ft. in area is dedicated as public open space, up to 100' of the height potential of the site may be transferred to another development site.

**Day care bonus option.** This provision provides a floor area bonus when daycare is provided. The daycare facility must be open at least 5 days a week and 50 weeks a year, and the owner of the building must execute a covenant ensuring the continue use of the day care facilities.

**South Waterfront Open Space bonus.** This provision provides a floor area bonus when publicly accessible open space is created in South Waterfront. At least 2,500 sq. ft. of contiguous area must be created to quality for this bonus.

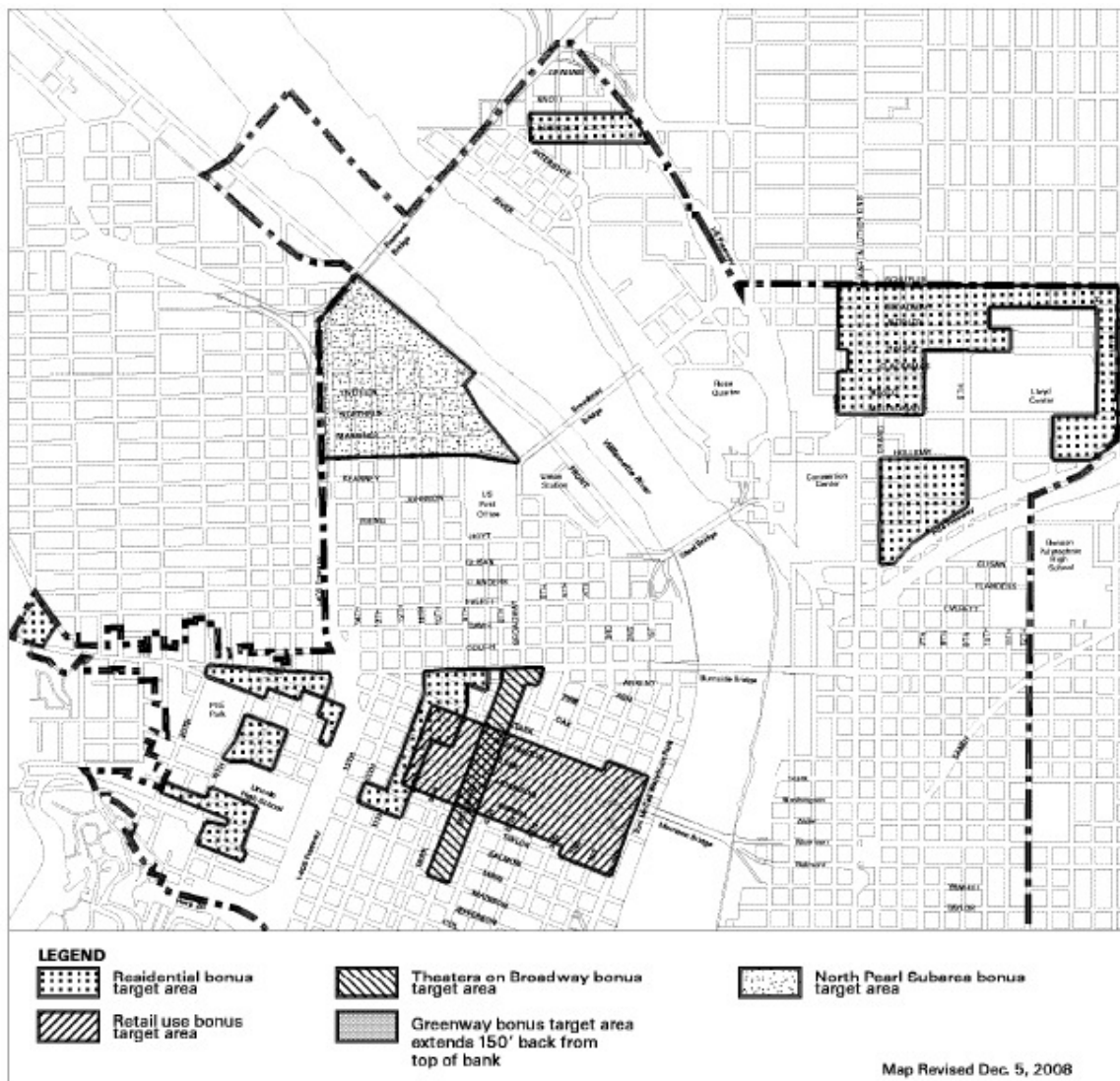
**Neighborhood facilities in the North Pearl Subarea.** This provision provides that when a public school facility, daycare, public library, or publicly accessible community center is developed as part of a project the total floor area of those facilities will not be counted against the maximum FAR allowable to develop the rest of the project site. In other words, if a site has an allowable FAR of 4:1 and 1:1 FAR is used to build a school, the developer would still have 4:1 FAR available to build another use on top of the school facility or could transfer this FAR to another site for use elsewhere in the subarea.

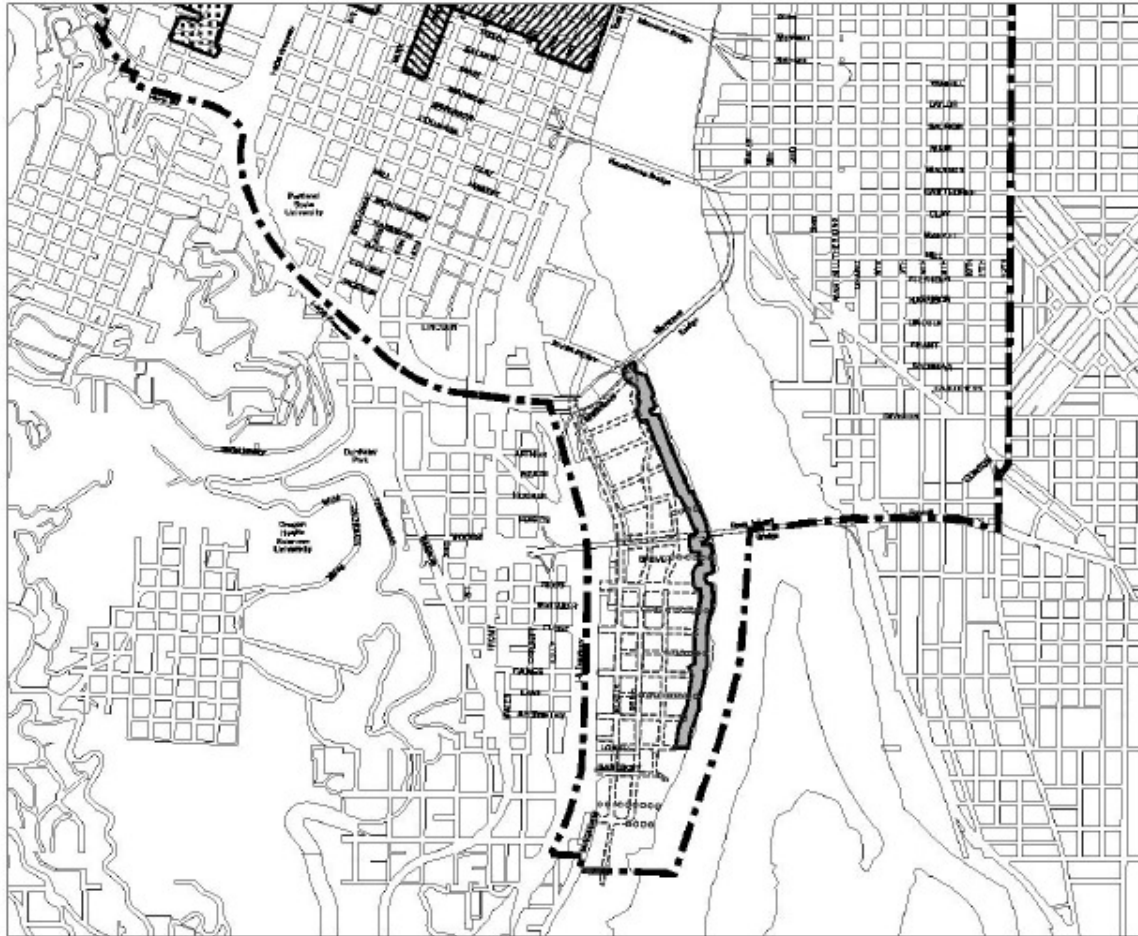


# Appendix D



## Residential Bonus



**Residential Bonus Target Areas.** The residential floor area bonus provides that in the CX and EX zoned portions of the Central City (except in the South Waterfront District) an 1 square foot of additional floor area is earned when another square foot of area developed as housing is provided on a project. Through this bonus a developer may earn up to an additional 3:1 total FAR for a project. In the North Pearl Subarea this bonus can be used to earn an additional 2:1 FAR; however, additional FAR can be earned by developing efficient family size units (2 and 3 bedroom units). The maps in this appendix highlight targeted areas where residential bonus must be used before other bonus options. The maps also illustrate where other development bonuses take priority. Note the North Pearl Subarea on top of the first map. In this area the efficient family size unit bonus can also be used.







**LEGEND**

-  Residential bonus target area
-  Retail use bonus target area

-  Theaters on Broadway bonus target area
-  Greenway bonus target area extends 150' back from top of bank

-  Proposed right-of-way target area
-  Proposed Accessway

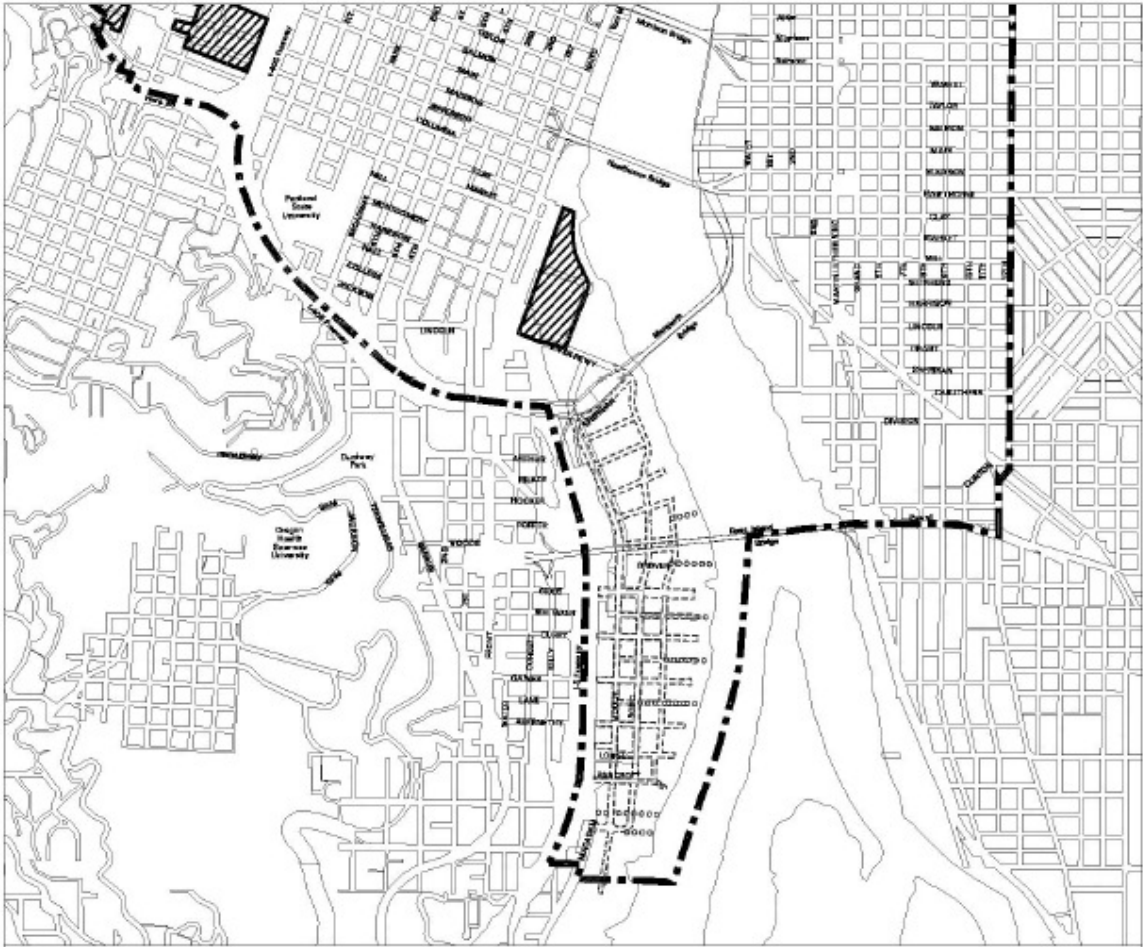
Map Revised March 5, 2010




# Appendix E

## Residential Required

**Required Residential Development Area.** Areas highlighted on the maps in this appendix identify where new development must include at least 1 dwelling unit per 2,900 square feet of net site area (15 units per acre).





- LEGEND**
-  Required residential development area
  -  Proposed right-of-way
  -  Proposed Accessway

Map Revised March 5, 2010

# Appendix F

## Financial Tools & Incentives

The following is a summary of different financial tools and incentives that have been used at different points in time to support the development of housing in the Central City. Much of the following summary was originally presented in the *Central City Plan Housing Report*, published by the Bureau of Planning in 1994. This text has been updated and expanded upon where appropriate to identify changes that have occurred over the last 16 years.

- **Land Acquisition.** Land acquisition involves the outright ownership of a site by an entity such as PDC. This tool has been reserved mainly for large projects because it is costly. It is necessary for large projects, however, to ensure assembly of all the necessary properties when they are in multiple ownerships. Outright acquisition also facilitates proper planning and the provision of adequate infrastructure (transportation, utilities, parks, etc.) for large projects. Direct acquisition was used originally in the South Auditorium Renewal Area and as part of the Riverplace and Union Station redevelopment projects.
- **Land Write-Down.** Previously when Central City land was used for housing, its re-use value was sometimes less than its fair market value. As a result when PDC acquired property a land write-down took place with the transfer of ownership.
- **Site Control.** PDC may negotiate a sales agreement and/or obtain an option to purchase and then assign the actual acquisition rights to the developer, which may be either a private developer or a nonprofit. The advantage of obtaining site control, as opposed to outright ownership, is that it involves less public money and development controls can still be placed on the site. The selected developer takes ownership of the site with the development controls in place.
- **Public Infrastructure Investment.** When there is a large project on a site where there is currently a lack of adequate infrastructure public capital improvements to the site are necessary to encourage investment and redevelopment. Various City bureaus (Water, Environmental Services, Transportation, and Parks) and PDC may provide site and off-site improvements to facilitate development. Examples of where this has been applied in the past include Riverplace, South Waterfront, and areas of the Pearl District within the River District URA. Usually this tool, as well as others identified here, is used jointly within the confines of a development agreement between a development entity, PDC, and the City (see description below).
- **Redevelopment Financing.** PDC can make direct loans or grants to housing projects to encourage housing construction in renewal districts. Typically in such housing projects, PDC will make a below market rate loan of up to 30 years. The rate will vary depending on the loan program. In the case of nonprofit housing projects, the loan might be as low as zero percent. In a few cases, PDC has made outright grants to projects due to unusual circumstances; however, this is not a typical approach to financing. (All Central City low-income housing built between 1991 and 1996, as well as most of the middle-income housing during that period, had been financed partly by PDC loans and grants)
- **Equity Partnership.** Low interest loan rates can reduce the risk for private developers and in the case of middle income housing projects these loans can be structured to include a provision for an equity partnership. The way this works is when market rate housing projects receive redevelopment financing, the terms and conditions specify that the City receive a share of the net cash flow and sale proceeds of the project. When the projects are particularly successful, the City then receives additional income on its investment.

- **Development Agreements.** PDC uses Disposition and Development Agreements to spur development related to economic growth, affordable housing, and urban renewal plans. PDC enters into these agreements with developers and partner agencies to fulfill City goals. These agreements often establish financial responsibilities between the effected parties and identify who is responsible for given actions and establish triggers or timelines for when actions are to be implemented or completed. These agreements can involve a number of the tools identified in this section to assist in the funding of housing or infrastructure necessary to support projects subject to the agreement. These agreements can also be established to set targets for housing densities and number of affordable units provided as well number of units within target MFI levels. Much of the work within the Hoyt Street Properties of the Pearl District and the Central District of South Waterfront was subject to such agreements.
- **30 Percent Set Aside for Affordable Housing.** In 2006 the Portland City Council adopted a new policy “to dedicate a percentage of Tax Increment Financing (TIF) revenues from all Urban Renewal Districts citywide to an affordable housing set aside fund, or to create another mechanism to ensure predictable and adequate funding and prioritization of housing for individuals and families earning 80% MFI or less.” As a result of this policy within most urban renewal areas, including all Central City urban renewal areas (URA), 30% of all revenue generated though tax increment is used to create affordable housing within each URA.
- **Tax Exempt Bonds.** The City of Portland has the authority to issue Industrial Revenue Bonds for rental housing. The City acts as the conduit agency, not the actual bond issuer. The bonds are backed by the revenue stream for the project plus any revenue enhancements or guarantees required by the bond purchasers. Such bonds can be used for both low and mixed income housing projects, but in the case of mixed income projects, a minimum 20 percent of the units must be dedicated to low-income households. Tax exempt bonds have not been used extensively in financing Central City housing projects because: 1) the issuance costs for the bonds are expensive, and; 2) in 1986 these bonds became subject to additional legal restrictions.
- **Housing and Community Development (HCD) Funds.** Each year the City receives Community Development Block Grant funds from the federal government for a broad range of purposes. These funds have historically been used for housing loans and through the 1990s were used for projects outside of urban renewal areas, and thus outside of the Central City, where tax increment funds have been the preferred way to support housing development. However, the Portland Housing Bureau now administers these funds as well as HOME grants both of which are prioritized for eligible organizations that are developing projects that support the following City housing policy goals:

  - Implementing Home Again: the Ten Year Plan to End Homelessness;
  - Developing permanent supportive housing units;
  - Preserving and maintaining affordable housing units;
  - Closing the minority homeownership gap.

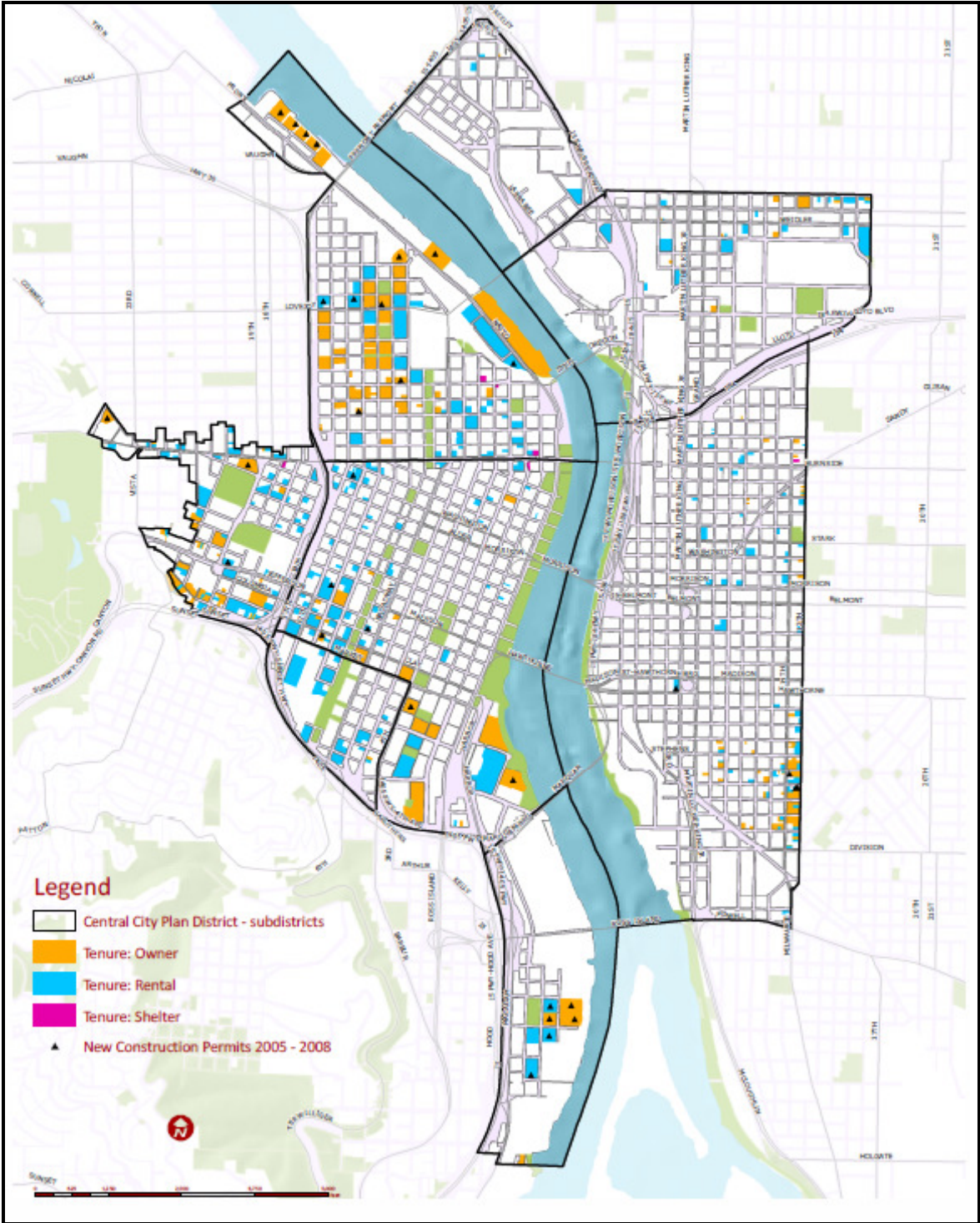
Projects within the Central City now appear eligible for HCD funds so long as all the other program requirements are met by applicants.
- **State Loans and Grants for Housing.** There are a number of State housing loan and grant programs offered on a competitive basis. These programs change over time and have not been a significant factor in the development of housing in the Central City except is the past for elderly and disabled housing. More significant has been the Oregon Affordable Housing Tax Credit Program adopted by the Oregon Legislature in 1989. This program allows the state to certify tax credits for projects that allow lending institutions to lower the costs of financing by as much as 4% for housing projects or community rehabilitation programs serving low-income households. The savings generated by the reduced interest rate must be passed directly to the tenant in the form of reduced rents.
- **Federal Programs – Section 8.** The most significant federal program used in the Central City is the Section 8 rent certificate for low-income rental housing program. Through this

program vouchers (or rent certificates) are provided to specific housing projects to reserve a specific amount of housing for lower income residents. The program is administered locally by the State of Oregon as well as public housing agencies such as the Housing Authority of Portland.

- **New Multi-Unit Housing Tax Abatement (NMUH).** The NMUH program is designed to be available in the Central City and URAs and is intended to provide an incentive for high-density residential and mixed-use development so that the City can accommodate new population growth, improve the housing-jobs balance, and support public transit, particularly the regional light rail system. However, since October 19, 2005, there has been a moratorium on accepting new applications for the NMUH program. The purpose of the moratorium is to review the program requirements and to make changes that will reflect an agreement on the program's objectives.
- **Rental Rehabilitation Tax Abatement Program.** Through the Portland Housing Bureau the City can offer a 10 year limited tax property abatement on any increase in assessment value that results from the rehabilitation of, or conversion to, qualifying rental units. The property owner will not pay taxes on the increase in assessed value due to the rehabilitation work for 10 years; however, the owner will continue to pay taxes on the assessed value of the land and original improvement (the building) during this period, as well as any incremental increase allowed under Measure 50.
- **Tax Abatement Programs for Eligible Historic Landmark Structures.** Currently two programs are administered through Oregon's State Historic Preservation Office (SHPO) that offer tax incentives for the rehabilitation of properties listed in the National Register of Historic Places. One is the Federal Tax Credit program which saves property owners of income producing buildings (commercial and residential rentals) 20 percent of the cost of rehabilitation through a federal income tax credit. The other program is Oregon's Special Assessment of Historic Properties which offers a 10-year freeze of a property's assessed value for buildings that will be significantly but appropriately rehabilitated and maintained. The latter program has been previously used on projects in the Pearl District such as the Honeyman Hardware Lofts.

# Appendix G

Location & Distribution of Rental and Ownership Units in the Central City



Source: PDC 2008 Central City Housing Inventory