

33.245 Inclusionary Housing

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33.245.010 Purpose

The purpose of these regulations is to promote the production of affordable housing for a diversity of household types by linking of the production of affordable housing to the production of market-rate housing.

33.245.020 Where These Regulations Apply

The regulations of this chapter apply to the following:

- A. New buildings with 20 or more dwelling units; and
- B. Alterations to existing buildings that add 20 or more dwelling units.

33.245.030 Exemption

This chapter does not apply to Group Living, Medical Center, and College uses.

33.245.040 Inclusionary Housing Standards

Affordable dwelling units must be provided as follows, or a fee-in-lieu of providing affordable dwelling units must be paid. Adjustments are prohibited:

- A. **On-site affordable dwelling units.** When the affordable dwelling units will be located on-site, affordable dwelling units must be provided at one of the following rates. For the purpose of this Section, affordable dwelling units located within the boundaries of a Central City Master Plan are considered to be on-site:
 1. Central City and Gateway plan districts. Inside the Central City and Gateway plan districts, affordable dwelling units must be provided at one of the following rates:
 - a. 10 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income; or
 - b. 20 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 80 percent of the area median family income; or
 - c. Alternate calculation method. As a way to encourage the creation of larger affordable dwelling units, using one of the percentages stated above, the number of affordable dwelling units required may be calculated based on the total number of bedrooms in the new or altered building. For example, using the 10 percent rate, a new building with 60 two-bedroom dwelling units could provide 6 two-bedroom affordable units or 4 three-bedroom affordable units.

2. Outside the Central City and Gateway plan districts. Outside the Central City and Gateway plan districts, affordable dwelling units must be provided at one of the following rates:
 - a. Rates before January 1, 2022:
 - (1) 8 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income; or
 - (2) 15 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 80 percent of the area median family income.
 - (3) Alternate calculation method. As a way to encourage the creation of larger affordable dwelling units, using one of the percentages stated above, the number of affordable dwelling units required may be calculated based on the total number of bedrooms in the new or altered building. For example, using the 10 percent rate, a new building with 60 two-bedroom dwelling units could provide 6 two-bedroom affordable units or 4 three-bedroom affordable units.
 - b. Rates on and after January 1, 2022. The rates shown in Paragraph A.1. apply outside the Central City and Gateway plan districts on and after January 1, 2022.
- B. Off-site affordable dwelling units.** When the affordable dwelling units will be located off-site, affordable dwelling units must be provided at one of the following rates:
 1. New dwelling units. When the affordable dwelling units will be provided by constructing new dwelling units off-site, one of the following rates apply. The number of affordable dwelling units required is calculated based on the development that triggers the regulations of this chapter:
 - a. 10 percent of the total number of dwelling units in the new building or alteration must be affordable to those earning no more than 30 percent of the area median family income; or
 - b. 20 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income.
 2. Existing dwelling units. When the affordable dwelling units will be provided by dedicating existing dwelling units as affordable, one of the following rates apply. The number of affordable dwelling units required is calculated based on the development that triggers the regulations of this chapter:
 - a. 15 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 30 percent of the area median family income; or
 - b. 25 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income.

33.245.050 Compliance

To comply with the inclusionary housing standards in Section 33.245.040, the following must be met. Adjustments are prohibited:

- A.** The applicant must provide a letter from the Portland Housing Bureau certifying that the development meets the standards stated above and any administrative requirements. The letter is required to be submitted before a building permit can be issued for the development, but is not required in order to apply for a land use review; and
- B.** If affordable dwelling units will be provided the property owner must execute a covenant with the City that complies with the requirements of Section 33.700.060. The covenant must be provided prior to issuance of the building permit for the development that triggers this chapter, and the covenant must ensure that the affordable dwelling units will remain affordable to households meeting the income restriction, and will meet the administrative requirements of the Portland Housing Bureau.

(Adopted by Ord. No. 188162, effective 2/1/17; Amended by Ord. No. 188177, effective 5/24/18; Ord. No. 188958, effective 5/24/18; Ord. No. 189303, effective 12/31/18; Ord. No. , effective 8/10/20.)

