

Bureau of Development Services Lunch and Learn Presentation

Inclusionary Housing and Multi-Family Residential Development

February 8, 2017 noon – 1:00 PM



**Bureau of
Development
Services** FROM CONCEPT
TO CONSTRUCTION



Portland
Housing
Bureau

Inclusionary Housing

AGENDA

- I. Legislative History
- II. PHB Staff at BDS
- III. Inclusionary Housing Options & Incentives
- IV. Affordable Housing Requirements
- V. Fee-in-Lieu Schedule

Inclusionary Housing

Housing Bureau Staff

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Inclusionary Housing

Legislative History

- **City Council** approved resolution supporting inclusionary zoning (IZ) in February 2016
- **State Legislature** approved lifting the ban on IZ, allowing local jurisdictions to implement IZ in March 2016
- **Panel of Experts** appointed by Commissioner Saltzman to explore feasibility of an inclusionary housing program in April 2016
- **Planning & Sustainability Commission** recommended necessary changes to zoning code in order to implement an inclusionary housing program in November 2016
- **City Council** adopted the Inclusionary Housing Program in December 2016 through changes to both Title 33 and Title 30, with changes to Title 3 for the tax exemption
- Inclusionary Housing requirements are effective February 1, 2017

Inclusionary Housing Program

PHB Staff at BDS

1. Answer
developer inquiries

2. Confirm IH
option selected

3. Review Plans

4. Check-sheet
items

5. Calculate &
add fee-in-lieu

6. Approve SDC
exemptions



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Inclusionary Housing Program

IH Program
applies to
all buildings
with 20 or
more new
units

- Effective February 1, 2017
- Several options for developers to choose from in order to provide affordability

Questions about vesting? Call P & Z at 503-823-7526 or go to
www.portlandoregon.gov/bds/article/580745



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Inclusionary Housing Options

Affordable Housing Requirement

- Include affordable units in new building
- Designate affordable units off-site
- Pay fee-in-lieu to Affordable Housing Fund

Inclusionary Housing Options

Include affordable units in new building

Within Central City Plan District, choose between providing 20% of units at 80% of AMI or 10% of units at 60% AMI.

Outside Central City Plan District, choose between providing 15% of units at 80% of AMI or 8% of units at 60% AMI.

- 10-year tax exemption on all residential units for properties with base FAR 5:1+, or on affordable units only for properties with below 5:1 FAR
- Construction excise tax exemption on the affordable units
- SDC exemption for units affordable at 60% AMI
- Possible parking requirement exemption
- Density/FAR bonus – varies by zoning and plan district

Inclusionary Housing Options

Reconfiguration of affordable units

Alternative mix of affordable units based on the total number of bedrooms by redistributing bedrooms into larger units – result is fewer affordable units, but with 2 or more bedrooms

Total affordable units: 20

Unit mix:

- 10 studios
- 5 one-bedrooms
- 5 two-bedrooms

Unit mix totals 25 bedrooms



Reconfigured affordable units: 13

Unit mix:

- 12 two-bedrooms
- 1 studio or one-bedroom

Same total of bedrooms: 25

Inclusionary Housing Options

Designate affordable units offsite

New construction – 20% of units at 60% of AMI or 10% of units at 30% AMI

Existing building – 25% of units at 60% of AMI or 15% of units at 30% AMI

- Units must be reasonably equivalent – size, quality, bedroom distribution
- Project must be within ½ mile or have same or better Opportunity Map score
- MWESB construction goals for new construction option
- Sending site maintains any FAR/density bonus and parking exemption
- Receiving site's affordable units receive SDC & CET exemptions

Inclusionary Housing Options

FAR/Density Bonus

	R3	R2	R1	RH	RX	IR
Maximum Density	1 unit per 3,000 sq. ft. of site area	1 unit per 2,000 sq. ft. of site area	1 unit per 1,000 sq. ft. of site area	FAR of 2 to 1 or 4 to 1	FAR of 4 to 1	See 120.20 5
Maximum Density with Inclusionary Housing Bonus	1 unit per 2,400 sq. ft. of site area	1 unit per 1,600 sq. ft. of site area	1 unit per 800 sq. ft. of site area	FAR of 2.5 to 1 or 5 to 1	FAR of 5 to 1	NA

Inclusionary Housing Options

FAR/Density Bonus

	CN1	CN2	CO1	CO2	CM	CS	CG	CX
Maximum FAR	1.5 to 1	1.5 to 1	1.5 to 1	2.5 to 1	2.5 to 1	3 to 1	3 to 1	4 to 1
Maximum FAR with Inclusionary Housing Bonus	2.5 to 1	2.5 to 1	2.5 to 1	4 to 1	4 to 1	4 to 1	3.5 to 1	6 to 1
	EG1	EG2	EX	IG1	IG2	IH		
Maximum FAR	3 to 1	3 to 1	3 to 1	no limit	no limit	no limit		
Maximum FAR with Inclusionary Housing Bonus	NA	NA	5 to 1	NA	NA	NA		

Central City and Gateway Plan Districts Inclusionary Housing bonus
FAR: Add 3 to 1 to maximum FAR



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Inclusionary Housing Options

Area Median Income-AMI (aka Median Family Income-MFI)

AMI%/ HH Size	1	2	3	4
30%	\$15,400	\$17,600	\$19,800	\$22,000
60%	\$30,840	\$35,220	\$39,600	\$43,980
80%	\$41,100	\$46,950	\$52,800	\$58,650

Inclusionary Housing Options

Affordable Housing Requirements

- At least 5 percent of the number of affordable units must be built to be Type A (ADA Accessible/Adaptable per OR Structural Specialty Code)
- Recorded covenant on title to property – 99-year affordability
- Annual reporting of tenant income and rents

Inclusionary Housing Options

Reasonable Equivalency

- Bedroom Distribution and Unit Count – IH units provided at the same ratio as market rate units
- Unit Sizes – IH units 90% of the average of the like units per bedroom count
- Unit Distribution – IH units no more than 25% of units on each floor
- Unit Amenities – like or equal performing finishes and appliances – durability and sustainability

Inclusionary Housing Options

Pay fee-in-lieu

Choose to pay fee instead of providing affordable units

- Fee calculated by multiplying the gross square feet of the development by the Fee-in-Lieu Factor
- No additional requirements

Example: 150,000 GSF, outside Central City Plan District with factor of \$19.50 = \$2,925,000 fee-in-lieu

Inclusionary Housing Options

Fee-in-lieu factor

Within Central City Plan District

Zone/FAR		Fee per GSF
3.0/4.0	Base FAR	\$27.39
3.0/4.0	Base with Bonus FAR	\$28.57
5.0/6.0	Base FAR	\$28.57
5.0/6.0	Base with Bonus FAR	\$28.99
8.0	Base FAR	\$28.99
8.0	Base with Bonus FAR	\$29.81
9.0	Base FAR	\$29.81
9.0	Base with Bonus FAR	\$29.42
12.0	Base FAR	\$29.42
12.0	Base with Bonus FAR	\$29.85
15.0	Base FAR	\$27.39
15.0	Base with Bonus FAR	\$28.57



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Inclusionary Housing Options

Fee-in-lieu factor - continued

Outside Central City Plan District *before December 31*

Zone/FAR	Fee per GSF
CN1, CO1, CO2, CM, CS, CG, CX plus EG1, EG2, EX and R3, R2, R1, RH and RX zones	\$19.50

Outside Central City Plan District *after December 31*

Zone/FAR	Fee per GSF
CM1 <i>Base FAR</i>	\$23.83
CM1 <i>Base with Bonus FAR</i>	\$25.79
CM2 <i>Base FAR</i>	\$25.79
CM2 <i>Base with Bonus FAR</i>	\$26.50
CM3 <i>Base FAR</i>	\$26.03
CM3 <i>Base with Bonus FAR</i>	\$28.58

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