

Multifamily Inclusionary Housing Programs



PORTLAND HOUSING BUREAU

Dan Saltzman, Commissioner
Kurt Creager, Director

What is Inclusionary Housing?

For the purposes of this discussion:

*Inclusionary housing programs are local land use, regulatory, direct financing, fee waiver, tax abatement, or other incentive programs, that **require or encourage** private developers to include affordable units in **new multifamily residential developments** or that raise revenue for the provision of affordable units by the City.*

Mandatory Inclusionary Housing Program

- **Senate Bill 1533:** Legislation currently under consideration to allow a jurisdiction to develop a mandatory inclusionary zoning program
- Affordability at 80% MFI, with option for city to provide additional voluntary developer incentives to reach a deeper affordability
- Applies to rental and for-sale units in buildings with more than 20 units, and limits percentage of affordable units at 20% of all units
- Requires incentives in exchange for affordable units, such as SDC or fee waivers/reductions, financing, and tax exemptions
- Fee-in-lieu option to raise revenue for the direct financing program

Framework for Inclusionary Housing Program Development

1. Technical analysis consulting advisors
2. Panel of housing experts
3. Community-wide discussion series
4. Intra-bureau technical team

Timeline for Inclusionary Housing Program Development

April 2016

- Panel of housing experts appointed and monthly meetings begin

May 2016

- Development prototypes presented and reviewed

June 2016

- Financial modeling assumptions presented and reviewed and first community wide discussion

July 2016

- Nexus analysis presented and reviewed and second community wide discussion

August 2016

- Economic and feasibility analysis presented and reviewed and third community wide discussion

September 2016

- Recommendations on a comprehensive inclusionary housing program presented and reviewed

October to December 2016

- Hold for further refinement

Technical Analysis Consulting Advisors

- David Paul Rosen and ECONorthwest
- **Deliverables:**
 - Project Initiation
 - Case Studies
 - Prototypes and Mapping
 - Residential Nexus Analysis
 - Non-Residential Nexus Analysis
 - Affordability Gap Analysis
 - Nexus Financial Feasibility Analysis
 - Inclusionary Housing Economic Analysis
 - Policy Recommendations
 - Meeting Participation
 - Administrative Review Draft (ARD) Report
 - Public Review Draft (PRD) Report
 - Final Report

Panel of Housing Experts

- Shannon Callahan – Office of Commissioner Saltzman
- Matthew Tschabold – Portland Housing Bureau
- Sarah Zahn – Portland Housing Advisory Commission, Gerding Edlen
- Dike Dame – Portland Housing Advisory Commission, Williams and Dame Development
- Dr. Lisa Bates – Portland State University
- Dr. Ronald Lehr – KeyBanc Capital Markets Inc.
- Amanda Saul – Enterprise Community Partners
- Vivian Satterfield – OPAL PDX
- Margaret Tallmadge – Coalition of Communities of Color, Portland Planning and Sustainability Commission
- Eric Cress – Urban Development + Partners
- Greg Goodman – Downtown Development Group, Portland Business Alliance
- Kira Cador – Rembold Companies
- Nolan Lienhardt – ZGF, 1000 Friends of Oregon

Inclusionary Housing Program Concept

- A mandatory requirement to provide units at 80% MFI that includes a set of incentives,
- An option to pay a fee-in-lieu of providing mandatory units,
- An option for credits in exchange for building the affordable units off-site, and
- An alternative voluntary way to meet the requirement by providing units at 60% MFI in return for a set of incentives.

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