

Comprehensive Inclusionary Housing Program Development Concept

The program development concept for a comprehensive inclusionary housing program will be focused on understanding, through an independent economic and financial feasibility analysis, how best to calibrate an 80% MFI mandatory program, a fee-in-lieu option, a build off-site option, and a 60% MFI voluntary program. The calibration levers include (1) the scale and location of the development in the city; (2) the inclusion rate of affordable units in the development; and (3) the economic incentive offered.

Through the program development process, the goal will be to develop a robust and comprehensive program that does not render residential development economically infeasible, while simultaneously leading to the provision of 80% and 60% MFI units in new market rate residential development. Outlined below are incomplete tables that attempt to illustrate visually what the analysis will yield and how a program might be structured. These tables will vary based on the scale of the development and location in the city.

Mandatory Inclusionary Housing Program at 80% of MFI

	5% Inclusion Rate	10% Inclusion Rate	15% Inclusion Rate	20% Inclusion Rate
Economic Value of Incentive Needed	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Source and Value of Economic Incentive				
Construction Excise Tax Exemptions				
Metro CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
School CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
City of Portland CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
System Development Charge Exemptions				
Environmental Services – Sanitary SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Environmental Services – Storm SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Transportation SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Parks SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Water SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Property Tax Exemptions				
10 Year Exemption on All Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
10 Year Exemption on Affordable Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
20 Year Exemption on All Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
20 Year Exemption on Affordable Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Direct Financing				
Direct Subsidy for Affordable Units	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Floor Area Ratio and Height Bonus				
FAR Bonus Value	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Height Bonus Value	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Total Value of Economic Incentives	\$ TBD	\$ TBD	\$ TBD	\$ TBD

Or a Fee-in-Lieu Option

	5% Inclusion Rate	10% Inclusion Rate	15% Inclusion Rate	20% Inclusion Rate
Fee-in-Lieu	\$ TBD	\$ TBD	\$ TBD	\$ TBD

Or a Build Off-Site Option

	5% Inclusion Rate	10% Inclusion Rate	15% Inclusion Rate	20% Inclusion Rate
Build Off-site	# of Units TBD	# of Units TBD	# of Units TBD	# of Units TBD

Or a Voluntary Inclusionary Housing Program at 60% of MFI Option

	5% Inclusion Rate	10% Inclusion Rate	15% Inclusion Rate	20% Inclusion Rate
Economic Value of Incentive Needed	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Source and Value of Economic Incentive				
Construction Excise Tax Exemptions				
Metro CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
School CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
City of Portland CET Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
System Development Charge Exemptions				
Environmental Services – Sanitary SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Environmental Services – Storm SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Transportation SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Parks SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Water SDC Exemption	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Property Tax Exemptions				
10 Year Exemption on All Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
10 Year Exemption on Affordable Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
20 Year Exemption on All Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
20 Year Exemption on Affordable Residential Improvements	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Direct Financing				
Direct Subsidy for Affordable Units	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Floor Area Ratio and Height Bonus				
FAR Bonus Value	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Height Bonus Value	\$ TBD	\$ TBD	\$ TBD	\$ TBD
Total Value of Economic Incentives	\$ TBD	\$ TBD	\$ TBD	\$ TBD