

# Inclusionary Housing Policy Framework

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## **PORTLAND HOUSING BUREAU**

Dan Saltzman, Commissioner  
Kurt Creager, Director

# What is the Policy Framework?

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For the purposes of this discussion:

*The inclusionary housing policy framework contains the current thinking on design parameters for a inclusionary housing program. These parameters are subject to economic and financial feasibility.*

# Inclusionary Housing Program Development Goals

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- Inclusion of affordable housing units in areas of high opportunity and in transit rich locations
- A mandatory 80% MFI program with robust incentives to promote a 80% MFI and below voluntary program
- Fee-in-lieu revenue dedicated to affordable housing at or below 60% MFI

# Policy Issue #1: *Geographic Scope*

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- What areas of the City should be subject to an inclusionary housing program?
- Options:
  - Citywide, calibrated for geographic areas based market conditions (**Current preferred option**)
  - Specific geographies based on housing and/or transportation cost or other factors

# Policy Issue #2: *Inclusion Rate*

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- SB1533 allows for a maximum mandatory inclusion rate of 20% of all units in a structure, should the City establish a single inclusion rate citywide or vary the inclusion rate by geographic area?
- Options:
  - Single inclusion rate citywide
  - Variable inclusion rate by geographic area (**Current preferred option**)

# Policy Issue #3: *Mandatory Affordability*

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- SB1533 allows for a mandatory inclusionary housing program to apply to households earning 80% MFI or above, what MFI should Portland's mandatory program apply to?
- Options:
  - At 80% MFI (**Current preferred option**)
  - At some level above 80% MFI

# Policy Issue #4: *Voluntary Affordability*

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- SB1533 allows for a local jurisdiction to provide additional incentives to encourage developers to include units below 80% MFI, what MFI should Portland's additional incentives be targeted at?
- Options:
  - At and below 80% MFI
  - At and below 80% MFI with increasing incentives to reach at or below 60% MFI (**Current preferred option**)

# Policy Issue #5: *Units or Revenue*

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- When calibrating the program structure, should the City prioritize units on site, units off site, fee-in-lieu revenue, or all equally?
- Options:
  - Prioritize units on site (**Current preferred option**)
  - Prioritize units off site in close proximity
  - Prioritize land-in-lieu option
  - Prioritize fee-in-lieu revenue
  - Calibrate all equally



# Policy Issue #6: *Building Size Threshold*

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- SB1533 allows for a mandatory inclusionary housing program to apply to buildings with 20 or more units, what size of building should the City's program include?
- Options:
  - 20 or more units (**Current preferred option**)
  - Some alternative minimum unit count

# Policy Issue #7: *Term of Affordability*

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- Current City policy establishes the term of affordability for the majority of regulated units at 60 years, what term of affordability should apply to units subject to an inclusionary housing program?
- Options:
  - 60 years
  - 99 years (**Current preferred option**)
  - Permanent affordability
  - Some other term of affordability

# Policy Issue #8: *Distribution of Units*

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- What requirement(s) should be established with respect to the distribution of regulated affordable units within a building subject to an inclusionary housing program?
- Options:
  - No requirement established
  - Affordable units are not allowed to be concentrated in one floor or area of the building (**Current preferred option**)
  - Some other requirement established

# Policy Issue #9: *Quality of Units*

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- What requirement(s) should be established with respect to the unit quality standards of regulated affordable units within a building subject to an inclusionary housing program?
- Options:
  - No requirement established
  - Affordable unit quality standards should be similar to comparable market rate units (**Current preferred option**)
  - Some other requirement established

# Policy Issue #10: *Size of Units*

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- What requirement(s) should be established with respect to the square footage of regulated affordable units within a building subject to an inclusionary housing program?
- Options:
  - No requirement established
  - Affordable unit size should be similar to comparable market rate units (**Current preferred option**)
  - Some other requirement established

# Policy Issue #11: *Bedroom Composition*

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- What requirement(s) should be established with respect to the bedroom composition for regulated affordable units within a building subject to an inclusionary housing program?
- Options:
  - No requirement established
  - Affordable unit bedroom composition should be proportionately equivalent to the majority of market-rate units in the building **(Current preferred option)**
  - Some other requirement established

# Policy Issue #12: *Shared Space/Amenities*

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- What requirement(s) should be established with respect to the use of common space and other building amenities?
- Options:
  - No requirement established
  - Affordable unit tenants shall not be denied access to common spaces and other building amenities through lease terms
  - Affordable unit tenants shall not be denied access to common spaces and other building amenities through lease terms or additional cost (**Current preferred option**)

# Policy Issue #13: *Parking Requirements*

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- How should minimum parking requirements apply to a building subject to an inclusionary housing program?
- Options:
  - Affordable and bonus units are included in the parking requirement calculation under City zoning code
  - Affordable and bonus units are exempted from the parking requirement calculation under City zoning code (**Current preferred option**)
  - Some other requirement established



# Policy Issue #14: *Density/Height Bonuses*

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- What density, FAR, or height bonuses should be granted to buildings subject to mandatory inclusionary housing program? Should projects that pay a fee-in-lieu opt out be eligible for bonuses?
- Options:
  - No bonuses for mandatory program - only for voluntary program
  - All bonuses for mandatory or voluntary (**Current preferred option**)
  - When paying fee-in-lieu, no bonuses granted
  - When paying fee-in-lieu, bonuses automatically granted
  - When paying fee-in-lieu, a supplemental fee can buy bonuses

# Policy Issue #15: *Program Recalibration*

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- How often should the inclusionary housing program be recalibrated?
- Options:
  - No requirement established, recalibrate as needed
  - Reviewed for recalibration ever 2-4 years (**Current preferred option**)
  - Reviewed for recalibration at some other time interval

# Other Policy Issues

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- What other policy issues need to be considered?
- What additional information is needed?
- What are areas of significant concern?

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