



Option 5
Reconfiguration

Within Options 1 and 2, applicants can provide an alternative mix of affordable units based on the total number of bedrooms. Redistributing bedrooms into affordable units of two bedrooms or more results in a building with a smaller overall number of affordable units that are greater in size.

EXAMPLE

Sample Unit Mix: 200 Bedrooms

- 50 Studios
- 100 One-Bedrooms
- 32 Two-Bedrooms
- 18 Three-Bedrooms

STEP 1: Calculate required units based on option chosen

Sample Building chose Option 2: 10% of units at 60% MFI
 Required IH Units: 20 IH Units

- 5 Studio IH Units
- 10 One-bedroom IH Units
- 3 Two-bedroom IH Units
- 2 Three-bedroom IH Units

STEP 2: Calculate the number of bedrooms required

Total Bedrooms required to provide based on option chosen: 27 bedrooms

STEP 3: Choose an option that meets the requirements and works best for the project.

Sample unit mixes to achieve a minimum 27 bedroom requirement:

Option A: 9 total IH Units
 9 Three-bedroom IH Units

Option B: 10 total IH Units
 7 Three-bedroom IH Units
 3 Two-bedroom IH Units

Option C: 12 total IH Units
 5 Three-bedroom IH Units
 5 Two-bedroom IH Units
 2 One-bedroom IH Units

The same incentives apply to the reconfigured affordable units as are available for the affordable units in options 1 and 2.

Option 6
Fee-in-Lieu

Applicants may pay a fee-in-lieu of providing affordable units. PHB staff calculate the fee amount due by multiplying the residential and residential related gross square feet of the new development by the Fee-in-Lieu Factor.

FEE-IN-LIEU FACTOR

Central City Plan District & Gateway Plan District

	\$ Fee / GSF
	27.00

All Other Areas before Dec. 31, 2020

	\$ Fee / GSF
	19.00

All Other Areas after Dec. 31, 2020

	\$ Fee / GSF
	23.00

Non-Residential / Occupancy Use (Building w/ under 20 units)

	\$ Fee / GSF
<i>Bonus Square Feet</i>	24.00

www.portlandoregon.gov/phb/inclusionary-housing

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About the Program

The City of Portland has identified the need for a minimum of 23,000 additional housing units to serve low and moderate income households. The Inclusionary Housing program is designed to help meet this need, working to preserve economically diverse neighborhoods and housing affordability.

How Does the Program Work?

Inclusionary Housing requires that all residential buildings proposing 20 or more units provide a percentage of the new units at rents affordable to households at 80% of the median family income (MFI). The City has defined additional regulatory options under the umbrella of this requirement. Permit applications must include one of the options to provide affordable housing in their proposal, or applicants can opt to pay a fee-in-lieu at permit issuance.

All permit applications are reviewed by the Portland Housing Bureau (PHB). PHB staff are available to assist in the various phases of the development, including permitting, closing, construction, lease-up, and operations.

What is Affordable?

The following Median Family Income (MFI) chart may be useful in your determination. Rents listed below assume owner pays all utilities. If tenant will be responsible for some or all utilities, subtract the utility allowance from the maximum rent listed below. For more details, visit www.portlandoregon.gov/phb/inclusionary-housing.

Bedrooms	30% MFI	60% MFI	80% MFI
0	\$427	\$855	\$1,140
1	\$458	\$916	\$1,222
2	\$549	\$1,099	\$1,466
3	\$635	\$1,270	\$1,694
4	\$708	\$1,417	\$1,890
5	\$781	\$1,563	\$2,085

Bedrooms	Maximum Sale Price		Maximum Income	
	60% MFI	80% MFI	60% MFI	80% MFI
0	\$116,631	\$187,200	\$34,200	\$45,600
1	\$132,706	\$208,631	\$36,660	\$48,880
2	\$176,615	\$268,483	\$43,980	\$58,640
3	\$219,347	\$326,113	\$50,820	\$67,760
4	\$253,847	\$364,599	\$56,700	\$75,600
5	\$292,071	\$415,564	\$62,550	\$83,400

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Helpful Information

Portland Housing Bureau (PHB)

The Portland Housing Bureau has staff to answer your Inclusionary Housing questions.

Call 503-823-9042 or send an email to inclusionary-housing@portlandoregon.gov

Bureau of Development Services (BDS)

Development Services Center

For Development Services Center hours, call 503-823-7310 or visit www.portlandoregon.gov/bds

The Development Services Center has staff to answer your permit process, land use, research and code questions.

- Permitting Services** 503-823-7357
- Planning & Zoning** 503-823-7526
- Resources & Records** 503-823-7660
- Permit Status (via Voicemail)** 503-823-7000

Stay Informed

To receive program updates by email, sign up at www.portlandoregon.gov/phb/inclusionary-housing.

Frequently Asked Questions

Please visit www.portlandoregon.gov/phb/inclusionary-housing for frequently asked questions and program details, including full administrative rules.

Regulatory Options

Option 1
80% MFI
 In buildings with 20 or more units, 15% of the units must be affordable at **80% MFI**, except within the Central City and Gateway Plan Districts, where 20% of the units must be affordable.

INCENTIVES

- Central City Plan District —20% of Units**
- 10-year property tax exemption on affordable units (for properties with a base or built FAR of 5:1 or greater, this exemption applies to all residential units)
 - Construction Excise Tax exemption on affordable units
 - Buildings will be exempt from parking requirements as detailed in Title 33
 - Density/FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)
- Gateway Plan District (20% of Units) & All Other Areas* (15% of Units)**
- 10-year property tax exemption on affordable units
 - Construction Excise Tax exemption on affordable units
 - Buildings will be exempt from parking requirements as detailed in Title 33
 - Density/FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)

KEY REQUIREMENTS

- At least 5 percent of the number of affordable units must be built to be Type A as defined in the Oregon Structural Specialty Code.

Option 2
60% MFI
 Applicants can elect to make 10% of units affordable at **60% MFI** in buildings within the Central City and Gateway Plan Districts, or 8% of units for buildings in all other areas.

INCENTIVES

- Central City Plan District —10% of Units**
- 10-year property tax exemption on affordable units (for properties with a base or built FAR of 5:1 or greater, this exemption applies to all residential units)
 - Construction Excise Tax exemption on affordable units
 - SDC exemptions on affordable units
 - Buildings will be exempt from parking requirements as detailed in Title 33
 - Density/FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)
- Gateway Plan District (10% of Units) & All Other Areas* (8% of Units)**
- 10-year property tax exemption on affordable units
 - Construction Excise Tax exemption on affordable units
 - SDC exemptions on affordable units
 - Buildings will be exempt from parking requirements as detailed in Title 33
 - Density/FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)

KEY REQUIREMENTS

- At least 5 percent of the number of affordable units must be built to be Type A as defined in the Oregon Structural Specialty Code.

Option 3
Build Off-Site
 Applicants can elect to build affordable units off-site in another new development (receiving building), separate from the multifamily development that is subject to the program requirements (sending building).

ELIGIBLE SCENARIOS

1. **20%** of the sending building's total number of residential units, affordable at **60% MFI** in the newly constructed receiving building, or
2. **10%** of the sending building's total number of residential units, affordable at **30% MFI** in the newly constructed receiving building

HIGHLIGHTS

- Sending building retains any FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)
- Construction Excise Tax exemption (for receiving building's affordable units)
- SDC exemptions (for receiving building's affordable units)
- Sending building will be exempt from parking requirements as detailed in Title 33

KEY REQUIREMENTS

- Receiving building remains subject to any additional Inclusionary Housing program requirements
- Affordable units built on receiving building must be reasonably equivalent in size, quality and bedroom count to units in sending building
- Receiving building must be identified and approved by PHB prior to building permit issuance for sending building
- Receiving building must be within a one-half mile radius of sending building, or in an area of equal or higher Combined Opportunity Map score¹
- IH units at the receiving building cannot be supported by any additional PHB subsidy
- PHB staff determines whether proposed development is compatible with program requirements (if determined incompatible, applicant must choose another option)
- Affordable units must be made available as set forth in the IH Covenant (or sending building subject to financial penalty). Receiving building also subject to the IH Covenant.
- General Contractor for receiving building will enter into agreement with third-party technical assistance provider (approved by PHB prior to opening bids for construction)
- Receiving building must receive a Certificate of Occupancy within three years of sending building's building permit issuance (or subject to financial penalty)

Option 4
Designate Existing Units
 Applicants can elect to designate affordable units in an existing building (receiving building), separate from the multifamily development subject to the program requirements (sending building).

ELIGIBLE SCENARIOS

1. **25%** of the sending building's total number of residential units, affordable at **60% MFI** in the designated existing receiving building, or
2. **15%** of the sending building's total number of residential units, affordable at **30% MFI** in the designated existing receiving building

HIGHLIGHTS

- Sending building retains any FAR bonus (varies by zoning code and plan district; see Maximum Base and Bonus Density/FAR table)
- Sending building will be exempt from parking requirements as detailed in Title 33

KEY REQUIREMENTS

- Receiving building remains subject to any additional Inclusionary Housing program requirements
- Affordable units in receiving building must be reasonably equivalent in size, quality and bedroom count to units in sending building
- Receiving building must be identified and approved by PHB prior to building permit issuance for sending site
- Receiving building must be within a one-half mile radius of sending building, or in an area of equal or higher Combined Opportunity Map score¹
- IH units at the receiving building cannot be supported by any additional PHB subsidy
- PHB staff determines whether existing building is compatible with program requirements (if determined incompatible, applicant must choose another option)
- Affordable units must be made available as set forth in the IH Covenant (or sending building subject to financial penalty). Receiving building also subject to the IH Covenant

NOTES

¹Opportunity map scores can be verified on PortlandMaps.com. Search property address and select 'zoning and districts' under 'permits and zoning'.

NOTES

PHB staff calculate the minimum number of required affordable units.
 *Applies to applications filed through December 31, 2020.