



Inclusionary Housing

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 area median income (AMI). 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 Area Median Income (AMI) chart may be useful in your determination. Rents listed below include a utility allowance. For more details, visit www.portlandoregon.gov/phb/inclusionary-housing.

Maximum Monthly Rent Considered Affordable

Bedrooms	30% AMI	60% AMI	80% AMI
0	\$392	\$784	\$1,046
1	\$420	\$840	\$1,120
2	\$504	\$1,009	\$1,345
3	\$582	\$1,165	\$1,553
4	\$650	\$1,300	\$1,733
5	\$717	\$1,435	\$1,912

Helpful Information

Portland Housing Bureau (PHB)

The Portland Housing Bureau has staff to answer your Inclusionary Housing questions. Please leave a voicemail at the number below. Messages are generally returned within two business days.

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

Bureau of Development Services (BDS)

PHB staff are available on-site at the BDS offices to answer your Inclusionary Housing questions.

City of Portland, Oregon
1900 SW 4th Avenue
Portland, OR 97201

General Office Hours

Monday through Friday, 8:00 am to 3:00 pm, except Thursday until 12:00pm

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. Please call the appropriate number listed below and leave a voicemail. Messages are generally returned within two business days.

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.

www.portlandoregon.gov/phb/inclusionary-housing

All information in this publication is subject to change. Program options and requirements will change moving forward, as defined by other City policy. For the most current information, visit www.portlandoregon.gov/phb/inclusionary-housing.

Regulatory Options

Option 1

80% AMI

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

INCENTIVES

Central City Plan District & Gateway Plan District—20% of Units

- 10-year property tax exemption on affordable units (for properties with a 5:1 FAR 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)

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% AMI

Applicants can elect to make 10% of units affordable at **60% AMI** 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 & Gateway Plan District—10% of Units

- 10-year property tax exemption on affordable units (for properties with a 5:1 FAR 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)

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.

NOTES

PHB staff calculate the minimum number of required affordable units.

*Applies to applications filed through December 2018.

Option 3

Build Off-Site

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

ELIGIBLE SCENARIOS

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

HIGHLIGHTS

- Sending site 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 site's affordable units)
- SDC exemptions (for receiving site's affordable units)
- Sending site will be exempt from parking requirements as detailed in Title 33

KEY REQUIREMENTS

- Receiving site remains subject to any additional Inclusionary Housing program requirements
- Affordable units built on receiving site must be reasonably equivalent in size, quality and bedroom count to units in sending site
- Receiving site must be identified and approved by PHB prior to building permit issuance for sending site
- Receiving site must be within a one-half mile radius of sending site, or in an area of equal or higher Combined Opportunity Map score¹
- Receiving site 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 Regulatory Agreement (or sending site subject to financial penalty). Receiving site also subject to Regulatory Agreement.
- General Contractor for receiving site will enter into agreement with third-party technical assistance provider (approved by PHB prior to opening bids for construction)
- Receiving site must receive a Certificate of Occupancy within three years of sending site'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 site), separate from the multifamily development subject to the program requirements (sending site).

ELIGIBLE SCENARIOS

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

HIGHLIGHTS

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

KEY REQUIREMENTS

- Receiving site remains subject to any additional Inclusionary Housing program requirements
- Affordable units in receiving site must be reasonably equivalent in size, quality and bedroom count to units in sending site
- Receiving site must be identified and approved by PHB prior to building permit issuance for sending site
- Receiving site must be within a one-half mile radius of sending site, or in an area of equal or higher Combined Opportunity Map score¹
- Receiving site 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 Regulatory Agreement (or sending site subject to financial penalty). Receiving site also subject to Regulatory Agreement.

NOTES

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

Regulatory Options, cont.

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: 25 Bedrooms

- 10 Studios
- 5 One-Bedrooms
- 5 Two-Bedrooms

Total Affordable Units = 20

Sample Reconfigured Unit Mix: 25 Bedrooms

(Total bedrooms redistributed into two-bedroom units)

- 12 Two-Bedrooms
- 1 Studio or One-Bedroom

Total Affordable Units = 13

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

[www.portlandoregon.gov/
phb/inclusionary-housing](http://www.portlandoregon.gov/phb/inclusionary-housing)

All information in this publication is subject to change. Program options and requirements will change moving forward, as defined by other City policy. For the most current information, visit www.portlandoregon.gov/phb/inclusionary-housing.

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 gross square feet of the new development by the Fee-in-Lieu Factor.

FEE-IN-LIEU FACTOR

Central City Plan District & Gateway Plan District

Zone / FAR		\$ Fee / 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

All Other Areas before Dec. 31, 2018

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

All Other Areas after Dec. 31, 2018

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

Non-Residential / Occupancy Use

Zone / FAR	\$ Fee / GSF
Bonus FAR	24.00