



Local Options for Inclusionary Zoning created through SB 1533

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Presentation Summary

- What is inclusionary zoning?
- Use of IZ across the country
- Use of IZ within Oregon
- Local market conditions
- Community perspectives
- Questions and discussion



What is Inclusionary Zoning?

- IZ typically refers to local programs to build affordable homes as part of a market rate development
- Goal is to increase the number of affordable housing units and integrate units within market rate developments
- IZ programs have been adopted by jurisdictions across the county

IZ in Oregon

- Oregon adopted SB 1533 in 2016
- Permits limited form of IZ and repealed prohibition in place since 1999
- Portland is only jurisdiction in Oregon with a mandatory IZ program



Use of IZ outside of Oregon

- Programs exist in over 400 jurisdictions in 27 states
- Most impactful programs located in California and the DC metropolitan area
- Vary dramatically in focus and structure
- Many programs have large homeownership components
- Many offer incentives as well as options for developing on-site, off-site, or payment of fee-in-lieu



Inclusionary Zoning in Oregon

Program Element	Requirements for Mandatory IZ in Oregon
Development Type	Applies to multifamily buildings with <u>20 or more</u> units
Percentage of Units Dedicated	Up to 20% of units in eligible structures may be required to be “affordable”
Affordability for Dedicated Units	Rents for dedicated units will be affordable to households earning <u>80% AMI or above</u>
Tenure (rental and/or homeownership)	Dedicated units may be sold or rented
Development Incentives	Must provide one or more development incentives as specified in legislation <u>and</u> set aside portion of CET revenue for developer incentives
Fee-in-lieu Option	Must provide option to developer to include units on site or pay a fee to the jurisdiction



Portland Inclusionary Housing Program

- Adopted in 2017 following year long process including economic analysis and expert panel
- Applies only to buildings with 20 or more units
- Requirements vary by neighborhood market conditions
- Developers offered multiple choices to meet requirements through on-site development, off-site, or payment of fee-in-lieu
- Developer Incentives include 10 year property tax exemption, CET exemption, and waiver of parking requirements
- 422 inclusionary housing units have been produced in 65 housing developments



Considerations for Eugene

- Market conditions for multifamily development
- Volume of multifamily development in buildings with 20 or more units
- Would require City to reserve portion of CET resources for developer incentives
- Complex program to develop and implement

