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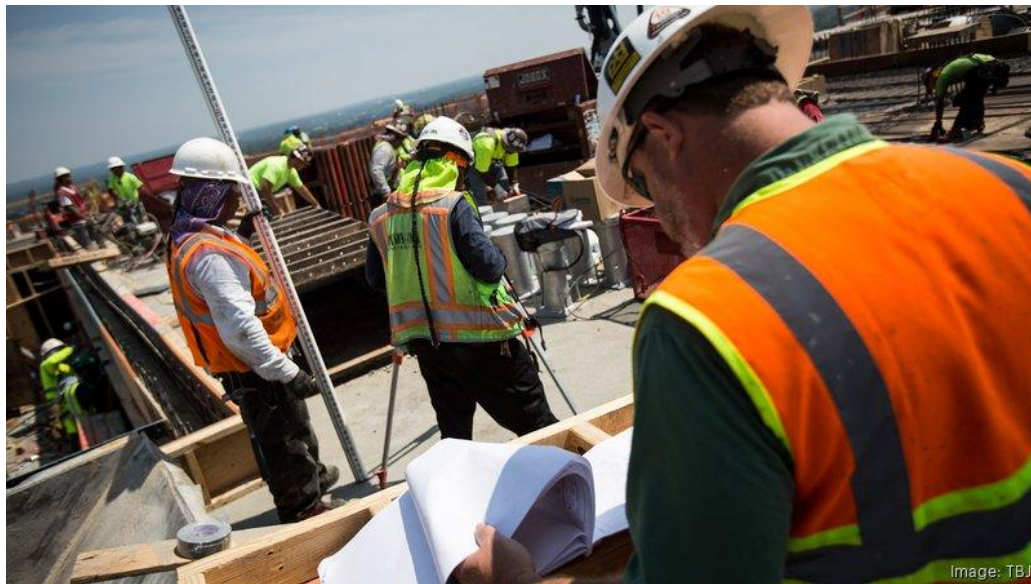
From the Portland Business Journal:

<https://www.bizjournals.com/portland/news/2023/02/28/portland-inclusionary-housing-units.html>

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Are Portland developers building small to avoid inclusionary housing?

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In new buildings with more than a hundred new market-rate units, running into Portland's affordability rules is unavoidable.

Developers have various ways to comply with the rules, which require projects of 20 homes or more to include affordable units or pay fees or penalties.

But one of the big questions since the program went into effect in 2017 is whether developers have been going small — constructing 19 homes or fewer per building — to circumvent inclusionary housing altogether.

Through a new data analysis, the city contends any such evasive maneuvers haven't made a big difference.

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In a December memo to a city-convened group looking at ways to tweak the policy, Svetha Ambati, an equitable development analyst, wrote that buildings with fewer than 20 units don't constitute a large share of Portland housing production.

"Less than 10 percent of the last three years of housing units produced are within 12-to-19-unit buildings," Ambati wrote. "Most 12-to-19-unit buildings are built on smaller lots that accommodate smaller building types."

Another workaround is putting multiple small buildings on a single chunk of land, but that "evasion" has happened just six times over the past three years: four times in 2019, once in 2020 and another time in 2021, according to the memo.

"In conclusion," Ambati wrote, "the avoidance of Inclusionary Housing requirements by building just below the threshold of the requirements is not prevalent within recent years of housing production trends."

The analysis didn't factor in fully deed-restricted affordable housing projects, which makes sense, since the point of the

inclusionary policy is to slot more affordable housing into market-rate developments.



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