



## **Inclusionary Housing Testimony to the Portland City Council**

Madeline Kovacs, Portland for Everyone

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Mr. Mayor and Portland City Commissioners,

My name is Madeline Kovacs, and I am the Coordinator of the Portland for Everyone coalition. We are over 35 formally endorsing organizations, all supporting the provision of abundant, diverse & affordable housing options for all Portlanders.

I want to testify today in support of the inclusionary housing proposal before you in its current form. Those testifying in support of the current proposal today also represent a broad range of community-based organizations and residents who have born the brunt of long-term housing disparities in this city, and it is time for this trend to come to an end.

Increasing the supply of housing to address Portland's current crisis is critically important – but we need to be equally concerned with who we are building this housing for, and where it's located. I am here today to speak to two of Portland for Everyone's five goals for our city:

- Prioritizing housing for historically and currently under-served populations, and
- Creating and maintaining economically diverse neighborhoods.

In a city experiencing rapid growth, and increasing pressures on access to affordable housing, we can also leverage this growth for the benefit of moderate- and low-income Portlanders. While rental housing is increasingly focused on the luxury market, the city currently has a shortfall of over 24,000 units for low- and moderate- income households. We must do this now: If we don't, it will only get harder as 1,000 new residents move to Portland each month.

Furthermore, Portland's current zoning, largely continued over from the 1950's – 1970's, has roots in racial and class exclusion, harming communities and resulting in some of the intractable issues that policymakers must struggle with today.

The policy proposal before you now is the best option that we currently have to not only slow the widening gaps in wellbeing and opportunity that have arisen from these practices, but to intentionally and actively reverse them.

I would like to live in a city where everyone that I meet is given an equal opportunity to thrive. I would also like to live in a city where a person's potential is no longer determined predominantly by their zip code.

The City of Portland engaged in an intensive, rigorous process over the past eight months, with input from developers, advocates, and experts. It solicited analysis from independent technical advisors and an intra-bureau technical team, and held community-wide discussions, all to arrive at the policy proposal now before you. Other claims, based on assumptions, being made today have not been vetted against the same level of analysis and scrutiny within our local market context (or have not even made public at all).

True, the inclusion rates recommended by staff and the task force are higher than those enacted other places. However, so are the offsets: The current Inclusionary Housing policy before you contains the full suite of tools that can be employed to achieve successful development regimes, including direct subsidies, density bonuses, tax abatements, and, hopefully, further reduced parking requirements. Inclusionary Housing has a 40-year track record in over 500 jurisdictions. **No other jurisdiction has held developer profits completely harmless when enacting such a policy – Portland would be the first.**

We will never have perfect information before implementation, but we already have good information. We do not need a “ramp up” inclusion rate period: We will benefit from assessing market signals as soon as possible if adjustments do need to be made. A three-year delay to find out whether or not construction plummets outside the Central City will burn through the 14,000 units in the pipeline before it becomes clear if changes must be made. Lastly, recalibration of the policy before you to adjust to changing market conditions will ensure that it remains a flexible and workable program for the development community.

There is no good reason to delay full enactment. The City’s 2016 State of Housing Report, released last month, makes it abundantly clear that our communities cannot wait.

While I only worked for a small-scale residential real estate developer for a year and change, I did learn a very important lesson: With courage, intelligence, and creativity, many long-held assumptions that drive our business models can be altered startlingly fast, while also creating the incentives and opportunities for more effective and collaborative solutions can emerge. I am excited to watch the development community here in Portland dedicate itself to those endeavors, tackling projects which will bring added benefit and much-needed housing options to our city for people of all incomes.

Thank you all for your tireless service to the people of Portland.

In solidarity,



Madeline Kovacs  
Portland for Everyone  
1000 Friends of Oregon  
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