



CITY OF  
**PORTLAND, OREGON**

PORTLAND HOUSING BUREAU

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DATE: September 2, 2014

TO: Portland Housing Advisory Commission (PHAC)

FROM: Dory Van Bockel, PHB Housing Program Coordinator

SUBJECT: 2014 Multiple-Unit Limited Tax Exemption (MULTE) Application Summary

In this third application year since the MULTE program was revised in 2012, PHB received three applications. All three applications were deemed to have met the minimum threshold requirements of the MULTE program and have been recommended for approval by the PHB Investment Committee. Bringing the project applications before PHAC provides an opportunity for the public to ask any questions about the projects before they move forward for approval at City Council.

**Timeline:**

Date	Process
May 8	Application Announcement
June 27	Applications due
August 21	Applications presented to Investment Committee
September 2	PHAC meeting with public testimony
September 10	Ordinance to City Council for approval

**Public Hearing:**

20 minutes – staff presentation of MULTE Projects  
10 minutes – public testimony  
30 minutes – MULTE policy discussion

**Financial Evaluation:**

As part of the application review, PHB staff reviews each project's financial information presented in three different scenarios: 1) project with the exemption and affordable units; 2) project without the exemption but still with affordable units; and 3) project without the exemption with rents increased from the affordable rents in order to achieve the same rate of return as in the first scenario. The evaluation shows that the projects would all struggle financially to provide the affordable units without the exemption. The review of the projects also confirms that the projects' average cash-on-cash rate of return over the 10 years of the exemption does not exceed 10%, which is also a program requirement.



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### Block 8L MULTE Application Summary

Gerding Edlen proposes to build a mixed-use development, Block 8L, at NW Naito Parkway and 1<sup>st</sup> Avenue between and NW Couch and Davis Streets. The site is located downtown Portland in the Old Town China Town neighborhood and is within the Downtown Waterfront Urban Renewal Area. Planned commercial tenants include Ankrom Moisan Architects and the University of Oregon for their Executive MBA program. The project is one block from a MAX light rail stop and will feature a roof deck, fitness room, large shared bike room, tenant common room with river view and a kitchen (available for public use by reservation), and public pedestrian connection through the property, enhancing existing easement

**Proposed Unit Mix and Affordability – 27% of units at 80% MFI or below:**

Unit Type	Average Square Footage	Total Count	Unit Count at 80% MFI	Restricted at 80% MFI Rent (w/ Utilities)	Un-restricted Unit Count	Un-restricted Rent (w/ Utilities)
Studio	434	38	12	\$902 (\$971)	26	\$1050 (\$1119)
One Bedroom	614	15	3	\$947 (\$1040)	12	\$1250 (\$1343)
Two Bedroom	947	6	1	\$1132 (\$1248)	5	\$1600 (\$1716)
<b>Total</b>	<b>532 Avg</b>	<b>59</b>	<b>16</b>			

**Equity**

- History of three other area projects utilizing MWESB firms for over 30% of contracts.
- Co-founded the local non-profit, Construction Apprenticeship and Workforce Solutions (CAWS)
- Planned partnership with a Pre-Apprenticeship Training Program (PATP)
- Plan for early engagement of MWESB contractors in the cost estimating process
- Targeted marketing strategies to reach underserved populations through Central City Concern and Innovative Housing.

**Accessibility**

- All of the units and common areas will feature some Universal Design components making the Project more livable and comfortable for tenants and visitors with disabilities as well as seniors.

Public Benefit	Points Earned	Possible Points
Affordability	10	50
Equity	25	30
Accessibility	1	20
Family Housing/Location	1	10
Access to Amenities	8	10
Gathering Space	10	10
Special Needs Populations	0	10
<b>Total</b>	<b>55</b>	<b>140</b>



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### Block 67 MULTE Application Summary

Block 67, LLC proposes to build a mixed-use, high rise development, Block 67, also known as Burnside Bridgehead (the “Project”), at E Burnside and NE Couch Streets between NE 2<sup>nd</sup> and 3<sup>rd</sup> Avenues. The site is located on the east end of the Burnside Bridge in the Kerns neighborhood within the Central Eastside Industrial Urban Renewal Area. The Project is close to the streetcar line and will feature an eco-roof with barbecue facilities, fire pits and art features available to the public. Other amenities include a plaza with raised landscape planters and seat walls, connection to the adjacent skateboard park, and a Transportation Demand Management Strategy including a car share program.

**Proposed Unit Mix and Affordability – 20% of units at 60% MFI or below:**

Unit Type	Square Footage	Total Count	Unit Count at 60% MFI	60% MFI Rent (w/ Utilities)	Un-restricted Market Rate Unit Count	Un-restricted Market Rent (w/ Utilities)
Studios	504-658	120	24	\$664 (\$729)	96	\$1487-1658 (\$1552-1723)
One Bedroom	556-803	128	26	\$729 (\$937)	102	\$1738-1927 (\$1823-2012)
Two Bedroom	658-1009	36	7	\$729 (\$937)	29	\$2803-3027 (\$2918-3142)
<b>Total</b>	<b>Avg 669</b>	<b>284</b>	<b>57</b>		<b>227</b>	

**Equity**

- Minority Business Enterprise subcontractor, Colas Construction, selected for two large components, making up over 22% of the hard costs
- 20% of work hours to be performed by apprentices
- Efforts to connect to other sub-contractors who might successfully bid on smaller projects
- Mentioned the importance of working with community members to include people within the culturally and socially-disadvantaged neighborhood who may be displaced from the rise in rents in the area

Public Benefit	Points Earned	Possible Points
Affordability	25	50
Equity	20	30
Accessibility	0	20
Family Housing/Location	2	10
Access to Amenities	8	10
Gathering Space	10	10
Special Needs Populations	0	10
<b>Total</b>	<b>65</b>	<b>140</b>



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**Riverscape Lot 1 MULTE Application Summary**

RS 1, LLC proposes to build a residential development, Riverscape Lot 1, at NW Front Avenue and NW 15<sup>th</sup> Avenue. The site is located in Northwest Portland adjacent to the Pearl District and is within the River District Urban Renewal Area. The project is directly on a bus line and will connect to and extend the Greenway Trail along the river. Residents will also benefit from a landscaped courtyard, fitness center, bike and dog washing facility, a rooftop terrace common area with a barbecue and movie screen, plus a clubhouse with a media center, a business conference room including WiFi and a full kitchen. The business conference room and rooftop area will be available to the public by reservation.

**Proposed Unit Mix and Affordability** – 19% of units at 80% MFI or below & 6% at 60% MFI or below:

Unit Type	Square Footage	Total Unit Count	Unit Count at 60% MFI	60% MFI Rent (w/ Utilities)	Unit Count at 80% MFI	80% MFI Rent (w/ Utilities)	Un-restricted Market Rate Unit Count	Un-restricted Market Rent (w/ Utilities)
Studio	526-566	37	2	\$662 (\$729)	8	\$871 (\$971)	27	\$1131-1352 (\$1198-1419)
One Bedroom	700-1020	80	4	\$691 (\$781)	16	\$950 (\$1040)	60	\$1505-1613 (\$1595-1703)
Two Bedroom	1020-1100	32	3	\$825 (\$937)	5	\$1136 (\$1248)	24	\$2193-2365 (\$2305-2477)
<b>Total</b>	<b>759 Avg</b>	<b>149</b>	<b>9</b>		<b>29</b>		<b>111</b>	

**Equity**

- Ensure MWESB participation by working with non-profit groups such as BDI, NAMC, OAME
- Will give priority to MWESB firms in the case that bids are otherwise equal
- Targeted marketing plan identifying Network for Oregon Affordable Housing, REACH CDC and PHC Northwest.
- Marketing materials printed in several languages; onsite staff “culturally and linguistically proficient”

**Accessibility**

- All of the units and common areas will feature some Universal Design components making the Project more livable and comfortable for tenants and visitors with disabilities as well as seniors.
- triple the number of Type A units compared to what is required by code and provide 9 (6% of total units) completely accessible units

Public Benefit	Points Earned	Possible Points
Affordability	10	50
Equity	25	30
Accessibility	1	20
Family Housing/Location	1	10
Access to Amenities	8	10
Gathering Space	10	10
Special Needs Populations	0	10
<b>Total</b>	<b>55</b>	<b>140</b>