

# **Multiple-Unit Limited Tax Exemption (MULTE) Program**

N Interstate & Willamette  
SE Hawthorne & 23<sup>rd</sup>

Public Hearing at PHAC  
December, 2016



**PORTLAND HOUSING BUREAU**

Dan Saltzman, Commissioner  
Kurt Creager, Director

# MULTE Program

- The MULTE Program encourages private developers to include affordable units and other public benefits in their projects
  - Projects approved for the program receive a ten-year exemption from the taxes due on the newly built structure
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# Public Benefits

- **Affordability** – At least 20% of the units must be rented to households earning no more than 80% AMI
  - **Accessibility** – Exceeding minimum standards by making at least 5% of the units adaptable-ready in order to be fully accessible to meet the needs of people with disabilities and seniors
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# Public Benefits

- **Equity**

- Engaging a consultant to provide more Minority, Women and Emerging Small Business (MWESB) contracting opportunities
  - Working with PHB to connect those most in need of housing to the available units through relationships with community partners
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# Application Process

- PHB can approve up to \$3 million of foregone revenue based on applications received each year
  - Developers apply prior to having their building permit issued
  - Applications are reviewed to test that the affordable units would not be included in the project without the exemption
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# Application Review and Approval

- PHB's Housing Investment Committee reviews the staff analysis of applications
  - Notice of this public hearing was sent out 3 weeks before the meeting
  - Applicants have engaged neighborhood associations prior to applying for the MULTE
  - Final approval of applications received at City Council
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# Current Applications

<b>Project</b>	<b>Area</b>	<b># of units</b>	<b>Affordable units</b>	<b>MFI</b>
<b>Interstate &amp; Willamette</b>	N/NE	141	28	80%
<b>Hawthorne &amp; 23rd</b>	SE	59	12	80%

# Fairfield Killingsworth

## 5327 N Interstate

- 7 stories – ground-floor retail space
  - 57 subterranean parking
  - High walkability scores & 1 block from MAX
  - Mix of studio, 1 bedroom and 2 bedroom units
  - Restricted units at 80% MFI
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# 5327 N Interstate Exemption Amount

<b>Estimated value of exemption</b>	
First year:	\$312,696
10-year:	\$2,879,873
10-year (City 1/3):	\$950,358
<b>Monthly value per unit</b>	
Affordable unit:	\$931
Affordable unit (City 1/3):	\$310
Average difference in rents:	\$589
(between market and restricted)	

# TMT Development

## 2310 SE Hawthorne

- 4 stories – ground-floor retail space
  - 22 tuck-under parking spaces
  - High walkability and bikeability scores
  - Mix of studio and 1 bedroom units
  - Restricted units at 80% MFI
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# 2310 SE Hawthorne

## Exemption Amount

<b>Estimated value of exemption</b>	
First year:	\$141,517
10-year:	\$1,303,334
10-year (City 1/3):	\$430,103
<b>Monthly value per unit</b>	
Affordable unit:	\$983
Affordable unit (City 1/3):	\$324
Average difference in rents:	\$643
(between market and restricted)	

# Total 2016 Applications

	<b>Home-ownership</b>	<b>Rental</b>	<b>Total</b>
<b>Projects</b>	1	17	18
<b>Affordable Units</b>	12	323	335
<b>Estimated Foregone Revenue</b>	\$20,000	\$3,692,688	\$3,712,688

Less 8 projects in URAs = effective \$1,506,214  
Remaining 2016 cap = \$793,526