

Multiple-Unit Limited Tax Exemption (MULTE) Program

SW 4th & Grant

NW 16th & Marshall

SE 91st & Foster

Public Hearing at PHAC

September , 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% MFI
 - **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

Project	Area	# of units	Affordable units	MFI
4th & Grant	SW	108	21	60%
17th & Marshall	NW	127	26	60%
91st & Foster	SE	54	16	60%

KOZ Development

SW 4th & Grant/NW 16th & Marshall

Both projects:

- 6 stories – ground-floor commercial space
 - 25 parking spaces in SW/No parking in NW
 - High walkability scores
 - Mix of studio, 1 bedroom lofts and 2 bedroom units
 - All restricted units at 60% MFI
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4th & Grant Exemption Amount

Estimated value of exemption	
First year:	\$146,500
10-year:	\$1,350,000
10-year (City 1/3):	\$445,000
Monthly value per unit	
Affordable unit:	\$581
Affordable unit (City 1/3):	\$192
Average difference in rents:	\$362
(between market and restricted)	

NW 16th & Marshall

Exemption Amount

Estimated value of exemption	
First year:	\$205,000
10-year:	\$1,900,000
10-year (City 1/3):	\$620,000
Monthly value per unit	
Affordable unit:	\$656
Affordable unit (City 1/3):	\$216
Average difference in rents:	\$388
(between market and restricted)	

Portland Development Commission

9101 Foster

- 4 stories – ground-floor commercial space
 - 31 off-street parking spaces
 - Moderately high walkability score
 - Mix of studio, 1 bedroom and 2 bedroom units – 500-1200 sq feet
 - All restricted units at 60% MFI
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9101 SE Foster

Exemption Amount

Estimated value of exemption	
First year:	\$69,000
10-year:	\$634,500
10-year (City 1/3):	\$209,000
Monthly value per unit	
Affordable unit:	\$356
Affordable unit (City 1/3):	\$117
Average difference in rents:	\$287
(between market and restricted)	

Total 2016 Applications

	Home-ownership	Rental	Total
Projects	1	11	12
Affordable Units	12	219	231
Estimated Foregone Revenue	\$20,000	\$2,657,000	\$2,677,000

Less 5 projects in URAs = effective \$1,081,000
Remaining 2016 cap = \$1,404,000