

IMPACT STATEMENT

Legislation title: *Approve application under the Multiple-Unit Limited Tax Exemption (MULTE) Program for 28th St. Lofts located at 2821 NE Everett St. (Ordinance)

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Purpose of proposed legislation and background information:

Portland Housing Bureau (PHB) administers the Multiple-Unit Limited Tax Exemption (MULTE) Program, authorized under ORS 307.600-307.637 and Portland City Code 3.103. The MULTE Program provides a ten-year exemption that is one of the financial incentives made available to projects required to comply with the City's Inclusionary Housing (IH) Program. Under the IH program, the developer has opted to make eighteen (18) of the project's one-hundred nineteen (119) units, fifteen percent (15%), affordable to households earning no more than 80% Median Family Income ("MFI") for 99 years. The tax exemption will apply to the affordable units in the project only.

ORS 307.621 and City Code Section 3.103.060(B) state that PHB will take applications to City Council for approval in the form of an ordinance and deliver approved applications to Multnomah County within a certain timeframe. This action meets those requirements.

Financial and budgetary impacts:

The City will pay the up to \$9,000 application activation fee to Multnomah County, should the application move forward.

This Ordinance approves a tax exemption resulting in foregone tax revenue. The total estimated amount of the property tax revenue not collected for the ten years of the exemption period based on the application is valued at approximately \$210,063.30 in today's dollars assuming a four percent discount rate, and a three percent annual assessment increase. This ten-year estimate includes taxes foregone by the City of Portland, Multnomah County and other entities which receive property taxes within Multnomah County. The reduced amount of property taxes to the City over the ten years is roughly 33 percent of that amount, or \$69,320.89. The City will still benefit from property taxes collected on the improved value of the land during the exemption period.

Project Overview:

Total Units: 119

No. at or below 80% MFI: 18 units

No. at Market Rate: 111 units

Impact Statement for Requested Council Action

Foregone Revenue: \$22,808.61 estimated first year value of the tax exemption (all jurisdictions); \$1,267.15 per affordable unit annually

Bedroom Mix:

Unit Size	Count	Income Restriction (MFI)
Studio	5	80%
Studio	28	Market
One-Bedroom	13	80%
One-Bedroom	73	Market
TOTAL	119	

Community impacts and community involvement:

As the largest taxing jurisdiction affected by the tax exemption programs, Multnomah County has approved the administration of the program in order to meet shared affordable housing goals.

Renewable Energy Goal:

Approval of the MULTE does not impact the City's total renewable energy use.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ YES: Please complete the information below.
☒ NO: Skip this section