

## IMPACT STATEMENT

**Legislation title:** \*Approve interim use of the Multiple-Unit Limited Tax Exemption (MULTE) Program to capture opportunities for affordable housing in housing developments not subject to Inclusionary Housing and amend the MULTE Administrative Rules (Ordinance)

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### **Purpose of proposed legislation and background information:**

In order to capture affordability in the remaining projects that are within the permitting pipeline and not subject to Inclusionary Housing, Portland Housing Bureau (PHB) is proposing an interim use of the Multiple-Unit Limited Tax Exemption (MULTE) Program, which is authorized under ORS 307.600-307.637 and Portland City Code 3.103. The MULTE Program provides a 10-year exemption that is one of the financial incentives made available to projects required to comply with the City's Inclusionary Housing (IH) Program. This ordinance makes the MULTE Program available to projects outside of the IH Program so long as those projects provide 20% of the units as affordable at either 60% or 80% of area median family income (MFI) for a period of ten years. The interim program will be available to applications submitted through June 30, 2020, or until a cap of \$3 million of estimated foregone revenue is reached, calculated based on the projected value of the exemption the first year of operations.

### **Financial and budgetary impacts:**

The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than \$3 million of new estimated foregone revenue that is calculated on a 5-year rolling basis. Applications approved under these provisions are included within that total.

The City will collect a total of \$17,000 from applicants in processing and application fees for each MULTE application approved, \$9,000 of which the City will pay to Multnomah County as an application activation fee.

### **Community impacts and community involvement:**

The parameters of the program were presented and discussed at the January 23 Portland Housing Advisory Commission (PHAC) meeting. PHAC supports using the program this way.

As the largest taxing jurisdiction affected by the tax exemption programs, Multnomah County has approved the administration of the programs in order to meet shared affordable housing goals, and a resolution approving the interim use of the MULTE Program is scheduled for March 15.

**100% Renewable Goal:**

NA

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

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

**MAYOR'S AMENDMENT TO ITEM 251 – MULTE**

**MARCH 14, 2018 | AM COUNCIL SESSION**

Only Pre-IH Developments with an estimated first year of foregone revenue of \$500,000 or less will be approved. Only Vested Projects with an estimated first year of foregone revenue of \$500,000 or less are eligible for an exemption.