



Portland Housing Bureau

Mayor Ted Wheeler • Interim Director Shannon Callahan

188869

Incenting the Pre-Inclusionary Housing Pipeline

- **Inclusionary Housing went into effect February 2017 requiring affordability in new developments**
- **19,000 units vested in developments not subject to Inclusionary Housing.** *Which is the equivalent of 42% of all multi-family housing units built in the last 20 years.*
- **10,000 units still in the permit process as of February 1, 2018**

- **Large volume of vested units has created a need to incentivize affordability in the market rate developments**
- **To accomplish this the Housing Bureau has developed a limited availability modified MULTE program**

- **Time limited: Available for only two years**
- **Cost limited: Limited to \$3 million tax exemptions**
- **Eligibility cap per project of \$500,000**
- **No additional fiscal impact to taxing jurisdictions**

	MULTE Program Pre-IH	MULTE Proposal for Vested Permits
Exemption Timeframe	10	10
Affordability Period	10	10
Restricted Income	<ul style="list-style-type: none"> 20% at 60% or 80% MFI, depending on market rents 	<ul style="list-style-type: none"> 20% at 60% MFI if less than 5:1 FAR 20% at 80% MFI if greater than 5:1 FAR
Boundaries	Central City/Transit Corridors	Citywide
Foregone Revenue Cap	\$15 M over rolling 5 years*	\$3 M over 2-year window*

**projects within urban renewal areas are exempt from the cap*

Additional Public Benefits

- **MWESB consultant contract required – 20% MWESB goal for construction contracting**
- **At least 5% of affordable units must be built to be fully ADA adaptable**
- **Affordable units listed on OneAppOregon**

Historic MULTE Performance for Comparable Projects

from 2015-16 Fiscal Year Report

- 30 projects
- 4 over \$500,000
- 4 partially affordable housing projects (not comparable)
- **22 comparable projects**

Historic MULTE Performance for Comparable Projects

from 2015-16 Fiscal Year Report

- 22 comparable projects
 - **2060 total units**
 - **430 affordable units** (293 at 80% AMI, 137 at 60% AMI)
 - **\$10,000 average year 1 tax exemption per affordable unit**

Historic MULTE Performance for Comparable Projects

from 2015-16 Fiscal Year Report

- \$10,000 average year 1 tax exemption per affordable unit or **\$833 of tax exemption per month**

Historic MULTE Performance for Comparable Projects

from 2015-16 Fiscal Year Report

Average Central City rent new construction: \$2,000

- **80% AMI rent: \$1,100 (about \$900 rent discount per month)**

Average Portland rent new construction: \$1,700

- **60% AMI rent: \$840 (about \$860 rent discount per month)**

The need ...

Approximately **55,000 cost burdened households** below 80% AMI

About **6,000 to 8,000** between 60% and 80% AMI