

MULTIPLE-UNIT LIMITED TAX EXEMPTION PROGRAM ADMIN RULES

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (PRINT)

ADDRESS AND ZIP CODE (Optional)

Email (Optional)

✓ Gwenn Baldwin	1020 SW Taylor St. #770 Pld 97205	
✓ MARY SIPE		

Turtle Island Development, LLC

P.O. Box 12406, Portland, Oregon 97212-0406

March 21, 2018

Mayor Ted Wheeler
1221 SW Fourth Avenue
Portland, Oregon 97204

Via e-mail

RE: Interim Use of MULTE Program

Dear Mayor Wheeler,

I am writing to offer my support for the proposed changes to the MULTE Program to add affordable housing to the projects which are already vested and would not be subject to Inclusionary Housing.

Here is a brief summary of the reasons I believe this proposal makes sense:

1. I believe this is a cost-effective way to produce affordable housing. As you know, nonprofits can receive full abatement of taxes on the improvements **and on the land** in perpetuity for affordable units. In addition to the tax abatement, most of the current nonprofit affordable projects in development are using \$140,000 to \$300,000 of city, state, and federal subsidy to produce the affordability. If we can have for-profit developers produce an affordable unit with only a limited abatement on the improvements, that appears to be a real bargain.
2. The "foregone" revenue is revenue that the city and county wouldn't have if the projects weren't built. (And some might not be built – or built as soon - without this incentive.) Unless you think that these projects will be big consumers of police and fire services, the limited abatement will probably have little or no negative impact on the general fund.
3. Because these projects will pay property taxes on the land and on any commercial space during the 10-year limited abatement period, they are probably adding to the general fund revenue.
4. In addition to the taxes on the land and the commercial space, these projects will produce significant City and County business income tax revenue from the developers, contractors, architects, suppliers, etc. during the construction period and will continue to produce those taxes during the ongoing operation of the buildings.

In short, I think the proposed use of the MULTE program will produce much-needed affordable housing at little or no cost to the City and County while producing jobs and other tax revenues.

Thank you for your continued leadership on this issue.

Sincerely,



Ed McNamara

**DEVELOPMENT
COMPANY
OF THE WEST**

March 21, 2018

Mayor Ted Wheeler
City of Portland
1221 SW 4th Ave, Room 300
Portland, Oregon 97204

Re: Affordable Housing Production

Dear Mayor Wheeler,

Portland is experiencing a housing emergency as evidenced by the median price of a two-bedroom apartment in Portland renting for \$1,320, versus the national average of \$1,160, without correspondingly higher incomes.

Unfortunately, the construction of rental housing, while high by historic standards, has not kept pace with the city's rapid employment and population growth. The result is rising rents and less affordable housing for Portlanders. We see the results in our communities across the city, making life significantly harder for employers, workers, families and students. The result undermines our community and its institutions.

We must do whatever we can to create new housing to suit all incomes.

Prior to the implementation of inclusionary housing, the development pipeline was populated with projects that totaled up to 19,000 units of housing, all at market rate. With the requirement for inclusionary housing, this pipeline has evaporated. I appreciate that the City Council is considering the Multiple-Unit Limited Tax Exemption (or MULTE) as a tool to help gain affordable units from the existing development pipeline.

These incentives will help capture additional housing units, making development a part of the solution to the housing crisis. It is a proven and cost-effective tool that I urge you to support. Thank you for your consideration.

Sincerely,

Mark New
Managing partner
Development Company of the West, LLC.



188869

March 21, 2018

VIA EMAIL

Mayor Ted Wheeler
1221 SW 4th Avenue, Room 340
Portland, OR 97204

Commissioner Nick Fish
1221 SW 4th Avenue, Room 240
Portland, OR 97204

Commissioner Chloe Eudaly
1221 SW 4th Avenue, Room 210
Portland, OR 97204

Commissioner Amanda Fritz
1221 SW 4th Avenue, Room 220
Portland, OR 97204

Commissioner Dan Saltzman
1221 SW 4th Avenue, Room 230
Portland, OR 97204

Dear Mayor Wheeler and Commissioners,

Portland is experiencing a housing emergency. Despite new units rapidly being constructed, the supply of units is simply not keeping up with demand.

For years, the housing market has not kept pace with the demand for housing. Combined with the city's rapid population growth, this has resulted in rising rents and housing becoming less affordable for everyday Portlanders. We see the results in our communities across the city, making life significantly harder for employers, workers, families and students. The result undermines our community and institutions.

City Council must take aggressive action to address the current crisis.

I appreciate the City Council is currently considering a proposal that will put more affordable units on the ground faster. Prior to the implementation of inclusionary housing, the development pipeline was populated with projects that totaled up to 19,000 units of housing. All of these units will be market rate.

The Multiple-Unit Limited Tax Exemption (or MULTE) is a proven tool we can use to help gain affordable units from the existing development pipeline.

These incentives will help capture additional housing units, making development a part of the solution to the housing crisis. It is a proven and cost-effective tool.

I urge your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Petrusich", written in a cursive style.

Daniel J. Petrusich
President

Moore-Love, Karla

From: Chisek, Kyle
Sent: Saturday, March 17, 2018 6:06 PM
To: Council Clerk – Testimony
Cc: Plambeck, Michelle
Subject: Multe Housing Program reinstatement

Below please find testimony for the MULTE item continued to this Wednesday.

Kyle Chisek
Director of Bureau Relations & Policy
Office of Mayor Ted Wheeler
1221 SW Fourth Ave Rm 340 | Portland, OR 97204
☎: 503-823-1126 | ✉: kyle.chisek@portlandoregon.gov

Aut viam inveniam aut faciam.

The City of Portland complies with all non-discrimination, Civil Rights laws including Civil Rights Title VI and ADA Title II. To help ensure equal access to City programs, services and activities, the City of Portland will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities.

Begin forwarded message:

From: Mark Madden <madden@wdcproperties.com>
Date: March 14, 2018 at 9:59:00 AM PDT
To: "Jennifer.arguinzoni@portlandoregon.gov" <Jennifer.arguinzoni@portlandoregon.gov>
Subject: **Multe Housing Program reinstatement**

Mayor Wheeler, City Commissioners and PHB Staff

Please accept this letter as my support to reinstate the Multe Housing Program for pre IZ applications. I do not have any applications in the pre IZ pipeline.

I believe the additional assistance in the Multe Program will increase the likelihood of more projects being started with an affordable housing component.

However, I do not believe more than 5-10% of the pre IZ pipeline can or will alter their plans and budgets. Nor in my opinion are a vast majority of the pre pipeline projects feasible in today's changing economic conditions.

Therefore I request the Multe reinstatement also cover new applications(Post IZ) so a larger amount of affordable housing inventory can be created as quickly as possible. I have five Multe projects and they work well for lenders, developers and all tenant occupants.

IZ was well intended, but as drafted and adopted extremely difficult to pencil economically. Minor tweaks to the program would be beneficial for all concerned.

Extending the Multe ten year term would also be advisable as the city needs to keep the inventory long term, and not be as risk a future diminished inventory base.

All the best
Yours truly

Mark Madden
WDC Properties

Moore-Love, Karla

From: Chisek, Kyle
Sent: Wednesday, March 14, 2018 10:54 AM
To: Council Clerk – Testimony; City Elected Officials; City Elected Officials Exec's
Cc: Plambeck, Michelle; Dennis, Kristin; Moore-Love, Karla; Parsons, Susan; Alexander, Cupid
Subject: Council Testimony - Item 251 - MULTE
Attachments: PDX MULTE Testimony Welcome Home Coalition March 2018.docx

Kyle Chisek
Director of Bureau Relations & Policy
Office of Mayor Ted Wheeler
1221 SW Fourth Ave Rm 340 | Portland, OR 97204
☎: 503-823-1126 | ✉: kyle.chisek@portlandoregon.gov

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March 14, 2018

To: Mayor Ted Wheeler
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Commissioner Chloe Eudaly

From: Kari Lyons, Welcome Home Coalition Director

Regarding: MULTE Resolution

The Welcome Home Coalition is a diverse coalition of 80 active social justice and culturally specific organizations, affordable housing developers, homeless service providers, businesses and community members in the Portland metropolitan region that use our collective voice and resources to secure affordable housing funding.

I want to thank all of you for your continued willingness and urgency to address our region's housing crisis. In the last five years, your courage and consistency has created programmatic and development tools that has helped to both house and protect the tenants' rights of our community.

I am here today to show my support for the Multiple-Unit Limited Tax Exemption Program Resolution. The changes proposed will help bring about 300 affordable housing units into our community in the next two years. These units are urgently needed to address our housing crisis, especially among communities of color, who are often disproportionately impacted.

As many of our members work tirelessly as housing navigators, shelter managers, and community outreach workers to support community members, it is reassuring to know that more units are coming online with a sense of urgency. The Welcome Home Coalition's guiding values include leading with equity, increasing our affordable housing stock and ensuring long-term affordability and we believe the MULTE amendments will advance these priorities.

Thank you again for your commitment.

Moore-Love, Karla

From: Chisek, Kyle
Sent: Wednesday, March 14, 2018 10:52 AM
To: Council Clerk – Testimony
Cc: City Elected Officials; City Elected Officials Exec's; Dennis, Kristin; Moore-Love, Karla; Plambeck, Michelle
Subject: Council Testimony - Item 251 - MULTE
Attachments: MULTE Program Support Letter.pdf; ATT00001.txt

Kyle Chisek
Director of Bureau Relations & Policy
Office of Mayor Ted Wheeler
1221 SW Fourth Ave Rm 340 | Portland, OR 97204
P: 503-823-1126 | : kyle.chisek@portlandoregon.gov

Aut viam inveniam aut faciam.

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March 14, 2018

Portland City Council

Re: Multiple-Unit Limited Tax Exemption (MULTE) Program

Dear Council Members:

As Co-President of the Downtown Development Group, a longtime owner of property in Portland and the Central City, I strongly support Mayor Wheeler and the Housing Bureau's proposal to try and incentivize some of the vested pre-inclusionary housing development projects into voluntarily providing affordable housing in exchange for a 10-year property tax exemption.

With the persistent housing and homelessness emergency in Portland, it is essential that we deploy as many interventions as possible. While direct resources should be prioritized for homeless services and extremely low-income housing, the affordability crisis is also impacting low-income and moderate-income households. Programs similar to the proposed revised MULTE provide the city an opportunity to have public-private partnerships in the provision of affordable housing.

The housing that has been provided by MULTE in the past, and that will be provided by this revised MULTE, are for households earning 2 to 2.5 times the minimum wage. This is equivalent to a couple who both work jobs such as a coffee barista, hotel staff, or in retail customer service, in downtown, but can't find housing close to where they work.

By continuing to work in partnership, the City of Portland and Portland's business community can make further progress to support all Portlanders and create a more economically inclusive community. I encourage Council Members approve this proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Goodman", is written over a light blue horizontal line.

Greg Goodman
Co-President

Moore-Love, Karla

From: Tschabold, Matthew
Sent: Wednesday, March 14, 2018 10:37 AM
To: Fritz, Amanda; Fish, Nick; Saltzman, Dan; Eudaly, Chloe; Wheeler, Ted
Cc: Duhamel, Jamey; Dunphy, Jamie; Salazar, Goldann; Finn, Brendan; Alexander, Cupid; Chisek, Kyle; Callahan, Shannon; Plambeck, Michelle; Moore-Love, Karla; Parsons, Susan
Subject: PHAC Support Letter for Incenting Pre-IH Vested Units into Affordability
Attachments: PHAC Pre-IH Pipeline Support Letter.pdf

Good morning,

Please see the attached letter of support for today's Council item #251 from the Portland Housing Advisory Commission.

Best,
Matt

Matthew Tschabold

Assistant Director for Policy and Strategy (Interim)
Portland Housing Bureau
421 SW Sixth Avenue, Suite 500
503.823.3607
matthew.tschabold@portlandoregon.gov

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188869

PORTLAND HOUSING ADVISORY COMMISSION

Amy Anderson
Dike Dame
Betty Dominguez
Maxine Fitzpatrick
Cameron Herrington
Hannah Holloway
Diane Linn
Nate McCoy
Ed McNamara
Shannon Singleton
Ramsay Weit
Sarah Zahn

Date: March 14, 2018

To: Mayor Ted Wheeler
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Chloe Eudaly
Commissioner Dan Saltzman

Re: Housing Bureau Capturing Affordability in Pre-Inclusionary Housing Permits

The Portland Housing Advisory Commission (PHAC) strongly supports the Portland Housing Bureau's proposal to incentivize residential projects vested prior to Inclusionary Housing (IH) to include affordable units through a revised Multiple-Unit Limited Tax Exemption (MULTE) program.

Creative housing solutions are critical in addressing the persistent housing affordability issues Portland continues to face. The revised MULTE proposal put forth by PHB is one such creative solution. The proposal submitted is a compromise balancing development interests, City housing goals and PHB strategic priorities.

The revised MULTE maintains core components of the original program such as the 10-year tax exemption, affordability term, equity goals and approval processes while expanding the program's reach to a citywide application and makes an effort to spur quick action based on a restricted 2-year program window. There is still a great need for affordable units and it continues to be important for Portland to capture available affordability while high permit activity exists.

PHAC has a history of supporting Inclusionary Housing. While PHAC is cautious regarding the 10-year affordability period of MULTE, it does make the cost of producing units lower than direct financing and it is PHB's hope that it will result in developments that would not otherwise be required to produce affordable units to opt in to the MULTE program on a voluntary basis and therefore continue to build the overall portfolio of affordable housing units in Portland.

Housing Bureau staff have worked and continue to work tremendously hard to develop and implement Inclusionary Housing policies and programs in response to the housing crisis. Thank you for the commitment to addressing the housing needs of the people of Portland and for your support of the PHAC and the Housing Bureau.

Sincerely,

Sarah Zahn
PHAC Chair

Parsons, Susan

From: Gwenn Baldwin <gwenn@baldwinconsulting.biz>
Sent: Tuesday, March 13, 2018 9:16 AM
To: Wheeler, Ted; Eudaly, Chloe; Commissioner Fish; Fritz, Amanda; Saltzman, Dan
Cc: Chisek, Kyle; Runkel, Marshall; Dunphy, Jamie; Finn, Brendan; Adamsick, Claire; Grumm, Matt; Mike Kingsella (mkingsella@locusdevelopers.org); Council Clerk – Testimony
Subject: Oregon LOCUS letter on voluntary opt-in MULTE program Ordinance 251--up tomorrow
Attachments: Oregon LOCUS letter to City Council on voluntary opt-in MULTE program ordinance 3-13-18.pdf

Mayor Wheeler and members of City Council,

Attached please find a letter from Oregon LOCUS Executive Director Mike Kingsella regarding Ordinance 251, a voluntary opt-in MULTE program to capture opportunities for affordable housing in developments not subject to Inclusionary Housing.

Your consideration of the two requested revisions to the proposed program is appreciated. gb

Gwenn A. Baldwin
Baldwin Consulting LLC

503-975-9517 (o)
gwenn@baldwinconsulting.biz



OREGON LOCUS

1 8 8 8 6 9

Responsible Real Estate Developers and Investors

an affiliate of Smart Growth America's national developer coalition

President

Sam Rodriguez
Mill Creek Development

March 13, 2018

Vice President

Dennis Allen
Urban One

Portland City Council
1221 SW 4th Avenue
Portland, OR 97201

Secretary/Treasurer

Tim O'Brien
Urban Asset Advisors

Dear Mayor Wheeler and Commissioners Eudaly, Fish, Fritz, and Saltzman:

Board Members

Cassidy Bolger
Portland Lloyd Center
Community, LLC

Matthew Goodman

Downtown Development Group

On behalf of Oregon LOCUS ("LOCUS") I want to thank Mayor Wheeler's staff for working with LOCUS on incentives that might increase the number of affordable units in residential projects that were vested prior to the effective date of the Inclusionary Housing ("IH") program. Although we recognize that this incentive-based program will benefit a limited percentage of the vested queue, our two simple revisions to the Portland Housing Bureau ("PHB") proposal are intended to draw more developers into the vested queue program, resulting in a program that is more effective and more productive.

Jeremiah Jolicoeur

Alliance Residential Company

Noel Johnson

Cairn Pacific

Joel Kaplan

Oregon Law Group

The PHB proposal is right on point with offering parity between two essential elements: the length of the tax exemption and the term of the affordability requirement, at ten years each. The proposal is also well considered by its application city wide. Parity was the core of what made the MULTE program successful and needs to be retained in any adopted program going forward, as should the city-wide application of the new program.

Wade Lange

American Assets Trust

At the same time, the PHB proposal should be improved in two critical areas.

Michael Nagy

Wood Partners

Peter Skei

Specht Properties

Brad Schnell

Greystar Real Estate
Development

Christe White

Radler White Parks & Alexander
LLP

Brian Wilson

Mainland Northwest

Kurtis Fusaro

Gerding Edlen Development

The PHB proposal uses a 5:1 FAR threshold in two areas: affordability requirements and units covered by the tax exemption. The affordability requirements of 60% MFI and 80% MFI are determined by whether the project is built at 5:1 FAR or greater in any part of the city. This makes a lot of sense, given the vested projects still have access to a 3:1 bonus or transfer FAR allowance outside of IH and may well build a high rise or other more expensive construction type through total FAR, rather than just base FAR. At the same time, the exemption of *all* units is determined by the zoned base FAR and location within Central City or Gateway. If the base FAR is 5:1 or greater within those two areas, then all units are exempt. However, if the base FAR is less than 5:1 within Central City and Gateway, or the project is outside those areas, then the exemption only applies to the affordable units. **In order to make a more workable program, LOCUS requests modifying the threshold for which units receive tax exemption to be 5:1 built FAR, whether it is composed of base FAR or base, bonus and transfer FAR, in any part of the city. Again, vested projects still have access to a 3:1 bonus or transfer FAR allowance outside of IH and may well build a high rise or other more expensive construction type through total FAR, rather than just base FAR.**

Executive Director

Mike Kingsella
mkingsella@locusdevelopers.org

The second requested revision is in the affordability requirements themselves. The current IH program contains inclusion requirements of 10% at 60% MFI and 20% at 80% MFI, yet the PHB proposal increases the 60% MFI requirement to a 20% set aside in areas zoned less than 5:1 base FAR. Increasing the set aside requirement above that which is required for IH does not necessarily encourage owners to step out of their vested status to build affordable housing instead of market rate housing.

We understand the city's priority for encouraging the more deeply affordable 60% MFI housing, but it seems counterproductive to set a higher requirement than the current IH program, as it will make the PHB program unattractive in zones less than 5:1 base FAR. We agree that the rents and land costs in areas generally zoned well below 5:1 base FAR are lower than areas zoned at or above 5:1 base FAR, yet a gap remains if the affordability level is reduced to 60% MFI and the unit requirement is increased to 20%. **In order to encourage more deeply affordable opt-ins, LOCUS requests that the affordability requirement at 60% MFI remain at 10% of total units built less than 5:1 FAR.**

Thank you for your consideration of these requested revisions. We appreciate your focus on the housing crisis and remain committed to continuing our work together to increase access to housing at all levels of affordability.

Sincerely,



Mike Kingsella
Executive Director

Cc: Shannon Callahan
Matthew Tschabold