

IMPACT STATEMENT

Legislation title: *Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 815 W Burnside located at 15 NW Park Ave (Ordinance)

Contact name: Cassie Graves

Contact phone: 503-823-5758

Presenter name: Dory Van Bockel

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 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. Under the IH Program, the developer has opted to make 10 percent of the total bedrooms in the project affordable to households earning no more than 60 percent of median family income ("MFI"). Using the reconfiguration option, six three-bedroom units, which is four percent of the project's total 138 units, will be affordable to 60 percent MFI households for 99 years. The tax exemption will apply to the entire residential portion of the project because it is located within the Central City Plan District.

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 \$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 10 years of the exemption period based on the application is valued at approximately \$2,170,783 in today's dollars assuming a four percent discount rate, and a three percent annual assessment increase. This 10-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 10 years is roughly 33 percent of that amount, or \$716,359. The City will still benefit from property taxes collected on the improved value of the land during the exemption period.

Project Overview:Total Units: 138No. at or below 60% MFI: 6No. at Market Rate: 132 unitsForegone Revenue: \$235,703 estimated first year value of the tax exemption (all jurisdictions); \$39,284 per affordable unit annuallyBedroom Mix:

Unit Size	Count	Income Restriction (MFI)
Studio	1	Market
One Bedroom	107	Market
Two-Bedroom	24	Market
Three-Bedroom	6	60%
TOTAL	138	

Community impacts and community involvement:

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.

100% Renewable Goal:

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

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

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section