



Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

190176

Tax Exemption Applications under Inclusionary Housing

Nehalem Apartments (Amendment)
& Brookland (Amendment)

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Inclusionary Housing Options

- Buildings with 20+ new residential units are subject
- 5 options to choose from
- Inclusion rate varies by location (for on-site options)

Provide Affordable Units On-Site

80% MFI

In buildings with 20 or more units, 15% of the units must be affordable at **80% MFI**, except within the Central City and Gateway Plan Districts, where 20% of the units must be affordable.

60% MFI

Applicants can elect to make 10% of units affordable at **60% MFI** in buildings within the Central City and Gateway Plan Districts, or 8% of units for buildings in all other areas.

Reconfiguration

Within Options 1 and 2, applicants can provide an alternative mix of affordable units based on the total number of bedrooms. Redistributing bedrooms into affordable units of two bedrooms or more results in a building with a smaller overall number of affordable units that are greater in size.

Affordable Units Off-Site

Build Off-Site

Applicants can elect to build affordable units off-site in another new development (receiving building), separate from the multifamily development that is subject to the program requirements (sending building).

Designate Existing Units

Applicants can elect to designate affordable units in an existing building (receiving building), separate from the multifamily development subject to the program requirements (sending building).

Fee Out of Requirement

Fee-in-Lieu

Applicants may pay a fee-in-lieu of providing affordable units. PHB staff calculate the fee amount due by multiplying the residential and residential related gross square feet of the new development by the Fee-in-Lieu Factor.

MULTE Applications at Council Today

- **Nehalem Apartments (Amendment)**
- **Brookland (Amendment)**

Nehalem Apartments

Project Overview

1645 SE Nehalem St

Approved Ordinance 189215

Building description:

- 4 stories, Residential Only
- 63-unit apartment building

Unit Composition:

(14) Studio (Average SF: 361)
 (47) One-bedroom (Average SF: 425)
 (2) Two-bedroom (Average SF: 764)

Market Rate Units: 25

(5) Studio, (19) One-bedroom, (1) Two-Bedroom

Affordable Units @ 60% MFI: 29

(7) Studio, (21) One-bedroom, (1) Two-bedroom

Affordable Units @ 80% MFI: 9

(2) Studio, (7) One-bedroom

Amended Application

Building description:

- 5 stories, Residential Only
- 75-unit apartment building

Unit Composition:

(16) Studio (Average SF: 358)
 (56) One-bedroom (Average SF: 427)
 (3) Two-bedroom (Average SF: 766)

Market Rate Units: 30

(7) Studio, (22) One-bedroom, (1) Two-bedroom

Affordable Units @ 60% MFI: 29

(7) Studio, (21) One-bedroom, (1) Two-bedroom

Affordable Units @ 80% MFI: 16

(2) Studio, (8) One-bedroom, (1) Two-bedroom
 + (5) non-exemptible one-bedroom units

Nehalem Apartments

Tax Benefit

TAX BENEFIT UNDER ORDINANCE 189645			
	Per Year for 10 Years	Total After 10 Years	Per Year for 99 Years of Affordability
Tax Exemption per Affordable Unit	\$882	\$17,132	\$89
Tax Exemption for Total Building	\$33,483	\$334,829	\$3,383

TAX BENEFIT UNDER AMENDED APPLICATION			
	Per Year for 10 Years	Total After 10 Years	Per Year for 99 Years of Affordability
Tax Exemption per Affordable Unit	\$1,084	\$10,831	\$110
Tax Exemption for Total Building	\$43,323	\$433,224	\$4,376

Nehalem Apartments

Rent Discount

RENT DISCOUNT		
	Monthly	Annually
Studio Market Rate Rents	\$1,320	\$15,840
Studio 60% MFI Affordable Rents	\$967	\$11,604
Studio 80% MFI Affordable Rents	\$1,290	\$15,480
One-bedroom Market Rate Rents	\$1,561	\$18,732
One-bedroom 60% MFI Affordable Rents	\$1,036	\$12,432
One-bedroom 80% MFI Affordable Rents	\$1,382	\$16,584
Two-bedroom Market Rate Rents	\$2,144	\$25,728
Two-bedroom 60% MFI Affordable Rents	\$1,243	\$14,916
Two-bedroom 80% MFI Affordable Rents	\$1,658	\$19,896
Average Rent Discount Per Restricted Unit	\$409	\$4,912

Nehalem Apartments

Tax Benefit & Rent Discount Comparison

AVERAGE VALUE OVER 99 YEARS OF AFFORDABILITY				
		Monthly	Annually	Total Projected
Per Affordable Unit	Rent Discount	\$409	\$4,912	\$486,288
	10-Year Tax Exemption	\$58	\$698	\$8,371
Total Building	Rent Discount	\$16,360	\$196,320	\$19,435,680
	10-Year Tax Exemption	\$282	\$3,382	\$334,829

Brookland

Project Overview

4245 SE Milwaukie Avenue

Approved Ordinance 189889

Building Description:

- 5 stories, Mixed-Use
- 160-unit apartment building

Unit Composition:

(91) Studio (Average SF: 325)
 (7) One-bedroom (Average SF: 525)
 (56) Two-bedroom (Average SF: 728)
 (6) Three-bedroom (Average SF: 961)

Market Rate Units: 154

(91) Studio, (7) One-bedroom, (56) Two-Bedroom

Affordable Units @ 60% MFI: 6 (Reconfigured)

(6) Three-bedroom

Original Requirements Before Reconfiguration:

(7) Studio, (1) One-bedroom, (5) Two-bedroom

Amended Application

Building description:

- 5 stories, Mixed-Use
- 166-unit apartment building

Unit Composition:

(90) Studio (Average SF: 385)
 (19) One-bedroom (Average SF: 535)
 (52) Two-bedroom (Average SF: 735)
 (5) Three-bedroom (Average SF: 933)

Market Rate Units: 159

(88) Studio, (19) One-bedroom, (52) Two-bedroom

Affordable Units @ 60% MFI: 7 (Reconfigured)

(2) Studio, (5) Three-bedroom

Original Requirements Before Reconfiguration:

(7) Studio, (2) One-bedroom, (4) Two-bedroom, &
 (1) Three-bedroom

Brookland

Tax Benefit

TAX BENEFIT UNDER ORDINANCE 189645			
	Per Year for 10 Years	Total After 10 Years	Per Year for 99 Years of Affordability
Tax Exemption per Affordable Unit	\$1,228	\$12,275	\$124
Tax Exemption for Total Building	\$7,365	\$73,652	\$744

TAX BENEFIT UNDER AMENDED APPLICATION			
	Per Year for 10 Years	Total After 10 Years	Per Year for 99 Years of Affordability
Tax Exemption per Affordable Unit	\$1,190	\$11,897	\$120
Tax Exemption for Total Building	\$8,328	\$83,280	\$841

Brookland

Rent Discount

RENT DISCOUNT		
	Monthly	Annually
Studio Market Rate Rents	\$1,336	\$16,032
Studio 60% MFI Affordable Rents	\$1,290	\$15,480
Three-bedroom Market Rate Rents	\$2,870	\$34,440
Three-bedroom 60% MFI Affordable Rents	\$1,916	\$22,992
Average Rent Discount Per Restricted Unit	\$695	\$8,335

Brookland

Tax Benefit & Rent Discount Comparison

AVERAGE VALUE OVER 99 YEARS OF AFFORDABILITY				
		Monthly	Annually	Total Projected
Per Affordable Unit	Rent Discount	\$695	\$8,335	\$825,165
	Tax Exemption	\$10	\$120	\$11,897
Total Building	Rent Discount	\$4,865	\$58,380	\$5,779,620
	Tax Exemption	\$70	\$841	\$83,280

Questions?