

# Multiple-Unit Limited Tax Exemption (MULTE) Program



Public Hearing at PHAC

June 7, 2016 - 4:25 – 4:55pm

## MULTE Program

- The MULTE Program encourages private developers to include affordable units and other public benefits in their projects
- Projects approved for the program receive a ten-year exemption from the taxes due on the newly built structure

## Public Benefits

- **Affordability** – At least 20% of the units must be rented to households earning no more than 80% MFI
- **Accessibility** – Exceeding minimum standards by making at least 5% of the units adaptable-ready in order to be fully accessible to meet the needs of people with disabilities and seniors

## Public Benefits

- **Equity**
  - Engaging a consultant to provide more Minority, Women and Emerging Small Business (MWESB) contracting opportunities
  - Working with PHB to connect those most in need of housing to the available units through relationships with community partners

## Application Process

- PHB can approve up to \$3 million of foregone revenue based on applications received each year
- Developers apply prior to having their building permit issued
- Applications are reviewed to test that the affordable units would not be included in the project without the exemption

## Application Review and Approval

- PHB's Housing Investment Committee reviews the staff analysis of applications
- Notice of this public hearing was sent out 3 weeks before the meeting
- Applicants have engaged neighborhood associations prior to applying for the MULTE
- Final approval of applications received at City Council

# Total 2016 Applications

	Home-ownership	Rental	Total
<b>Projects</b>	1	6	7
<b>Affordable Units</b>	12	105	117
<b>Estimated Foregone Revenue</b>	\$20,000	\$1.46 M	\$1.48 M



# Current Applications

Project	Area	# of units	Affordable units	MFI
<b>Cathedral Flats</b>	N – St Johns	24	5	60%
<b>Powell Apartments</b>	SE – Creston/ Kenilworth	30	6	60%
<b>Redwood Apartments</b>	NW – Northwest District	50	10	60%
<b>KOZ SW Yamhill</b>	SW – Goose Hollow	30	6	60%
<b>Block 290 – KOTI</b>	NW – Northwest District	150	30	80%
<b>14th &amp; Glisan</b>	NW – Pearl District	240	48	80%



## WDC Construction

3 projects:

### **Cathedral Flats, Powell Apartments & Redwood Apartments**

- Garden-style apartments – 2 to 3 stories
- No parking
- High walkability scores
- Mostly small studios; Powell offering 6 2BRs
- All restricted units at 60% MFI

# WDC Construction – 3 projects

## Exemption Amount

### Estimated value of exemption

First year:	\$154,000
10-year:	\$1,415,000
10-year (City 1/3):	\$467,000

### Monthly value per unit

Affordable unit:	\$611
Affordable unit (City 1/3):	\$202
Average difference in rents:	\$529
(between market and restricted)	

## **Koz 216X SW Yamhill**

- Goose Hollow Neighborhood – SW 21st & Yamhill
- 4 stories – no parking
- Roof-top common area
- 96 walkability score
- Mostly one-bedroom lofts; 5 small studios
- All restricted units at 60% MFI

# Koz 216X SW Yamhill

## Exemption Amount

### Estimated value of exemption

First year:	\$48,000
10-year:	\$442,000
10-year (City 1/3):	\$146,000

### Monthly value per unit

Affordable unit:	\$667
Affordable unit (City 1/3):	\$220
Average difference in rents:	\$444
(between market and restricted)	

## **NW Neighborhood – 2 projects**

2 projects from large local developers

### **KOTI/Block 290 and 14<sup>th</sup> & Glisan**

- Mixed-use – 15- and 6-story buildings
- Underground parking
- KOTI – public plaza; 14<sup>th</sup>/Glisan – rooftop terrace
- High walkability scores
- Studios, 1 BR & 2 BR units – majority 1 BR
- All restricted units at 80% MFI

# NW Neighborhood – 2 projects

## Estimated value of exemption

First year:	\$1,260,000
10-year:	\$15,000,000
10-year (City 1/3):	\$4,970,000

## Monthly value per unit

Affordable unit:	\$1,346
Affordable unit (City 1/3):	\$444
Average difference in rents:	\$1,225
(between market and restricted)	

## Vancouver Avenue Apartments

Previously approved for MULTE in Dec 2015

- 2 buildings – 5 stories; Mixed use
- Tuck-under parking
- Rooftop terrace
- Mix of Studio, 1 BR & 2 BR units
- All restricted units at 80% MFI, rather than 60% MFI



# Vancouver Avenue Apartments

## Unit Mix & Rents

Unit Type	Average Square Footage	Total Unit Count	Unit Count at 80% MFI	80% MFI Rent*	Un-restricted Market Rate Unit Count	Un-restricted Market Rent*
Studio	529	38	8	\$1027	30	\$1449
One Bedroom	606	56	11	\$1100	45	\$1649
Two Bedroom	924	42	8	\$1320	34	\$2249
<b>Total / Average</b>	<b>683 Avg</b>	<b>136</b>	<b>27</b>	<b>\$1140 Avg</b>	<b>109</b>	<b>\$1781 Avg</b>

\*Utility expenses are included in the affordable unit rents. The market units will have a separate billing to pay utilities.

# Vancouver Avenue Apartments

## Exemption Amount - 2015

### Estimated value of exemption

First year:	\$354,367
10-year:	\$3,263,660
10-year (City 1/3):	\$1,077,008

### Monthly value per unit at 60% MFI

Affordable unit:	\$1,094
Affordable unit (City 1/3):	\$361
Average difference in rents:	\$921
(between market and restricted)	

# Vancouver Avenue Apartments

## Exemption Amount - 2016

### Estimated value of exemption

First year:	\$335,600
10-year:	\$3,091,000
10-year (City 1/3):	\$1,020,000

### Monthly value per unit at 80% MFI

Affordable unit:	\$1,036
Affordable unit (City 1/3):	\$342
Average difference in rents:	\$730
(between market and restricted)	