

# Multiple-Unit Limited Tax Exemption (MULTE) Program

Public Hearing at PHAC

January 5, 2016

3:00 – 5:00pm

## 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

## 2015 Applications

Applications already approved:

- Vancouver Avenue Apartments – N Portland
- Mississippi Avenue Apartments – N Portland
- North Hollow Apartments – SW Portland

Total new units to be built: 409

Total new affordable units: 81

Total estimated 1<sup>st</sup> year of exemption: \$1,161,498

## Application Review

- 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



## SE 9<sup>th</sup> & Belmont Apartments





# SE 9<sup>th</sup> & Belmont Apartments

- Buckman Neighborhood – SE 9<sup>th</sup> & Belmont
- 6 stories
- Mixed use; about 6,000 sq feet, ground-floor commercial space
- 100 residential rental units – **20 units (20%) at 80% MFI or below**
  - 35 studios (7 affordable)
  - 60 1-bedroom units (12 affordable)
  - 5 3-bedroom units (1 affordable)

# SE 9<sup>th</sup> & Belmont Apartments Parking & Transportation

- 30 structured parking spaces for residential use, including 24 machine stalls
- 49 ground-level bicycle parking spaces, plus a rack in each room
- On bus lines & close-by streetcar

# SE 9<sup>th</sup> & Belmont 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	472	35	7	\$985/ \$1030	28	\$1281/\$1326
One Bedroom	656	60	12	\$1044/ \$1103	48	\$1404-\$2071/ \$1463-\$2130
Three Bedroom	1022	5	1	\$1443/ \$1529	4	\$2616/\$2702
Total / Average	610 Avg	100	20	\$1043/ \$1098 Avg	80	\$1616/\$1671 Avg

\*Utility allowances used to predict utility expenses based on the 2015 Schedule of Utility Allowances for Section 8 Properties published by Home Forward: \$45 for studios, \$59 for 1-bedroom units and \$86 for 3-bedroom units.

# SE 9<sup>th</sup> & Belmont Apartments

## Exemption Amount

### Estimated value of exemption

First year:	\$238,422
10-year:	\$2,195,822
10-year (COP 1/3):	\$724,621

### Monthly value per unit

Affordable unit:	\$993
Affordable unit (COP 1/3):	\$328
Average difference in rents:	\$573
(between market and restricted)	