

# **Multiple-Unit Limited Tax Exemption (MULTE) Program**

17<sup>th</sup> & Kearney/17<sup>th</sup> & Pettygrove

Public Hearing at PHAC

July 5, 2016



**PORTLAND HOUSING BUREAU**

Dan Saltzman, Commissioner  
Kurt Creager, Director

# 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
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# 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
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# 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
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# 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
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# 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
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# Current Applications Holland Development

Project	Area	# of units	Affordable units	MFI
17 <sup>th</sup> & Kearney	NW	139	28	80%
17 <sup>th</sup> & Pettygrove	NW	117	23	80%

# Holland Development

## 17<sup>th</sup> & Kearney – 17<sup>th</sup> & Pettygrove

Both projects:

- 6 stories – ground-floor commercial space
  - Subterranean parking
  - High walkability scores
  - Mix of studio, 1 bedroom and 2 bedroom units – 4 live/work units
  - All restricted units at 80% MFI
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# 17<sup>th</sup> & Kearney

## Exemption Amount

<b>Estimated value of exemption</b>	
First year:	\$353,000
10-year:	\$3,254,000
10-year (City 1/3):	\$1,074,000
<b>Monthly value per unit</b>	
Affordable unit:	\$1,051
Affordable unit (City 1/3):	\$347
Average difference in rents:	\$873
(between market and restricted)	

# 17<sup>th</sup> & Pettygrove

## Exemption Amount

<b>Estimated value of exemption</b>	
First year:	\$353,000
10-year:	\$3,254,000
10-year (City 1/3):	\$1,074,000
<b>Monthly value per unit</b>	
Affordable unit:	\$1,280
Affordable unit (City 1/3):	\$422
Average difference in rents:	\$1005
(between market and restricted)	

# Total 2016 Applications

	<b>Home-ownership</b>	<b>Rental</b>	<b>Total</b>
<b>Projects</b>	1	8	9
<b>Affordable Units</b>	12	156	168
<b>Estimated Foregone Revenue</b>	\$20,000	\$2,191,000	\$2,211,000

Less 3 projects in URAs = effective \$1,376,000  
Remaining 2016 cap = \$1,624,000