



## Portland Housing Bureau

# Affordable Housing Programs For New Developments

The Portland Housing Bureau (PHB) administers the programs below to promote affordable rental housing in new developments. Separate homeownership guidelines are available at <https://www.portlandoregon.gov/phb/60952>.

<b>Multiple-Unit Limited Tax Exemption (MULTE) Program</b>	<b>System Development Charge (SDC) Exemption Program</b>
<a href="http://www.portlandoregon.gov/phb/MULTE">www.portlandoregon.gov/phb/MULTE</a>	<a href="http://www.portlandoregon.gov/phb/SDC">www.portlandoregon.gov/phb/SDC</a>
<i>Ten-year property tax exemption on residential structures, including common areas and associated parking, as well as commercial portions providing an approved public benefit</i>	<i>Exempts SDCs otherwise due to four City bureaus (Water, Transportation, Parks, and Environmental Services) for residential portions of new affordable rental housing projects, including common areas</i>
<b>Eligibility</b>	<b>Eligibility</b>
<ul style="list-style-type: none"> <li>• 20+ unit projects within the city of Portland</li> <li>• At least 20% of units must be affordable to households earning 60% MFI or below (up to 80% MFI where market rents exceed 120% MFI levels) – affordable units should reflect total mix of unit sizes in the project overall.</li> <li>• The tax exemption applies only to the affordable units, except for projects within the Central City and Gateway Plan Districts with 5:1 or greater FAR</li> </ul>	<ul style="list-style-type: none"> <li>• Available within the city of Portland on any size project</li> <li>• Exemptions apply only to SDCs due for units affordable to households earning 60% MFI or below – SDCs still due for market-rate units</li> </ul>
<b>Requirements</b>	<b>Requirements</b>
<ul style="list-style-type: none"> <li>• Use of technical assistance for MWESB contracting, including outreach and reporting support</li> <li>• Coordination with PHB on lease-up of the affordable units</li> <li>• Annual reporting on tenant incomes and rental rates</li> <li>• Penalties equaling 20% of the amount of the value of the exemption for the most recent tax year, multiplied by the remaining years of the exemption period, may result from exiting the program early</li> </ul>	<ul style="list-style-type: none"> <li>• 60-year affordability agreement</li> <li>• Annual reporting of tenant income and rental rates</li> <li>• Exempted SDCs must be repaid (including interest and fees) in order to be released from program requirements</li> </ul>
<b>Application Process</b>	<b>Application Process</b>
<ul style="list-style-type: none"> <li>• Program has an annual cap of \$3 million on the amount of newly approved foregone revenue based on the estimated value of the first year of the exemption</li> </ul>	<ul style="list-style-type: none"> <li>• There is no cap on the number of approved exemptions per year</li> </ul>
<ul style="list-style-type: none"> <li>• Application needs to be approved prior to building permit issuance – program does not apply to projects already under construction</li> </ul>	<ul style="list-style-type: none"> <li>• Application should be submitted once the application for a building permit is submitted, but prior to permit issuance</li> </ul>
<ul style="list-style-type: none"> <li>• Application processing fee is \$1,000; additional fee due upon application is approved – currently \$16,000</li> </ul>	<ul style="list-style-type: none"> <li>• Application fee is currently \$2,200 per project</li> </ul>
<ul style="list-style-type: none"> <li>• Applications approved within 3-4 months, including City Council approval</li> </ul>	<ul style="list-style-type: none"> <li>• Applications are reviewed within 2 weeks, and approved once the exemption amount is determined and the Regulatory Agreement is signed</li> </ul>

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