



Capturing Affordability in Pre-Inclusionary Housing Permits

PHB suggests a slightly revised Multiple-Unit Limited Tax Exemption (MULTE) Program in order to encourage projects vested prior to Inclusionary Housing requirements to include some affordability. The PHB proposal differs from two of the three put forth by LOCUS due to the fact that the LOCUS proposals included the exemption of SDCs and CET for more than the affordable units, which would involve a broader process to enact and approve due to the extreme cost and lost revenue impact on other bureaus. The third option proposed by LOCUS was to continue the MULTE program without the limits enacted with the Inclusionary Housing Program resulting in the exemption only covering the affordable units outside of the Central City and Gateway Plan Districts, or for projects with less than 5:1 FAR.

Here is a comparison of the former MULTE Program and PHB’s current proposal:

	MULTE Program Pre-IH	MULTE Proposal for Non-IH Permits
Exemption Timeframe	10	10
Affordability Period	10	10
Restricted Income	20% at 60% or 80% MFI, depending on market rents	<ul style="list-style-type: none"> • 20% at 60% MFI if less than 5:1 FAR • 20% at 80% MFI if greater than 5:1 FAR
Boundaries	Within Central City & Transit-Oriented Main Streets	Citywide
Program Cap on Foregone Revenue	\$15 M over rolling 5 years (\$3 M per year)*	\$3 M over 2-year window*

*projects within urban renewal areas are exempt from the cap

Equity Goals

- MWESB consultant contract required – 20% MWESB goal for construction contracting
- At least 5% of affordable units must be built to be fully ADA adaptable
- Affordable units listed on OneAppOregon

Approval of MULTE Applications

- MULTE approval must occur prior to building permit issuance – okay for permit application started
- Approval includes Investment Committee Review, presentation at PHAC & ordinance approval

Next Steps

- PHB is presenting this proposal to PHAC on January 23
- MULTE change should only require approval of an ordinance through City Council
- May need to receive approval by the Multnomah County Commission as well