



Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

Multiple-Unit Housing Property Tax Exemption Sunset Extension

Senate Finance and
Revenue Committee
SB 262

Dory Van Bockel, Program Manager
March 20, 2019

MULTE Authorizing Statute - 307.600-637

- Ten-year property tax exemption on structural improvements to a property.
 - Eligible projects include proposed construction, additions to existing structures, or conversion of existing non-residential property to housing.
- Adopting jurisdictions determine the public benefits required for a property to receive the exemption.
 - *Example: affordable housing and transit-oriented development.*
- Adoption of a local program is subject to the concurrence of at least 51% of taxing jurisdictions.
- Each qualifying application is approved through ordinance or resolution.
- The exemption applies to residential improvement and qualifying commercial improvements in mixed use structures.
 - The value of the exemption cannot exceed 100% of the real market value.

City of Portland Implementation – PCC 3.103

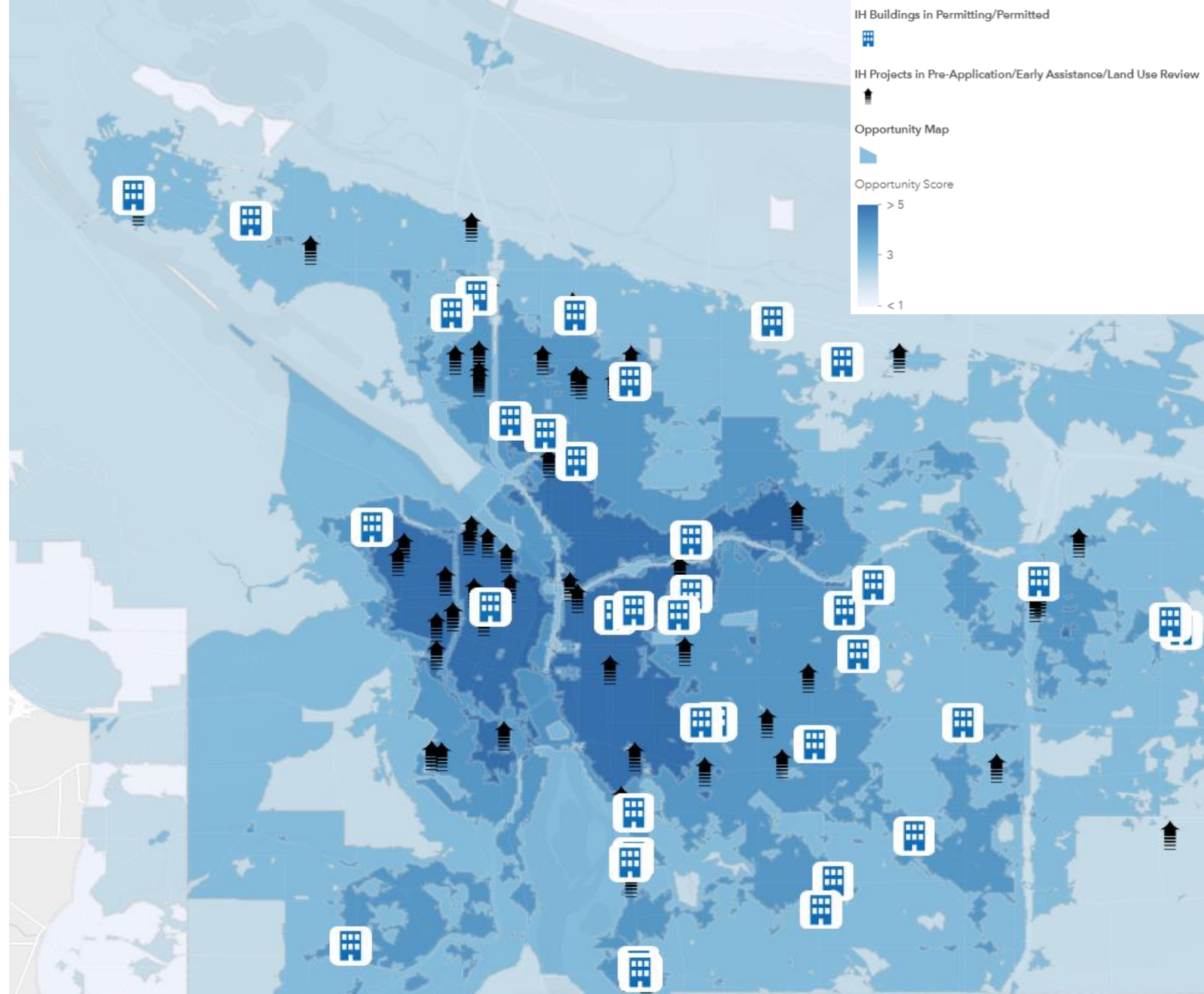
- Portland first adopted a multi-family tax exemption program in 1975.
- Past program goals have included transit-oriented development, urban development within the central city, and inclusion of affordable units.
- Most recently, the program has been used to incentivize affordable units in market-rate developments.
- As of February 2017, the program supports creation of affordable units as part of the City's Inclusionary Housing program.

Inclusionary Housing in Portland

Since 2017, all new projects with 20 or more units must include affordable housing.

The multiple-unit limited tax exemption (MULTE) program is one of the financial incentives afforded to developments.

400 IH units have been built or are in permitting and will be affordable at 60-80% area median family income for 99 years.





This is a rendering of the Block 8L Apartments. The mixed-use project benefits from the MULTE Program and provides 18 units of affordable housing in the Old Town China Town neighborhood of NW Portland.



This is a rendering of Holland Development's 14th and Glisan project. The mixed-use project will benefit from the MULTE Program and provide 46 units of affordable housing in the Pearl District neighborhood of NW Portland.

Current Estimated Need in Portland

Approximately 55,000 cost burdened households below 80% MFI

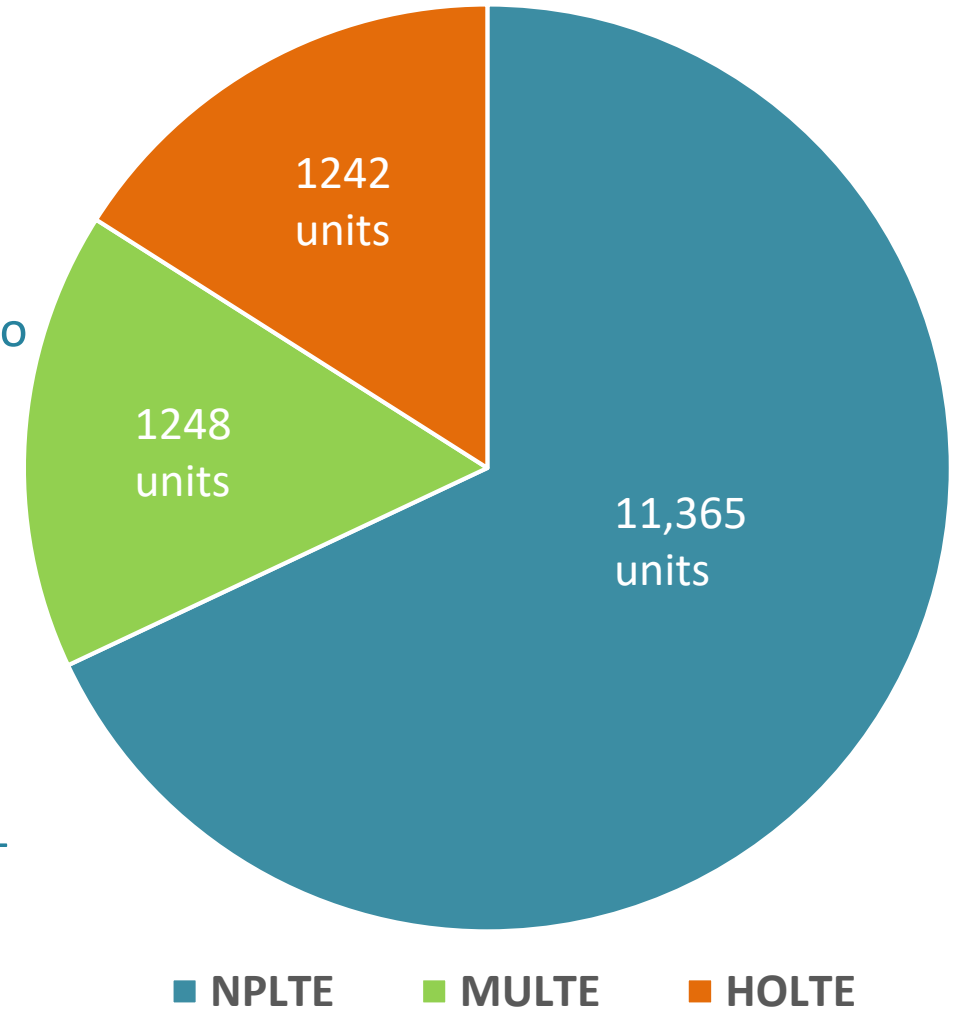
- About 6,000 to 7,000 between 60% & 80% MFI
- About 47,000 to 49,000 below 60% MFI

*Source: U.S. Census Bureau, 2016 American Community Survey (ACS) 1-year estimate tables C25122 and C25004; Estimates represent 90% confidence interval and have associated Margin of Error. - Source AMI: HUD Income Limits 2016 – *Cost burdened: household pays more than 30% of their income towards rent. – **Gross Rent: contract rent plus estimated average monthly cost of utilities and fuels if paid by the renter.*

City of Portland Tax Exemption Programs

Portland administers three programs:

- **Non-Profit Limited Tax Exemption (NPLTE)** – rental (ORS 307.540-307.548; City Code 3.101) – serves households up to 60% MFI
- **Multiple-Unit Limited Tax Exemption (MULTE)** – rental or condo homeownership (ORS 307.600-307.637; City Code 3.103) – serves households up to 60-80% MFI
- **Homebuyer Opportunity Limited Tax Exemption (HOLTE)** – single-unit homeownership, including condos (ORS 307.651-307.687; City Code 3.102) – serves households up to 100% MFI (family of 4)



Recent MULTE Activity

	Total Affordable Units	Total Foregone Revenue	Average Annual Foregone Revenue per Affordable Unit
2018 (IH)	170	\$186,316	\$1,096
2017 (Combined)	253	\$2,401,859	\$9,494
<i>2017 (IH)</i>	<i>41</i>	<i>\$43,359</i>	<i>\$1,058</i>
<i>2017 (Pre-IH)</i>	<i>212</i>	<i>\$2,358,500</i>	<i>\$11,125</i>
2016	431	\$2,754,401	\$6,391
2015	79	\$864,631	\$10,945
2014	277	\$1,725,178	\$6,228
2013	15	\$86,000	\$5,766

Questions?

Contact:

Dory Van Bockel, Program Manager
dory.vanbockel@portlandoregon.gov
503-823-4469 phone