



Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

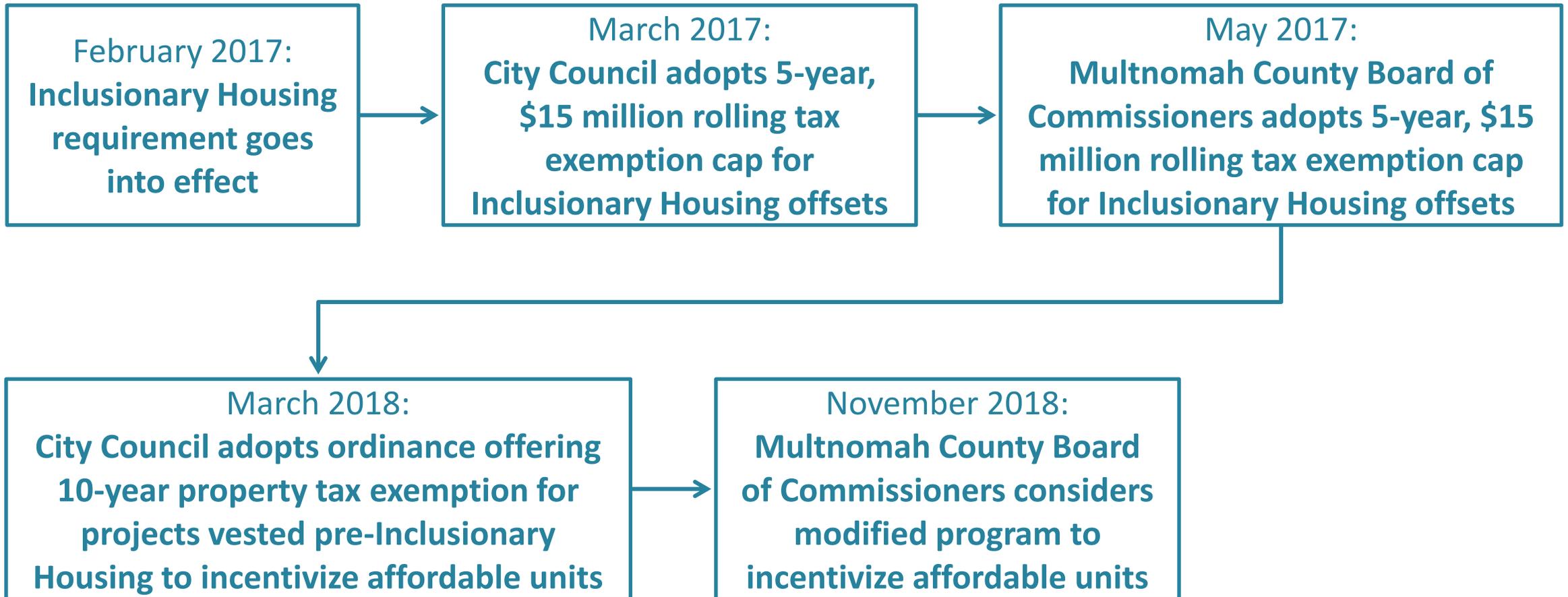
Incentivizing Affordable Housing

Pre-Inclusionary Housing Vested Projects

Multnomah County
Board of Commissioners

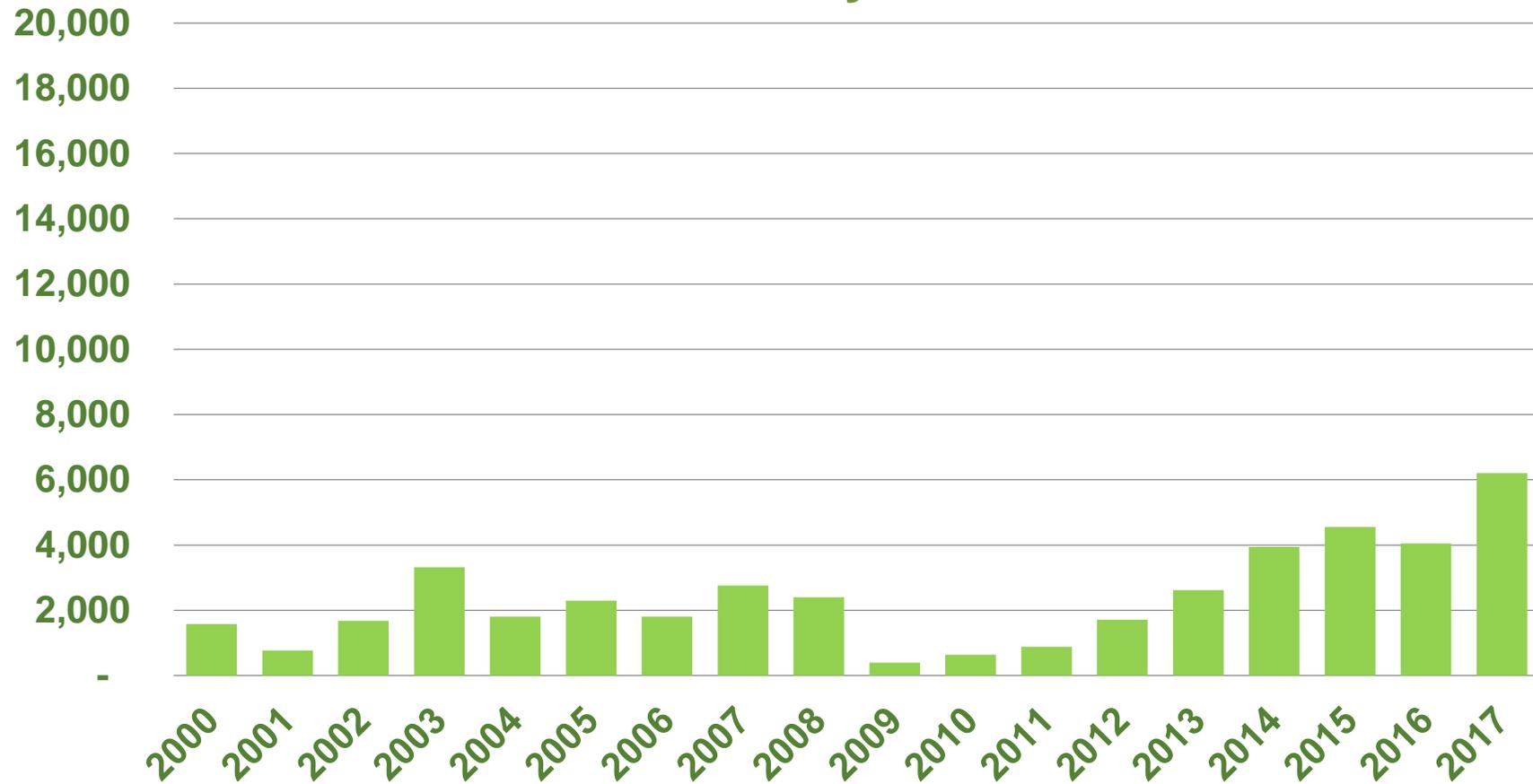
Dory Van Bockel and Jessica Conner
November 8, 2018

Background

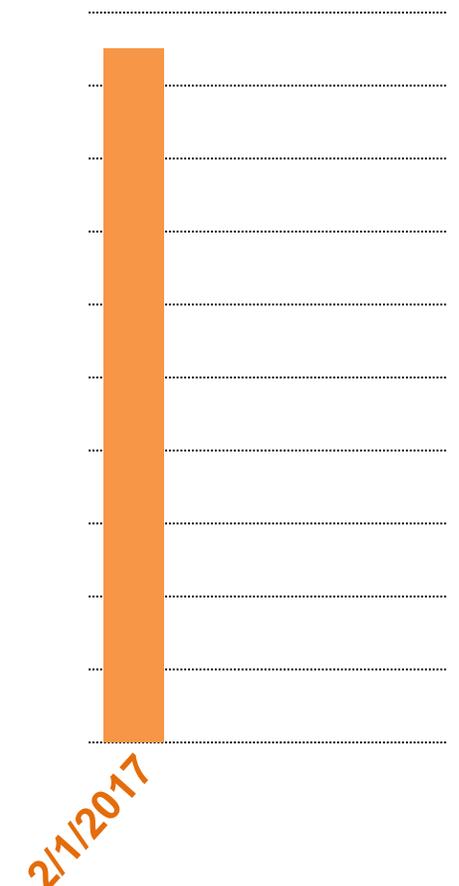


Rationale for Program

Portland Multifamily Units Permitted



Pre-IH Vested Units



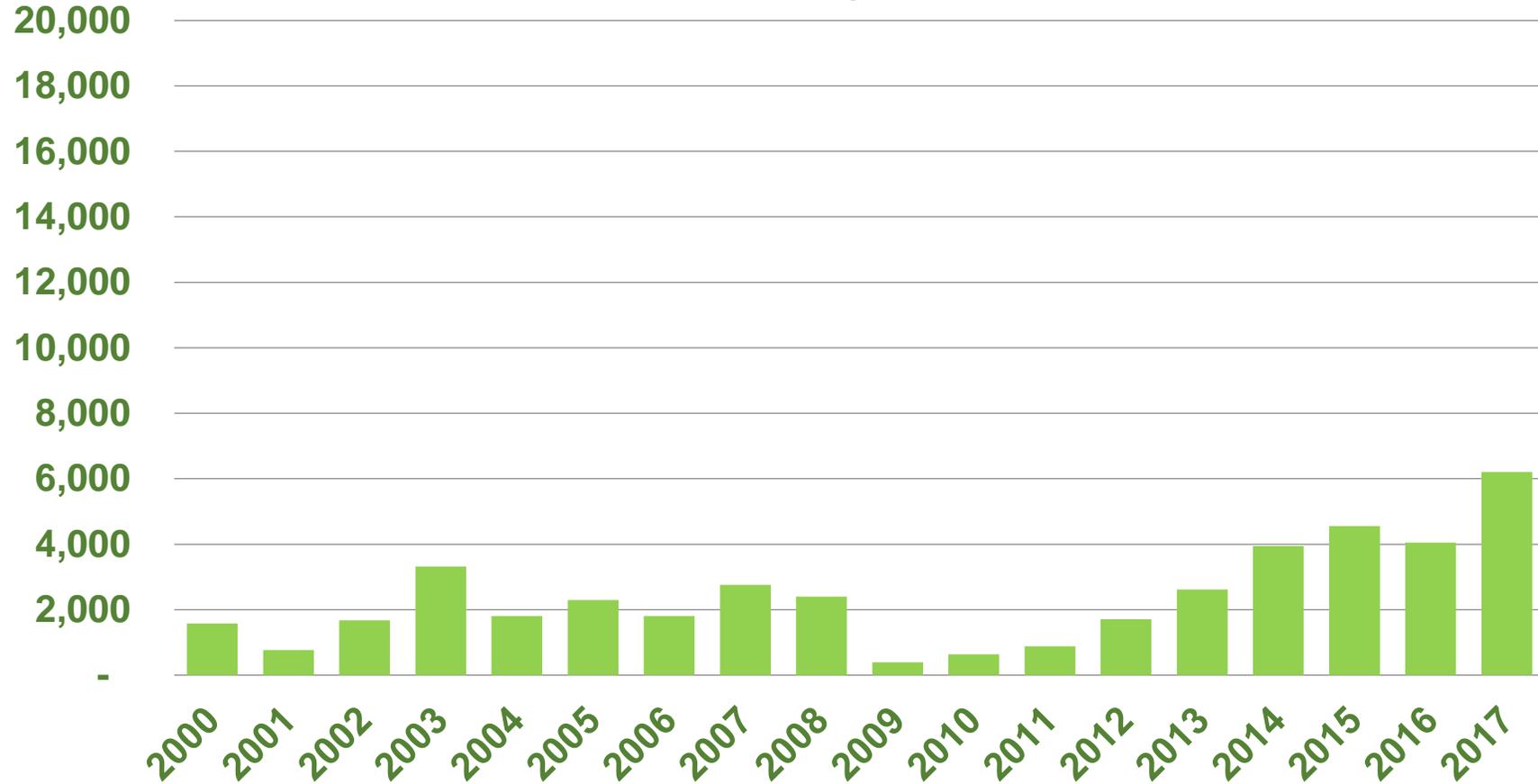
City and County Programs

	City Adopted Program	County Proposed Program
Exemption Timeframe	10	10
Affordability Period	10	10
Boundaries	Citywide	Citywide
Foregone Revenue Cap	\$3 M over 2-year window*	\$3 M over 2-year window*
Year 1 Eligibility Cap	\$500,000 per project	\$500,000 per project
New Fiscal Impact	None	None
Restricted Income	<ul style="list-style-type: none"> • 20% at 60% AMI if less than 5:1 FAR • 20% at 80% AMI if greater than 5:1 FAR 	<ul style="list-style-type: none"> • 20% at 60% AMI

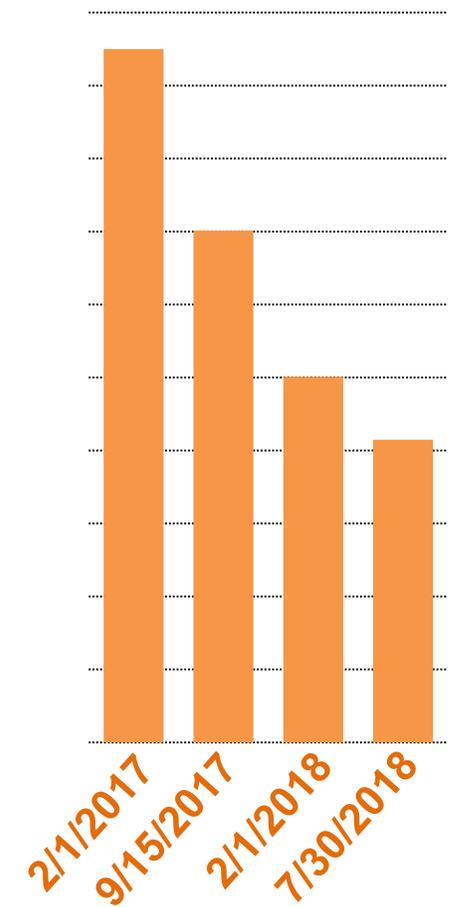
**Urban renewal areas not subject to cap*

Program Status Today

Portland Multifamily Units Permitted



Pre-IH Vested Units



Estimated Projects and Units In Pipeline

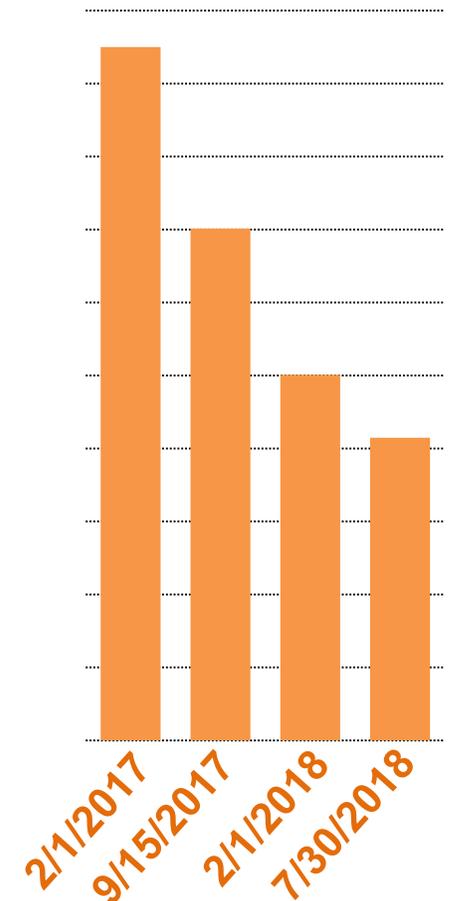
65 projects with 8,479 units vested pre-IH

less 16 projects with 5,274 units that could exceed \$500,000 cap

less 7 projects with 313 units otherwise ineligible

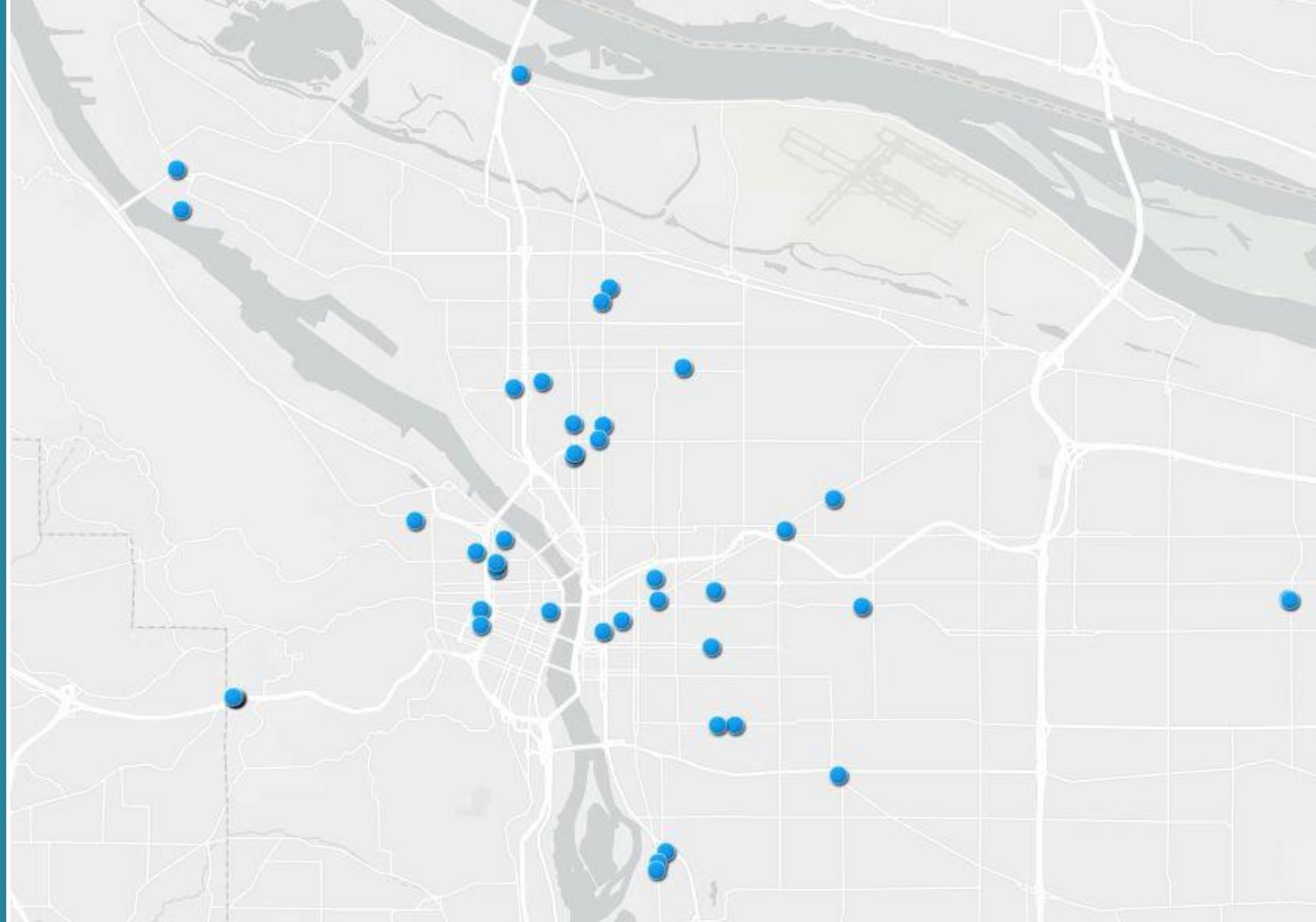
42 projects with 2,892 units estimated eligible for program

Pre-IH Vested Units



Estimated Projects and Units

- 42 projects with 2,892 units estimated eligible for the program
- 33% of units located in the Central City



Current Tax Exemption Cap Availability

Year	Year One URA Tax Exemption Authorization	Year One Non-URA Tax Exemption Authorization	Affordable Units	Affordable Unit Years
2014	\$1,035,178	\$690,000	277	2,770
2015	\$553,729	\$310,902	79	790
2016	\$1,542,252	\$1,212,149	431	4,310
2017	\$1,189,710	\$1,250,671	253	6,179
2018 to date	0	\$171,974	167	16,533
Rolling 5-Year	\$4,320,869	\$3,635,696	1,207	30,582
Available Cap	N/A	\$11,364,304	-	-

Estimated Foregone Revenue

Historic MULTE Performance for Comparable Projects

from 2015-16 Fiscal Year Report

\$10,000 average annual tax exemption per affordable unit or **\$833 of tax exemption per month**

Average Central City rent new construction: \$2,000

60% AMI rent: \$800-900 (about \$1,100 rent discount per month)

Average Portland rent new construction: \$1,700

60% AMI rent: \$800-900 (about \$800 rent discount per month)

Current Estimated Need

Approximately 55,000 cost burdened households below 80% AMI

About **6,000 to 8,000** between 60% and 80% AMI

About **47,000 to 49,000** below 60% AMI

Questions?

Inclusionary Housing

18-month review

Post Feb 1, 2017 Pipeline

- 100 applications
8,578 total units
- 43 in permitting
2,269 total units
- 57 in EA/pre-app
6,309 units

(As of September 1, 2018)

