



# Portland Housing Bureau

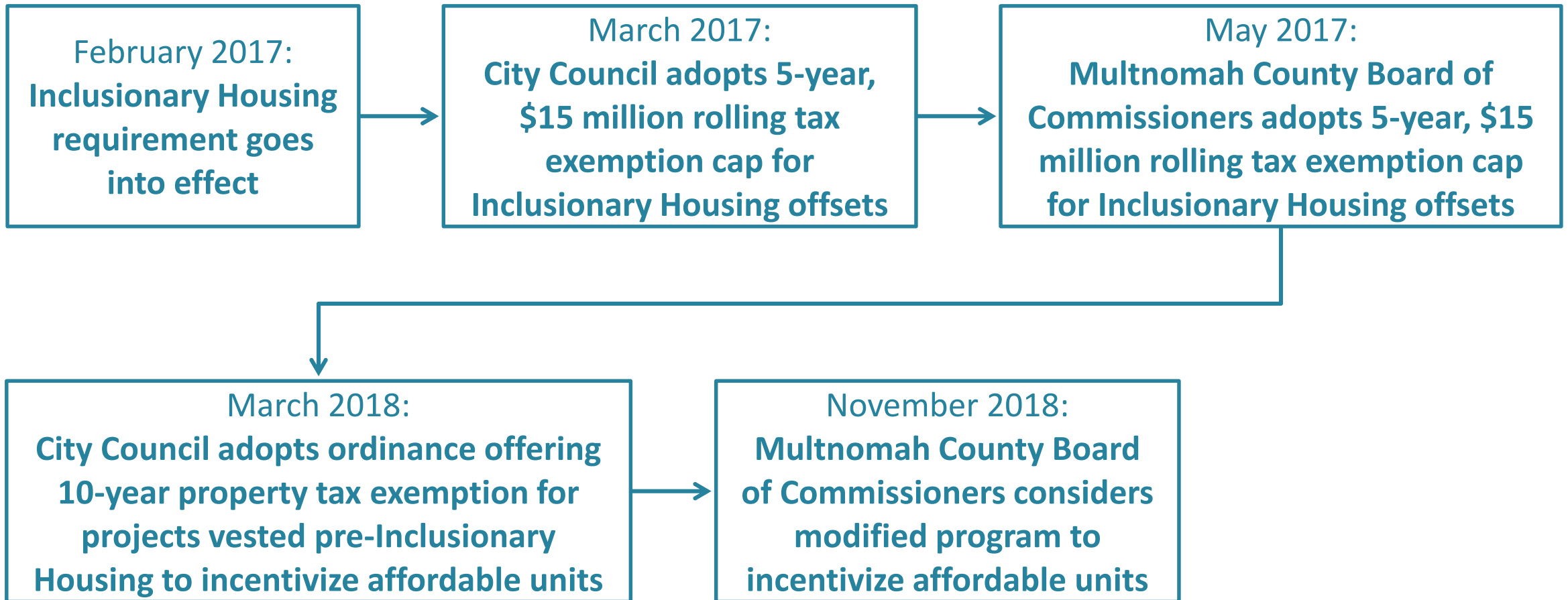
Mayor Ted Wheeler • Director Shannon Callahan

## Incentivizing Affordable Housing *Pre-Inclusionary Housing Vested Projects*

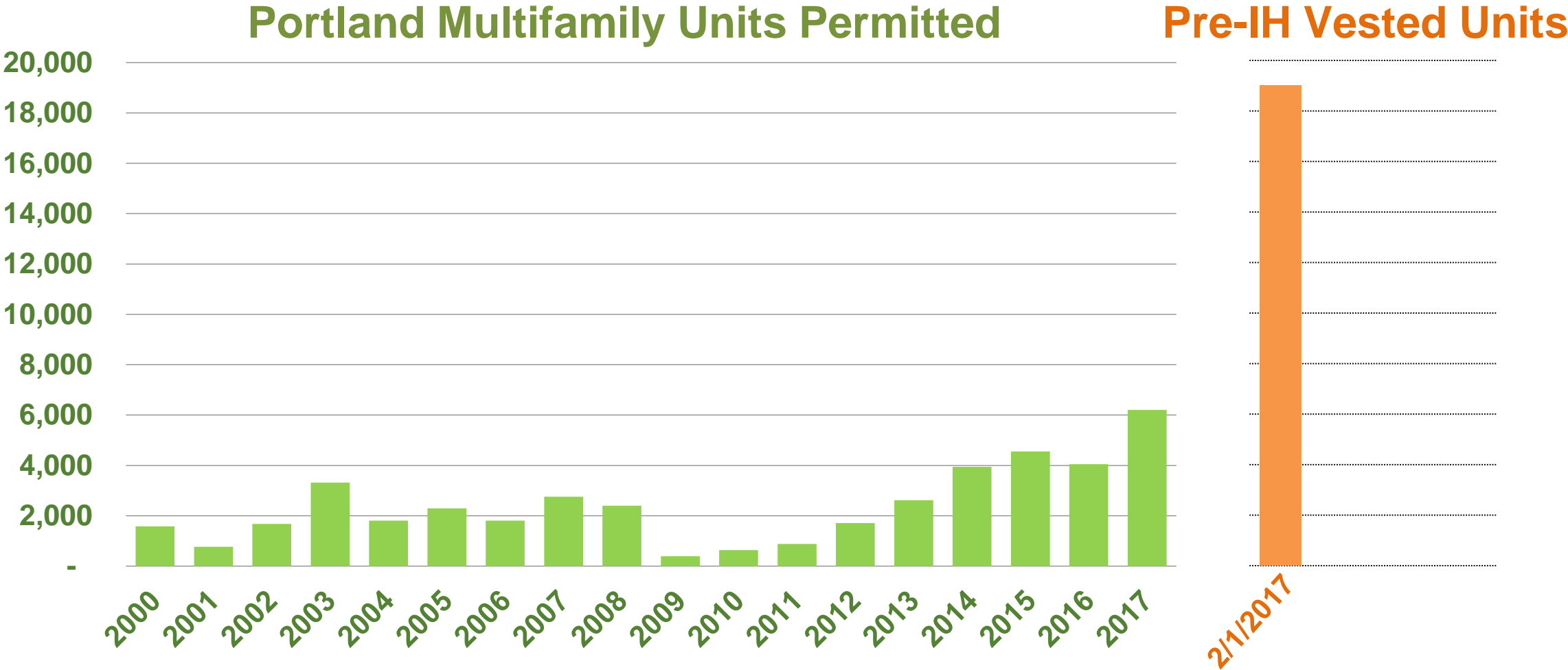
Multnomah County  
Board of Commissioners

Dory Van Bockel and Jessica Conner  
November 8, 2018

# Background



# Rationale for Program

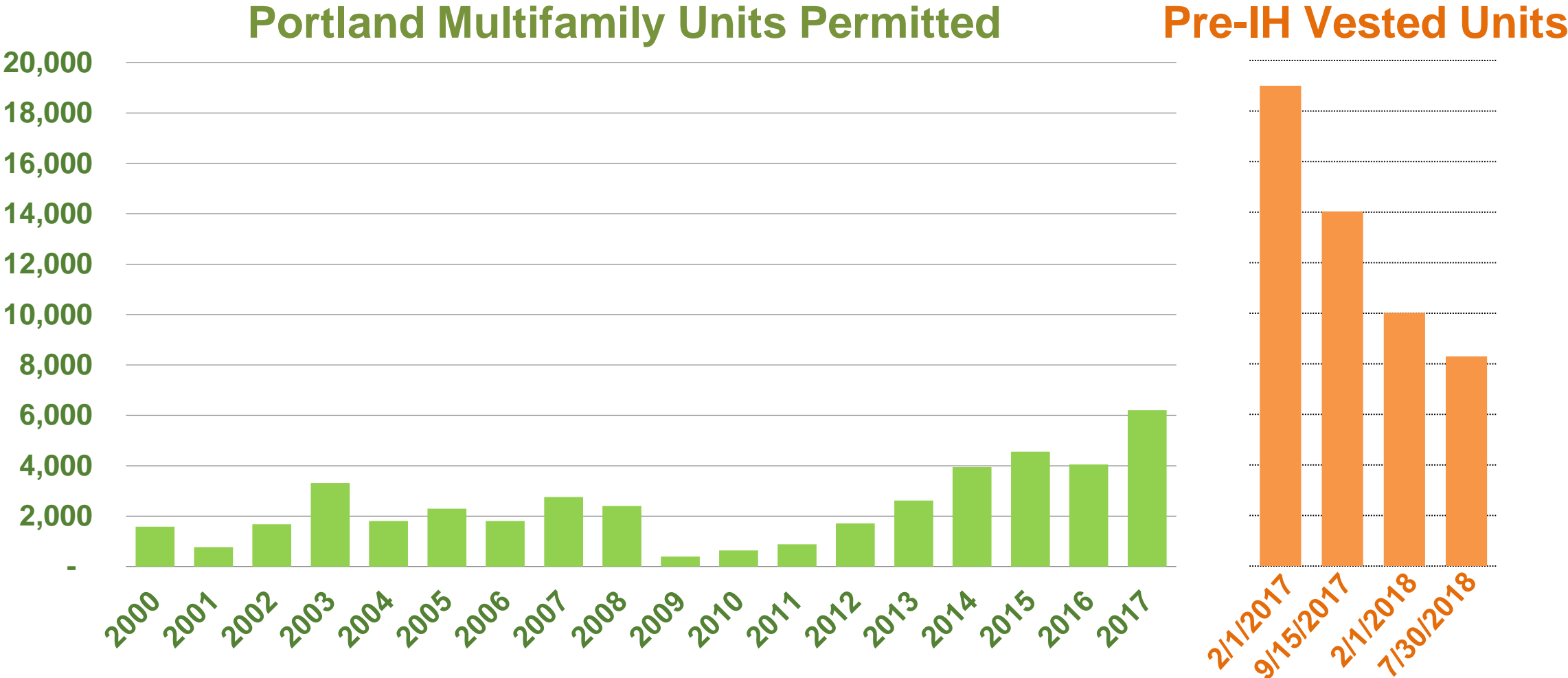


# City and County Programs

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

*\*Urban renewal areas not subject to cap*

# Program Status Today



# Estimated Projects and Units In Pipeline

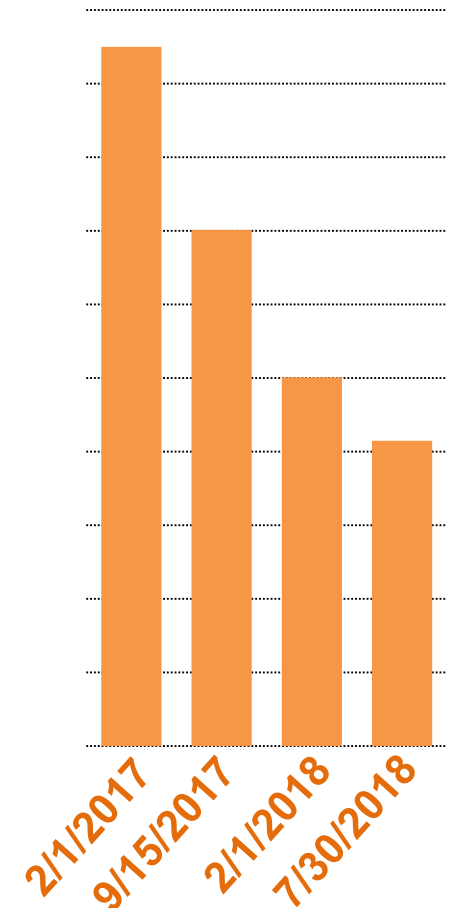
**65 projects with 8,479 units vested pre-IH**

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

*less 7 projects with 313 units otherwise ineligible*

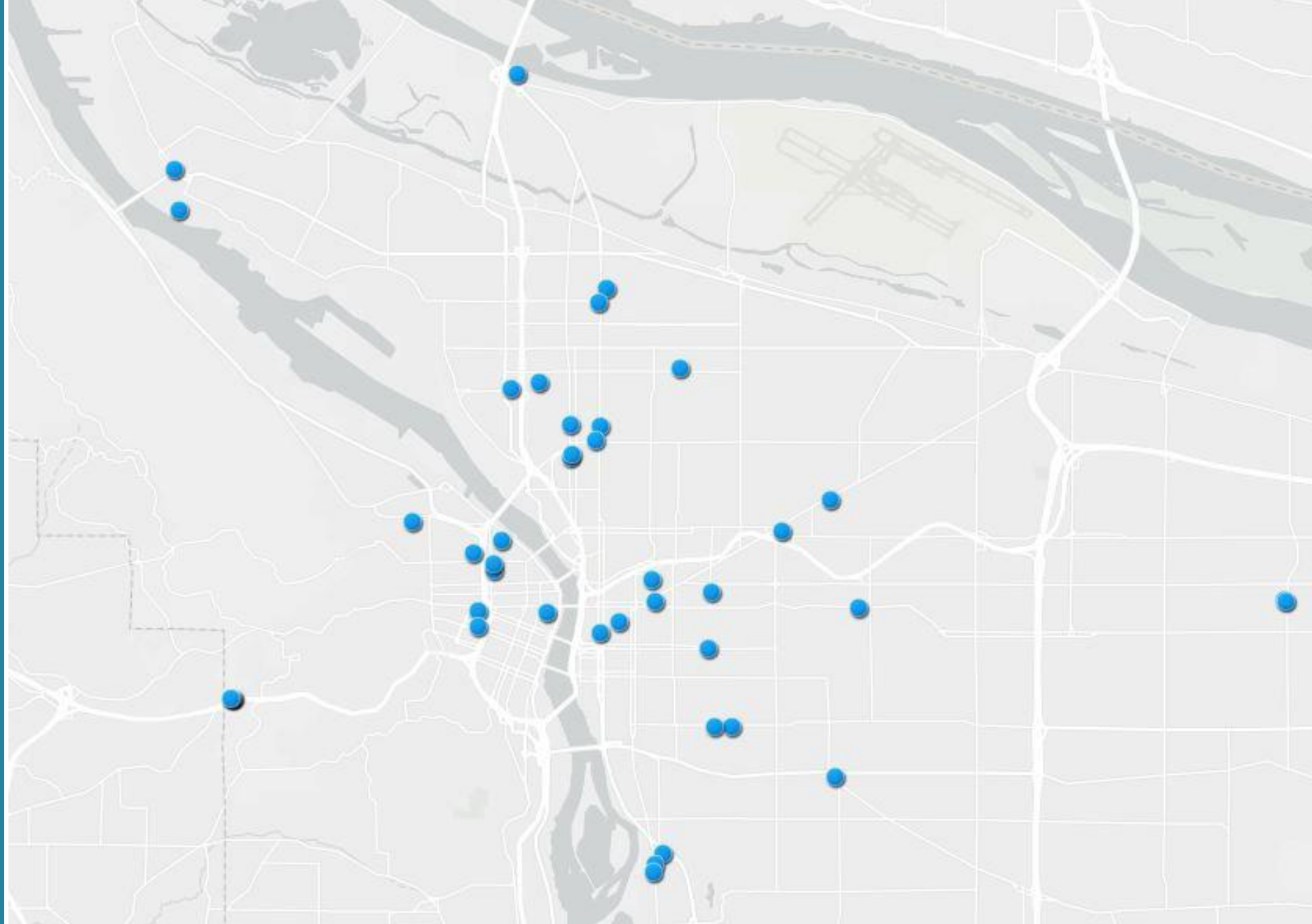
**42 projects with 2,892 units estimated eligible for program**

## 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)*

