

# 2008-09 ANNUAL REPORT

## Residential Tax Exemption Programs

Portland Housing Bureau

Portland Development  
Commission

Bureau of Planning and  
Sustainability



Shaver Green Apartments; photo by Michael Mathers is provided courtesy of Deca Architecture Incorporated.

December 16, 2009

# Purpose



- Tax Exemption Programs
- Program Overview
- Accountability
- Housing Affordability Outcomes
- Response to Recommendations
- Issues
- Next Steps

# Tax Exemption Programs

- **NON-PROFIT HOUSING – Non-profit** Supports preservation of current supply of low- income rental housing, and prevents homelessness
- **NEW MULTIPLE UNIT HOUSING - NMUH** Supports development of rental residential community in the Central City, close to work, and accommodates population growth
- **TRANSIT ORIENTED DEVELOPMENT- TOD** Supports public investment in transit and accommodates population growth
- **SINGLE FAMILY NEW CONSTRUCTION - SFNC** Supports neighborhood revitalization and creates affordable homeownership opportunities
- **REHABILITATION - Rehab** Supports preservation of housing stock and encourages neighborhood revitalization

Rent	Ownership
X	
X	X
X	X
	X
X	X

**Non-Profit Low Income Housing - (rental)**  
supports an adequate supply of low income  
housing and prevention of homelessness



The Admiral

**New Multiple Unit Housing - NMUH (rental & ownership)**  
supports living close to work, a residential community in the  
Central City and accommodation of population growth



The Westshore

## **Transit Oriented Development - TOD (rental & ownership)**

supports public investment in transit and  
accommodation of population growth



Bookmark Apartments



**Single Family New Construction - SFNC (ownership)**  
supports neighborhood revitalization and affordable homeownership

**Rehabilitation - Rehab (rental properties & homeowners)**  
supports the preservation of the housing stock and neighborhood revitalization



Pardee Commons

# Program Overview

	TY 2007-08		TY 2008-09		TY 2009-10	
Program Name	Units	Actual Foregone Revenue	Units	Actual Foregone Revenue	Units	Estimated Foregone Revenue
Non-Profit Low Income Housing (rental)	7,790	\$6,810,009	8,237	\$6,883,951	8,579	\$6,853,066
New Multiple Unit Housing (rental & ownership)	2,856	\$4,598,890	2,596	\$4,002,952	2,341	\$2,880,497
Transit Oriented Dev. (rental & ownership)	972	\$1,376,988	965	\$1,219,377	895	\$903,937
Single Family New Construction (ownership)	2,056	\$3,748,236	2,412	\$3,174,267	2,230	\$3,309,321
Rehabilitation (rental properties & homeowners)	150	\$199,112	139	\$144,982	133	\$147,189
<b>Total</b>	13,646	<b>\$16,733,235</b>	14,349	<b>\$15,425,528</b>	14,178	<b>\$14,094,009</b>



# Accountability

## Compliance Monitoring TY 2008-09

Program Name	Units	Expirations	Terminations	Returned Revenue
Nonprofit	8,237	NA	NA	NA
NMUH	2,596	255	6	\$195,476
TOD	965	0	4	\$19,811
SFNC	2412	105	37	\$201,204
Rehab	139	12	0	\$21,818
<b>Total</b>	<b>14,349</b>	<b>372</b>	<b>47</b>	<b>\$438,309</b>

# Accountability

## Compliance Monitoring TY 2009-10

Program Name:	Units	Expirations	Terminations	Returned Revenue
Nonprofit	8,579	NA	NA	\$0
NMUH	2,341	204	12	\$446,884
TOD	895	75	3	\$201,563
SFNC	2,230	442	52	\$906,615
Rehab	133	5	1	\$0
<b>Total</b>	<b>14,178</b>	<b>726</b>	<b>68</b>	<b>\$1,555,062</b>

# Housing Affordability Outcomes 2009-10

Program Name	Total Rental Units Receiving Exemption	Number of Market/ Unrestricted Units	Number of Rent Restricted Units	Restricted to 61-80% MFI household income	Restricted to < 60 % MFI household income
Nonprofit	8,579	0	8,579	0	8,579
NMUH	2,274	1,374	900	77	823
TOD	795	388	407	56	351
Residential Rehab	60	0	60	0	60
<b>Total Units</b>	<b>11,708</b>	<b>1,762</b>	<b>9,946</b>	<b>133</b>	<b>9,813</b>
<b>Percentage of Total Units</b>	<b>100%</b>	<b>15%</b>	<b>85%</b>	<b>1%</b>	<b>84%</b>

# Response to Recommendations

from 2008 City Audit Report, Council, County Board

Recommendation	Status	Next Steps	Timeline
Submit annual report to Council	✓	Annual report produced by PHB/PDC/BPS	Annual
Create and implement multi-family regulatory agreement	✓	PDC Extended Use Agreement for all new TOD/ NMUH projects	On-going
Review income verification process to ensure rent restricted units are occupied by qualified residents	✓	<ul style="list-style-type: none"><li>•Income data reported annually for all multi-family rent restricted units</li><li>•PDC audits reports &amp; terminates for non-compliance</li></ul>	On-going
Clarify goals & objectives of programs, assign responsibility for oversight, evaluation and reporting	In Process	<ul style="list-style-type: none"><li>•Economic Analysis – EcoNW</li><li>•Portland Plan</li><li>•Consolidated Plan</li><li>•Fish/Wheeler Policy Review Committee</li></ul>	Spring 2010
Review Method for assessing financial need for multi-family condo – recommend code revision	In Process	Staff recommendation to Policy Review Committee	Spring 2010

# Issues



- Commercial Exemptions – City & County partnering on legislation
- Regulatory/Administrative process concerns – City staff communicating with County Assessor staff
- The Economy – immediate need for stimulus/growth vs. on-going need for tax revenue to fund safety net programs

# Next Steps



- Commercial Exemption Legislation – 2010 Session (February)
- LTE Programs Review – Spring 2010
- LTE Policy/Program Recommendations – Summer 2010
- LTE Policy/Program Legislation – 2011 Session