Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

Multiple-Unit Housing Property Tax Exemption Sunset Extension

Senate Housing Committee

SB 262

Dory Van Bockel, Program Manager

February 25, 2018

MULTE Authorizing Statute – ORS 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.
    - *Ex: 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 the creation of affordable units as part of the City's Inclusionary Housing program.

Recent Tax Exemption Activity

Calendar Year	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
2017 (IH)	*41*	*$43,359*	*$1,058*
2017 (Pre-IH)	*212*	*$2,358,500*	*$11,125*
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?

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